

**CITY OF EVANSTON, ILLINOIS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**FEBRUARY 28, 2011**

**Prepared by Administrative Services Department**

# CITY OF EVANSTON, ILLINOIS

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# INTRODUCTORY SECTION

**CITY OF EVANSTON, ILLINOIS**

Principal Officials

February 28, 2011

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**LEGISLATIVE**

**CITY COUNCIL**

Elizabeth B. Tishdal, Mayor

Judy Fiske  
Peter Braithwaite  
Melissa A. Wynne  
Donald N. Wilson

Delores A. Holmes  
Mark Tendam  
Jane Grover  
Ann Rainey  
Collen Burrus

**EXECUTIVE**

Wally Bobkiewicz, City Manager

Marty Lyons, Assistant City Manager / Treasurer

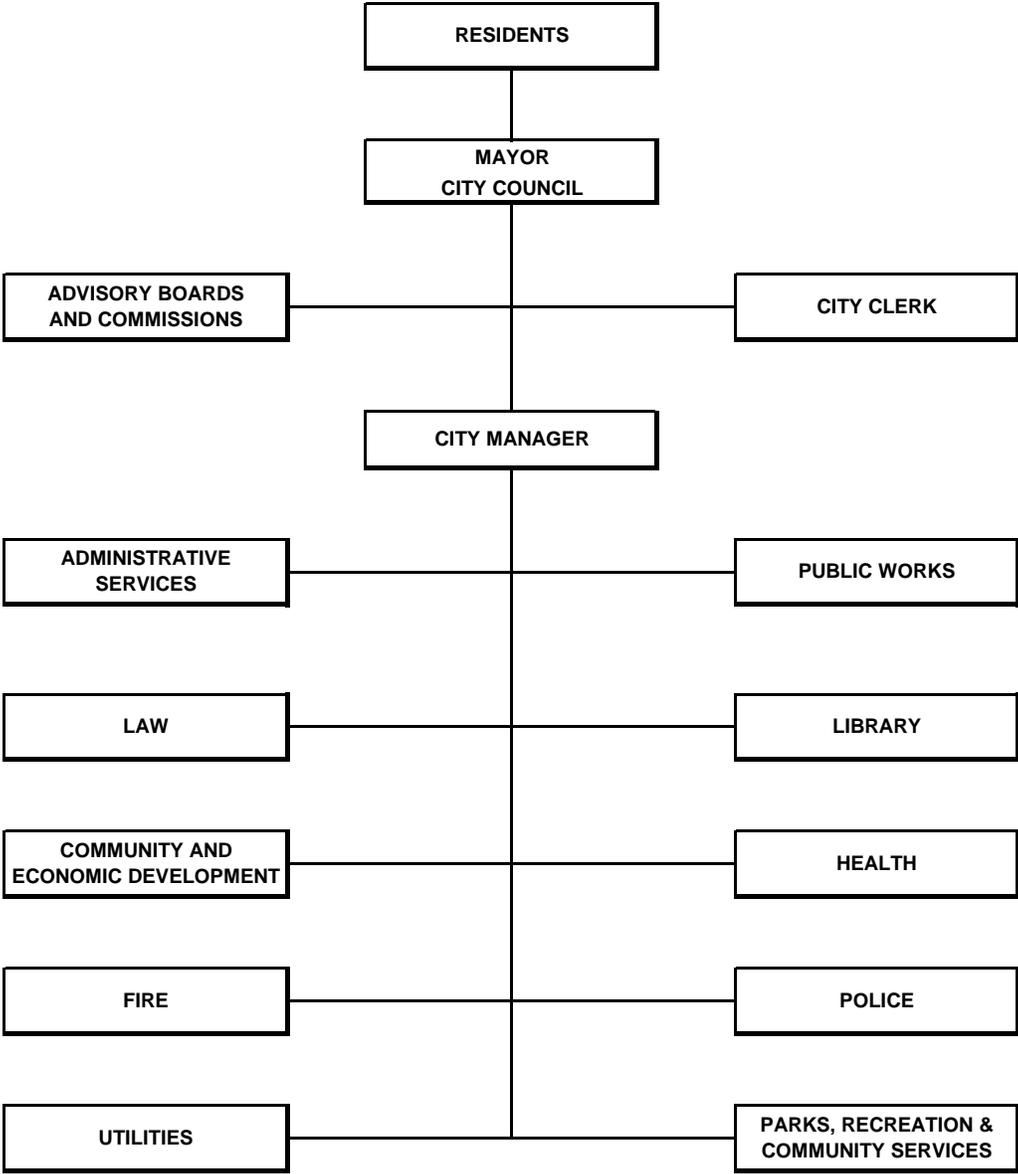
**ADMINISTRATIVE SERVICES DEPARTMENT**

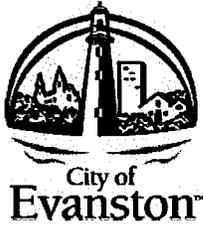
Joellen Earl, Administrative Services Director

Lou Gergits, Interim Finance Division Manager

Hitesh Desai, Accounting Manager

**CITY OF EVANSTON  
ORGANIZATION CHART**





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August 26, 2011

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 February 28, 2011 is hereby submitted. The CAFR is prepared by the City's Administrative Services Department in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Evanston for the period of March 1, 2010 to February 28, 2011. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Evanston's financial statements in conformity with generally accepted accounting principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended February 28, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended February 28, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE CITY OF EVANSTON**

**The City:** The City of Evanston constitutes many communities, perspectives, and qualities: it is a suburb, an urban center, a university town, and lake-front community; it has leafy neighborhoods and lake-front mansions; it has apartment, condominium, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, but neighborhood commercial centers are also strong and

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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 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 Administrative Services Department Director 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 2010-2011 fiscal year began on March 1. During the 2010-11 fiscal year, the City Council passed an ordinance changing the fiscal year to a calendar year effective on year ending December 31, 2011. This will result in a ten months fiscal year from March 1, 2011 to December 31, 2011. The subsequent fiscal year will be a full 12 calendar months cycle from January 1, 2012 to December 31, 2012.

Because of the change in fiscal year, the City Manager will submit to the City Council a proposed operating budget in October for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds public hearings and then may modify the budget prior to adoption. The City staff has already started a budget process for fiscal year 2012. The Council is expected to adopt the budget by November, 2011

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 2011, the City projects that 37.1% (\$73.9 million) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, Employer Pension Contribution, Parking, Water, and Sewer Funds.

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

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

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

## **MAJOR INITIATIVES – FISCAL YEAR 2011**

The City Manager's Office will: Co-manage a new 311 Call Center which utilizes appropriate customer service request management systems, maintain City Financial reserves through quarterly reporting of actual revenues and expenses against budgets and maintain community volunteer web based software platform for over 100 Evanston based agencies.

The Law Department will: Provide legal support to all City departments including but not limited to the preparation of ordinances, resolutions and agreements and contracts as needed to effectively operate the City. The department will continue representation of City in EEOC and Department of Human Rights complaints, undertake new roles regarding representation and negotiations of labor contracts, analyze and evaluate new risk management strategies for City departments and finish comprehensive review and modernization of the Evanston City Code.

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The Administrative Services Department will: Continue to analyze operations and determine methods for improved efficiencies; work with departments to implement a succession planning program; conduct a classification and compensation study; complete the migration to a less costly and more effective phone system; continue to expand opportunities for computer virtualizations; review procurement and purchasing system and conduct recruitment process for police and Fire Departments.

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

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

The Fire Department will: Conduct a Shift Chief promotional exam; coordinate emergency management for all City locations; provide advanced Cardiac Life Support training to all paramedics, implement computerized version of patient care reporting for ambulance runs and continue to spearhead the continuity of city business operations planning.

The Health Department will: Address the needs of medically underserved in Evanston; administer the Teen Pregnancy Prevention and Illinois Subsequent Pregnancy Program; expand Women Out Walking Program; develop and administer program addressing childhood obesity problem; establish the Evanston Health Advisory Committee; conduct a community wide health needs assessment; establish a dental consortium to assure oral health in Evanston and develop a collaborative program to facilitate change in Evanston corner stores for availability of healthy foods.

The Public Works Department will: Implement revisions in the delivery of sanitation services; develop a five year street maintenance plan that complements the five year resurfacing plan; complete construction of a new salt dome; complete a fleet reduction plan; explore shared work/operations across jurisdiction; develop a regional environmental use for the Recycling Center and design Civic Center parking lot resurfacing and green drainage system.

The Library Department will: Continue collaboration with other City departments, community agencies and volunteers to share resources; continue to review space needs and allocation at the main Library; secure software application for interlibrary loan as well as identify additional ways to utilize technology for customer service; work with City Development Officer to identify alternative funding opportunities and implement a collection management process.

The Parks, Recreation and Community Services will: Develop e-newsletters for Fleetwood and Crown Center; expand LEGO program to include after school classes; assist Youth and Young Adult Employment Program; continue to participate in state sponsored programs; recruit more volunteers to support senior services; continue to increase collaborations with local social service agencies to provide educational and program experiences; develop a lifeguard job training program for minority and at risk youth; develop a plan to promote and increase online program registrations; reorganize the "Activity Guide" and "Highlights" newsletter; continue the three year cycle of elm injections; work with all interested parties to continue the implementation process of Lakefront Master Plan; identify additional funding sources to increase the number of trees being planted on City parkways; assist Evanston artists and arts organizations in fostering collaboration; use the building automation systems that are in place and improve energy management techniques throughout the year to reduce energy consumption.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy:** The global economy showed signs of very moderate recovery in some of the sectors which trickled down to local economy in terms of some of the major revenues being little higher or flat while others were modestly lower in the 2010-11 fiscal year. City property tax revenues, Parking Tax and Income tax revenues were slightly less than the previous year. Some of the economically sensitive revenues such as sales tax, utility taxes and real-estate transfer taxes had very modest gains compared to the previous year. The City's FY2011 budget reflected these economic trends and the City reduced overall General Fund expenditure budget by almost 15% compared to the previous fiscal year to match decreased revenues.

**Risk Management:** The City has in place a new third-party administrator for its liability and workers' compensation claims. Based on favorable insurance experience and rates, the City reduced certain deductibles to provide more stable coverage

during the current economy. Additionally, more staff and resources are being dedicated to internal risk management and formal safety training programs are being implemented for those employees most prone to injury due to the nature of their work.

**Pension and Other Post Retirement Benefits:** The City sponsors a single-employer defined benefit pension plan for both its police and firefighters. Each year an independent actuary engaged by the City calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The city recently engaged a new actuary to provide future actuarial valuation for both pension funds.

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

The City provides a deferred compensation plan (Section 457 Plan) for its employees. This is administered by Nationwide Retirement Solutions for Fire employees and by ICMA (International City/County Management Association) Retirement Corporation for all other employees. The employees contribute on a tax deferred basis a fixed dollar amount or percentage of their salary. Besides this, a PEHP (Post Employment Health Plan) is also available to Fire and Police employees. Fire employees contribute a fixed dollar amount while Police employees contribute a fixed dollar amount and/or vacation days.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended February 28, 2010. 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.

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In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual March 1, 2010 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 Fiscal Year Ended  
February 28, 2010

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.



President

Executive Director

## FINANCIAL SECTION

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



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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the year ended February 28, 2011, which collectively comprise the City of Evanston's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Evanston's management. Our responsibility is to express opinions on these financial statements based on our audit. We have also audited the adjustment described in Note 1. S. that was applied to restate the 2010 financial statements in order to correct an error. In our opinion such adjustment is appropriate and has been properly applied.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. The financial statements of the Township of Evanston were not audited in accordance with Government Auditing Standards.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois as of February 28, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

The management's discussion and analysis (restated for the adjustment described in Note 1.S.), the schedules of funding progress, the schedules of employer contribution and the general fund budgetary comparison schedule as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, restated for the adjustment described in Note 1.S., have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Evanston's basic financial statements for the year ended February 28, 2010, which are not presented with the accompanying financial statements. In our report dated August 23, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Evanston, Illinois. In our opinion, the 2010 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended February 28, 2010, taken as a whole. The introductory section and statistical section, restated for the adjustment described in Note 1.S., have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Bakoz Tilly, Virchow Krause, LLP*

Oak Brook, Illinois  
August 26, 2011



# MANAGEMENT'S DISCUSSION AND ANALYSIS

**FEBRUARY 28, 2011**

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

## **FINANCIAL HIGHLIGHTS**

- A.** The City's net assets increased by \$15,704,299 or 5.4% from the prior fiscal year reported . The governmental net assets increased by \$8,386,484 or 12.3% from prior year and the business-type activities net assets increased by \$7,317,815 or 3.3% from prior year.
- B.** The governmental activities revenue increased by \$1,078,534 or 0.8% from the prior year. The expenses increased by \$392,096 or 0.3%.
- C.** The business-type activities revenue increased by \$344,582 or 1.1%. The expenses decreased by \$831,214 or 3.1% from the prior year.
- D.** The total cost of all City programs decreased by \$439,118 or 0.3%.

## **USING THIS ANNUAL REPORT**

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

The City's financial reporting includes the funds of the City (primary government) and additionally, organizations for which the City is accountable (component units - the Township). The Evanston Township Board of Trustees are the same individuals as the City Council members. The Township is blended into the primary government for financial reporting purposes.

## **REPORTING THE CITY AS A WHOLE**

### **Government-wide Financial Statements**

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

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

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

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

The government-wide financial statements are presented on pages 26 - 29 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 nonmajor 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 year. 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 30 - 31 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 33 - 37 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. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 38 - 39 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 40 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 99 - 103 of this report.

Major funds and component units are reported in the basic financial statements, as discussed. Combining and individual statements and schedules for nonmajor 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 72 respectively.

## Financial Analysis of the City as a Whole

The City's combined net assets increased by \$15,704,299 from prior year. This is an increase from \$288,964,462 to \$304,668,761.

### STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 114,729,694	\$ 107,966,203	\$ 28,480,227	\$ 32,307,260	143,209,921	140,273,463
Capital Assets	164,394,767	157,591,213	328,457,846	331,797,574	492,852,613	489,388,787
Total Assets	<u>279,124,461</u>	<u>265,557,416</u>	<u>356,938,073</u>	<u>364,104,834</u>	<u>636,062,534</u>	<u>629,662,250</u>
Long-Term Liabilities	160,885,656	159,018,504	126,384,704	140,231,417	287,270,360	299,249,921
Other Liabilities	41,496,813	38,183,404	2,626,600	3,264,463	44,123,413	41,447,867
Total Liabilities	<u>202,382,469</u>	<u>197,201,908</u>	<u>129,011,304</u>	<u>143,495,880</u>	<u>331,393,773</u>	<u>340,697,788</u>
Net Assets						
Investment in Capital assets, net of Debt	49,483,230	41,109,175	207,161,600	192,920,612	256,644,830	234,029,787
Restricted	23,186,893	23,645,043	1,624,016	3,378,465	24,810,909	27,023,508
Unrestricted	4,071,869	3,601,290	19,141,153	24,309,877	23,213,022	27,911,167
Total Net Assets	<u>\$ 76,741,992</u>	<u>\$ 68,355,508</u>	<u>\$ 227,926,769</u>	<u>\$ 220,608,954</u>	<u>\$ 304,668,761</u>	<u>\$ 288,964,462</u>

The City's total revenues increased by \$1,423,116 or 0.9%. The City's total expenses for all programs decreased by \$439,118, or 0.3%. Governmental activity total revenue increased by \$1,078,534 in the current fiscal year despite a reduction in Property tax revenues. This reduction was offset by increases in grants and other taxes. Net expenses in the governmental activities increased only by \$392,096 compared to previous fiscal year. This is primarily due to an increase in General Management and Public Safety expenses offset by significant decreases in Public Works and Interest costs. The revenue for business-type activities increased slightly from \$32,796,034 to \$33,140,616 or \$344,582. In summary, overall revenues increased by \$1,423,116 from \$167,707,535 to \$169,130,651.

**Governmental Funds:** The governmental activities experienced a net assets balance increase of \$8,386,484. This was primarily due to the restatement of the Early Retirement Incentive liability from the current fiscal year to the previous fiscal year ending February 28, 2010 in the amount of \$6,798,305. In addition, there was a modest increase of \$1,078,534 in the Governmental activities revenues.

**Business Funds:** The business-type activities fund balance experienced an increase in net assets of \$7,317,815, primarily due to a surplus in the Water & Sewer Funds.

(Unaudited)

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

**STATEMENT OF CHANGES IN NET ASSETS**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenue						
Program Revenues:						
Charges for services	\$ 27,437,741	\$ 25,935,527	\$ 33,118,200	\$ 32,709,014	\$ 60,555,941	\$ 58,644,541
Operating grants and contributions	9,851,363	5,897,899	-	-	9,851,363	5,897,899
Capital grants and contributions	8,026,115	4,037,167	-	-	8,026,115	4,037,167
General Revenues:						
Sales taxes	15,577,087	14,880,164	-	-	15,577,087	14,880,164
Property taxes	47,039,986	58,839,049	-	-	47,039,986	58,839,049
Utility taxes	7,872,181	7,856,422	-	-	7,872,181	7,856,422
Other taxes	19,628,769	16,744,138	-	-	19,628,769	16,744,138
Investment income	556,793	721,135	22,416	87,020	579,209	808,155
Total Revenue	<u>135,990,035</u>	<u>134,911,501</u>	<u>33,140,616</u>	<u>32,796,034</u>	<u>169,130,651</u>	<u>167,707,535</u>
Expenses						
General management and support	17,517,168	19,772,716	-	-	17,517,168	19,772,716
Public safety	53,226,114	50,488,218	-	-	53,226,114	50,488,218
Public works	15,625,868	18,509,233	-	-	15,625,868	18,509,233
Health and human resources development	4,540,954	4,760,324	-	-	4,540,954	4,760,324
Recreation and cultural opportunities	20,142,331	20,066,105	-	-	20,142,331	20,066,105
Housing and economic development	10,857,192	9,120,080	-	-	10,857,192	9,120,080
Interest	5,594,828	4,395,683	-	-	5,594,828	4,395,683
Water	-	-	8,712,801	9,133,593	8,712,801	9,133,593
Sewer	-	-	8,784,230	8,778,917	8,784,230	8,778,917
Motor vehicle parking system	-	-	8,424,866	8,840,601	8,424,866	8,840,601
Total Expense	<u>127,504,455</u>	<u>127,112,359</u>	<u>25,921,897</u>	<u>26,753,111</u>	<u>153,426,352</u>	<u>153,865,470</u>
Increase in net assets before transfers	8,485,580	7,799,142	7,218,719	6,042,923	15,704,299	13,842,065
Transfers	(99,096)	(13,700,289)	99,096	13,700,289	-	-
Increase/(Decrease) in Net Assets	8,386,484	(5,901,147)	7,317,815	19,743,212	15,704,299	13,842,065
Restatement - ERI	-	(6,798,305)	-	(1,106,701)	-	(7,905,006)
Net Assets - Beginning	<u>68,355,508</u>	<u>81,054,960</u>	<u>220,608,954</u>	<u>201,972,443</u>	<u>288,964,462</u>	<u>283,027,403</u>
Net Assets - Ending	<u>\$ 76,741,992</u>	<u>\$ 68,355,508</u>	<u>\$ 227,926,769</u>	<u>\$ 220,608,954</u>	<u>\$ 304,668,761</u>	<u>\$ 288,964,462</u>

**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 year in comparison with upcoming financing requirements. Governmental funds reported fund balances of \$71,313,754 as a year-end total which includes \$21,644,374 unreserved/undesignated, \$18,936,379 unreserved/designated and \$30,733,001 reserved. The reserved fund balance consists of amounts required to be set aside by external authorities as well as capital (unspendable) assets.

(Unaudited)

### *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 slightly increased by \$1,816,203 primarily due to a one time revenue of \$1,900,000 from the land sale to the Chiravalle School property. Excess of expenditure over revenues in the amount of \$10,496,858 was offset by bond proceeds and interfunds transfers to the General Fund. Revenues that came in better than budgeted included the Real Estate Transfer tax, Building Permits, Motor Fuel tax and Parking tax. Conversely, Utility tax, Property tax and Vehicle License revenues were slightly lower than budgeted. Administrative Services, Health, Police and Fire department expenses were over budget for the year and the City Manager's Office, Public Works, Community Development, and Parks Recreation and Community Services were all under budget for the year.

The Capital Improvements fund accounts for the City's governmental funds capital improvement program. The program includes improvements to public buildings, paving of city streets, improvement and development of recreation facilities and other improvements. The fund balance of the Capital Improvements fund increased by \$463,570, from \$5,441,774 to \$5,905,344. For fiscal year 2010-11 funding for capital projects was roughly equal to total capital outlays and interfund transfers to other funds in order to maintain a fund balance necessary to begin each capital construction season.

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 increase in assets and liabilities of \$2,111,861 from the last fiscal year.

### *Combined Non-Major Governmental Funds*

Combined non-major fund balances totaled \$43,404,658, a slight decrease of \$189,951 from prior year of \$43,594,609. Non-major funds with surpluses for the fiscal year include Economic Development, Library Endowment, Neighborhood Improvement, Affordable Housing, Township, Washington National TIF, West Evanston TIF and Howard Hartrey TIF. Non-major funds with deficits for the year include the Motor Fuel, Emergency Telephone System, SSD#4, SSD#5, Southwest TIF, Howard Ridge TIF, General obligation debt and Special Assessment Capital Project Fund.

### *Proprietary Funds*

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

The main proprietary funds operated by the City are the Water, Sewer, and Parking Funds. The Water and Sewer funds have a combined increase of \$6,363,755 in the net assets because of increased revenues and reduced operating expenses and interest expense. The Parking fund added \$954,060 to the net assets during the year primarily due to the reduced interest expense. 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 and therefore, large debt payments will be required in the future.

### *Internal Service Funds*

The City's combined internal service funds net assets increased by \$1,101,447 from \$1,673,410 as of February 28, 2010 to \$2,774,857 as of February 28, 2011. Fleet Fund reported increase in net assets primarily due to higher charges for services. The net deficit in the Insurance Fund went up by \$809,293 because of higher claims settlement and recording of potential claim liabilities.

### ***General Fund Budgetary Highlights***

Total actual revenues for the General Fund were \$83,624,972 while total expenditures were \$93,875,618. Actual revenues in the General Fund came in higher than budget by \$2,160,472 primarily due to sale of land for \$1,900,000. Total expenditures in the General Fund were less than budgeted amounts by \$1,227,024 mainly due to continuous restructuring of departments and other cost saving measures in various operating divisions. The actual net deficiency in revenues under expenditures of \$10,250,646 was offset by \$5,409,384 in transfers from other funds and bond proceeds of \$6,903,677.

### ***Capital Assets***

The City established a policy of capitalizing equipment and vehicles with \$20,000 or more in value and infrastructure and building improvements with \$100,000 or more in value. The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities, as of February 28, 2011, was \$492,852,613. The governmental funds capital assets increased by \$6,803,554 while business type capital assets decreased by \$3,339,728. Overall, capital assets increased by 1% for the City as a whole. The Governmental funds reported sizeable increase in infrastructure assets primarily in streets, parks and alleys. In business funds, Water reported a modest increase while Parking and Sewer Funds reported a decrease in net capital assets. Readers desiring more detailed information on capital asset activity should see Note 6 in the Notes to the Financial Statements.

### ***Long-Term Debt***

At the end of the fiscal year, the City had total general obligation bonded debt outstanding of \$153,535,000, of which \$36,212,561 was for business type activities to be paid for by the City's Parking, Water and Sewer Funds. The City's G.O. debt service principal payments for 2010-11 totaled \$12,435,000 of which, \$6,472,660 was abated. During the current year, the City issued \$14,500,000 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 see 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 non profit organizations including a very well known private university, two hospitals, and many smaller scale retail shops and restaurants as well as some popular big box retailers. In general, economically sensitive revenues such as Sales Tax, Real Estate Transfer Tax and Building Permits came in a little higher than budgeted revenues. Most other revenues remained relatively flat with few exceptions.

The unemployment rate in Evanston has increased at a similar pace as many other cities in the State, however the City maintained its distance between state and federal employment 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 non profit organizations which make a large portion of Evanston's workforce, the City has been somewhat insulated from the economic downturn in employment areas.

### ***Contacting the City's Financial Management***

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Administrative Services Department at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201 or access the website at [www.cityofevanston.org](http://www.cityofevanston.org).

## BASIC FINANCIAL STATEMENTS

**CITY OF EVANSTON, ILLINOIS**

Statement of Net Assets

February 28, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 44,719,071	\$ 17,860,264	\$ 62,579,335
Investments	2,696,637	-	2,696,637
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	48,239,950	-	48,239,950
Accounts	-	4,438,174	4,438,174
Notes	6,002,308	-	6,002,308
Special assessments	862,381	-	862,381
Accrued interest	1,656	-	1,656
Other	3,087,717	61,308	3,149,025
Due from other governments	8,011,185	-	8,011,185
Internal balances	(896,266)	896,266	-
Inventories	396,460	762,361	1,158,821
Restricted assets			
Cash and equivalents and investments	-	4,212,854	4,212,854
Prepaid items	1,172,980	-	1,172,980
Other assets	25,615	249,000	274,615
Property held for resale	410,000	-	410,000
Capital assets			
Capital assets not being depreciated	27,565,632	4,429,912	31,995,544
Capital assets (net of accumulated depreciation)	136,829,135	324,027,934	460,857,069
Total Assets	279,124,461	356,938,073	636,062,534

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Vouchers payable	\$ 3,817,638	\$ 246,200	\$ 4,063,838
Accrued payroll	3,522,131	-	3,522,131
Interest payable	1,133,800	264,909	1,398,709
Other payables	102,053	-	102,053
Due to other governments	1,395	-	1,395
Due to pension funds	6,111,870	-	6,111,870
Payable from restricted assets			
Vouchers payable	-	1,227,077	1,227,077
Interest payable	-	887,740	887,740
Deferred revenues	26,807,926	674	26,808,600
Noncurrent liabilities			
Payable from restricted assets - due			
within one year	-	11,090,988	11,090,988
Due within one year	15,766,952	3,262,998	19,029,950
Due in more than one year	145,118,704	112,030,718	257,149,422
<b>Total Liabilities</b>	<b>202,382,469</b>	<b>129,011,304</b>	<b>331,393,773</b>
Net Assets			
Investment in capital assets, net of related debt	49,483,230	207,161,600	256,644,830
Restricted			
Culture and recreation	1,199,379	-	1,199,379
Capital improvements	-	400,000	400,000
Debt service	21,192,017	1,224,016	22,416,033
Other	795,497	-	795,497
Unrestricted	4,071,869	19,141,153	23,213,022
<b>Total Net Assets</b>	<b>\$ 76,741,992</b>	<b>\$ 227,926,769</b>	<b>\$ 304,668,761</b>

**CITY OF EVANSTON, ILLINOIS**

Statement of Activities

Year ended February 28, 2011

<u>Functions/Programs</u>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Governmental activities:</b>			
General management and support	\$ 17,517,168	\$ 12,795,815	\$ -
Public safety	53,226,114	1,145,103	51,359
Public works	15,625,868	634,811	1,949,158
Health and human resource development	4,540,954	1,539,405	1,010,301
Recreation and cultural opportunities	20,142,331	5,265,054	-
Housing and economic development	10,857,192	6,057,553	6,840,545
Interest	5,594,828	-	-
<b>Total governmental activities</b>	<b>127,504,455</b>	<b>27,437,741</b>	<b>9,851,363</b>
<b>Business-type activities:</b>			
Water	8,712,801	13,737,882	-
Sewer	8,784,230	13,393,286	-
Motor vehicle parking system	8,424,866	5,987,032	-
<b>Total business-type activities</b>	<b>25,921,897</b>	<b>33,118,200</b>	<b>-</b>
<b>Total</b>	<b>\$ 153,426,352</b>	<b>\$ 60,555,941</b>	<b>\$ 9,851,363</b>

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

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ (4,721,353)	\$ -	\$ (4,721,353)
-	(52,029,652)	-	(52,029,652)
6,149,395	(6,892,504)	-	(6,892,504)
-	(1,991,248)	-	(1,991,248)
-	(14,877,277)	-	(14,877,277)
1,876,720	3,917,626	-	3,917,626
-	(5,594,828)	-	(5,594,828)
<u>8,026,115</u>	<u>(82,189,236)</u>	<u>-</u>	<u>(82,189,236)</u>
-	-	5,025,081	5,025,081
-	-	4,609,056	4,609,056
-	-	(2,437,834)	(2,437,834)
<u>-</u>	<u>-</u>	<u>7,196,303</u>	<u>7,196,303</u>
<u>\$ 8,026,115</u>	<u>(82,189,236)</u>	<u>7,196,303</u>	<u>(74,992,933)</u>
	47,039,986	-	47,039,986
	7,872,454	-	7,872,454
	1,473,999	-	1,473,999
	15,577,087	-	15,577,087
	5,808,360	-	5,808,360
	7,872,181	-	7,872,181
	4,473,956	-	4,473,956
	556,793	22,416	579,209
	(99,096)	99,096	-
	<u>90,575,720</u>	<u>121,512</u>	<u>90,697,232</u>
	8,386,484	7,317,815	15,704,299
	<u>68,355,508</u>	<u>220,608,954</u>	<u>288,964,462</u>
	<u>\$ 76,741,992</u>	<u>\$ 227,926,769</u>	<u>\$ 304,668,761</u>

**CITY OF EVANSTON, ILLINOIS**

Governmental Funds

Balance Sheet  
February 28, 2011

Assets	General	Capital Improvements	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 10,303,331	\$ 7,890,293	\$ -	\$ 25,098,752	\$ 43,292,376
Investments	-	-	-	2,696,637	2,696,637
Receivables					
Property taxes (net of allowance)	16,118,287	-	13,325,794	18,795,869	48,239,950
Notes (net of allowance)	-	-	-	6,002,308	6,002,308
Special assessments	-	-	-	862,381	862,381
Accrued interest	-	-	-	1,656	1,656
Other	1,983,145	-	-	478,825	2,461,970
Property held for resale	-	-	-	410,000	410,000
Prepaid items	-	-	-	1,012	1,012
Due from other governments	7,112,895	152,918	163,000	582,372	8,011,185
Due from other funds	545,268	-	-	300,426	845,694
Other assets	25,615	-	-	-	25,615
<b>Total Assets</b>	<b>\$ 36,088,541</b>	<b>\$ 8,043,211</b>	<b>\$ 13,488,794</b>	<b>\$ 55,230,238</b>	<b>\$ 112,850,784</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Vouchers payable	\$ 1,869,559	\$ 980,417	\$ -	\$ 566,082	\$ 3,416,058
Accrued payroll	3,522,131	-	-	-	3,522,131
Compensated absences payable	29,156	-	-	-	29,156
Other	97,425	-	-	4,628	102,053
Due to other governments	-	-	-	1,395	1,395
Due to other funds	170,443	1,157,450	6,111,700	218,718	7,658,311
Deferred revenues	8,396,075	-	7,377,094	11,034,757	26,807,926
<b>Total Liabilities</b>	<b>14,084,789</b>	<b>2,137,867</b>	<b>13,488,794</b>	<b>11,825,580</b>	<b>41,537,030</b>
<b>Fund Balances</b>					
Reserved	1,994,876	-	-	28,328,125	30,323,001
Reserved for HUD Approved Projects	-	-	-	410,000	410,000
Unreserved designated					
General fund	5,426,913	-	-	-	5,426,913
Capital improvement funds	-	5,905,344	-	-	5,905,344
Capital project funds	-	-	-	3,759,954	3,759,954
Special revenue funds	-	-	-	3,844,168	3,844,168
Unreserved undesignated					
Special revenue funds	-	-	-	7,062,411	7,062,411
General fund	14,581,963	-	-	-	14,581,963
<b>Total Fund Balances</b>	<b>22,003,752</b>	<b>5,905,344</b>	<b>-</b>	<b>43,404,658</b>	<b>71,313,754</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 36,088,541</b>	<b>\$ 8,043,211</b>	<b>\$ 13,488,794</b>	<b>\$ 55,230,238</b>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					159,076,372
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.					(153,920,379)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.					(1,368,812)
Interest accrual from last interest payment (December 1, 2010 or January 1, 2011) to February 28, 2011.					(1,133,800)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.					2,774,857
<b>Net assets of governmental activities</b>					<b>\$ 76,741,992</b>

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  
Year ended February 28, 2011

	General	Capital Improvements	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 39,184,101	\$ -	\$ 13,191,893	\$ 21,183,408	\$ 73,559,402
Licenses and permits	8,661,398	-	-	-	8,661,398
Special assessments	-	-	-	429,487	429,487
Intergovernmental	15,745,906	1,876,720	-	8,833,514	26,456,140
Charges for services	9,785,836	-	-	-	9,785,836
Fines and forfeits	4,002,700	-	-	-	4,002,700
Investment income	11,454	49,068	-	494,344	554,866
Miscellaneous	5,987,365	80,866	-	320,653	6,388,884
<b>Total Revenues</b>	<b>83,378,760</b>	<b>2,006,654</b>	<b>13,191,893</b>	<b>31,261,406</b>	<b>129,838,713</b>
<b>Expenditures</b>					
<b>Current</b>					
General management and support	21,814,654	119,426	-	1,529,359	23,463,439
Public safety	35,258,964	79,169	13,191,893	1,821,835	50,351,861
Public works	12,618,308	123,182	-	1,311,942	14,053,432
Health and human resource development	3,700,431	-	-	840,523	4,540,954
Recreation and cultural opportunities	17,390,458	7,792	-	293	17,398,543
Housing and economic development	2,952,803	-	-	8,392,193	11,344,996
<b>Debt service</b>					
Principal	101,030	243,764	-	7,304,740	7,649,534
Interest	38,970	-	-	4,838,812	4,877,782
Fiscal agent fees	-	-	-	12,248	12,248
Capital outlay	-	6,920,986	-	190,932	7,111,918
<b>Total Expenditures</b>	<b>93,875,618</b>	<b>7,494,319</b>	<b>13,191,893</b>	<b>26,242,877</b>	<b>140,804,707</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,496,858)</b>	<b>(5,487,665)</b>	<b>-</b>	<b>5,018,529</b>	<b>(10,965,994)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	5,409,384	-	-	317,954	5,727,338
Transfers out	-	(658,121)	-	(5,526,434)	(6,184,555)
Issuance of debt	6,893,299	6,500,000	-	-	13,393,299
Premiums and discounts	3,023	101,434	-	-	104,457
Accrued interest	7,355	7,922	-	-	15,277
<b>Total Other Financing Sources (Uses)</b>	<b>12,313,061</b>	<b>5,951,235</b>	<b>-</b>	<b>(5,208,480)</b>	<b>13,055,816</b>
<b>Net Change in Fund Balances</b>	<b>1,816,203</b>	<b>463,570</b>	<b>-</b>	<b>(189,951)</b>	<b>2,089,822</b>
<b>Fund Balances -Beginning of Year</b>	<b>20,187,549</b>	<b>5,441,774</b>	<b>-</b>	<b>43,594,609</b>	<b>69,223,932</b>
<b>Fund Balances - End of Year</b>	<b>\$ 22,003,752</b>	<b>\$ 5,905,344</b>	<b>\$ -</b>	<b>\$ 43,404,658</b>	<b>\$ 71,313,754</b>

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

Year ended February 28, 2011

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

Net change in fund balances - total governmental funds	\$ 2,089,822
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.	6,849,132
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets.	17,352,207
Issuance of Bonds provides current financial resources to governmental funds. This transaction has no effect on net assets. Governmental funds also report the effect of bonds premiums, discounts and similar items when debt is first issued.	(13,497,756)
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.	(5,122,475)
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.	(352,016)
Change in Interest accrual for the fiscal year ended February 28, 2011.	(33,877)
Internal service funds are reported separately in the fund financial statements.	<u>1,101,447</u>
Change in net assets of governmental activities	<u>\$ 8,386,484</u>

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Statement of Net Assets  
February 28, 2011

Assets	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
<b>Current Assets</b>					
Cash and equivalents	\$ 6,275,816	\$ -	\$ 11,584,448	\$ 17,860,264	\$ 1,426,695
Restricted cash and equivalents and investments	1,060,301	3,152,553	-	4,212,854	-
Receivables					
Accounts - billed	1,182,100	266,445	-	1,448,545	-
Accounts - unbilled	896,991	2,092,638	-	2,989,629	-
Other	-	-	61,308	61,308	625,747
Due from other funds	19,768	-	5,150,000	5,169,768	15,334
Inventories	609,278	153,083	-	762,361	396,460
Prepaid Expenses	-	-	-	-	1,171,968
<b>Total Current Assets</b>	<b>10,044,254</b>	<b>5,664,719</b>	<b>16,795,756</b>	<b>32,504,729</b>	<b>3,636,204</b>
<b>Noncurrent Assets</b>					
Capital Assets					
Capital assets not being depreciated	1,327,638	-	3,102,274	4,429,912	-
Capital assets being depreciated	76,318,163	243,285,415	79,110,715	398,714,293	20,431,236
Less accumulated depreciation	(20,784,758)	(38,182,184)	(15,719,417)	(74,686,359)	(15,112,841)
<b>Total Capital Assets</b>	<b>56,861,043</b>	<b>205,103,231</b>	<b>66,493,572</b>	<b>328,457,846</b>	<b>5,318,395</b>
Other Assets					
Notes Receivable	-	-	249,000	249,000	-
<b>Total Noncurrent Assets</b>	<b>56,861,043</b>	<b>205,103,231</b>	<b>66,742,572</b>	<b>328,706,846</b>	<b>5,318,395</b>
<b>Total Assets</b>	<b>66,905,297</b>	<b>210,767,950</b>	<b>83,538,328</b>	<b>361,211,575</b>	<b>8,954,599</b>

The accompanying notes are an integral part of this statement.

Liabilities	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
<b>Current Liabilities</b>					
Vouchers payable	\$ 149,995	\$ 10,161	\$ 86,044	\$ 246,200	\$ 401,580
Vouchers payable - restricted	-	1,227,077	-	1,227,077	-
Interest payable	-	-	264,909	264,909	-
Interest payable - restricted	8,224	879,516	-	887,740	-
Revenue bonds payable	479,167	-	-	479,167	-
Revenue bonds payable - restricted	95,833	-	-	95,833	-
Compensated absences payable	216,943	77,615	31,973	326,531	31,451
General obligation bonds payable	62,272	13,622	2,381,406	2,457,300	-
General obligation bonds payable - restricted	-	2,863,200	-	2,863,200	-
Claims payable	-	-	-	-	2,703,328
Notes payable - Sewer IEPA Loans - restricted	28,937	8,103,018	-	8,131,955	-
Due to other funds	155,258	4,059,192	59,052	4,273,502	210,853
Unearned revenue	674	-	-	674	-
<b>Total Current Liabilities</b>	<b>1,197,303</b>	<b>17,233,401</b>	<b>2,823,384</b>	<b>21,254,088</b>	<b>3,347,212</b>
<b>Long-Term Liabilities</b>					
Notes payable - Sewer IEPA Loans	1,128,514	77,798,681	-	78,927,195	-
General obligation bonds payable	649,179	7,527,138	22,715,744	30,892,061	-
OPEB liability payable	84,726	23,839	24,334	132,899	29,331
Revenue bonds payable	595,000	-	-	595,000	-
Unamortized bond discount/premium	12,419	264,950	615,588	892,957	-
Compensated absences payable	237,514	84,971	35,003	357,488	51,324
IMRF Pension contributions payable	149,845	33,311	49,962	233,118	-
Claims payable	-	-	-	-	2,751,875
<b>Total Long-Term Liabilities</b>	<b>2,857,197</b>	<b>85,732,890</b>	<b>23,440,631</b>	<b>112,030,718</b>	<b>2,832,530</b>
<b>Total Liabilities</b>	<b>4,054,500</b>	<b>102,966,291</b>	<b>26,264,015</b>	<b>133,284,806</b>	<b>6,179,742</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	55,092,894	108,690,722	43,377,984	207,161,600	5,318,395
Restricted for debt service	1,224,016	-	-	1,224,016	-
Restricted for capital improvements	400,000	-	-	400,000	-
Unrestricted	6,133,887	(889,063)	13,896,329	19,141,153	(2,543,538)
<b>Total net assets</b>	<b>\$ 62,850,797</b>	<b>\$ 107,801,659</b>	<b>\$ 57,274,313</b>	<b>\$ 227,926,769</b>	<b>\$ 2,774,857</b>

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Year ended February 28, 2011

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Operating Revenues					
Charges for services	\$ 13,086,057	\$ 13,347,308	\$ 5,894,507	\$ 32,327,872	\$ 20,556,190
Miscellaneous	651,825	45,978	92,525	790,328	4,848
Total Operating Revenues	13,737,882	13,393,286	5,987,032	33,118,200	20,561,038
Operating Expenses Excluding Depreciation					
Administration	820,136	1,843,159	1,602,045	4,265,340	-
Operations	6,371,441	559,549	3,734,977	10,665,967	19,836,523
Total Operating Expenses Excluding Depreciation	7,191,577	2,402,708	5,337,022	14,931,307	19,836,523
Operating Income (Loss) Before Depreciation	6,546,305	10,990,578	650,010	18,186,893	724,515
Depreciation	1,439,663	3,291,386	2,038,940	6,769,989	1,197,047
Operating Income (Loss)	5,106,642	7,699,192	(1,388,930)	11,416,904	(472,532)
Nonoperating Revenues (Expenses)					
Investment income	14,799	1,619	5,998	22,416	1,927
Interest expense	(67,615)	(3,146,960)	(1,122,958)	(4,337,533)	-
Bond expenses and amortization of discount	1,129	-	74,054	75,183	-
Amortization of bond premium	-	56,824	-	56,824	-
Other expenses	(1,641)	-	-	(1,641)	-
Gain (loss) on disposition of assets	(13,434)	-	-	(13,434)	74,907
Total Nonoperating Revenues (Expenses)	(66,762)	(3,088,517)	(1,042,906)	(4,198,185)	76,834
Income (Loss) before transfers and contributions	5,039,880	4,610,675	(2,431,836)	7,218,719	(395,698)
Capital Contribution - Governmental Activities	-	-	-	-	1,139,024
Transfers In (Out)					
Capital Improvements	-	-	-	-	358,121
Washington National Tax Increment District General	(3,286,800)	-	3,385,896	3,385,896	-
Total Transfers In (Out)	(3,286,800)	-	3,385,896	99,096	358,121
Change in Net Assets	1,753,080	4,610,675	954,060	7,317,815	1,101,447
Total Net Assets - Beginning of Year, as restated	61,097,717	103,190,984	56,320,253	220,608,954	1,673,410
Total Net Assets - End of Year	\$ 62,850,797	\$ 107,801,659	\$ 57,274,313	\$ 227,926,769	\$ 2,774,857

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Statement of Cash Flows  
Year ended February 28, 2011

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 14,756,015	13,234,865	\$ 5,990,174	\$ 33,981,054	\$ 20,561,309
Receipts from interfund services provided	-	4,054,159	-	4,054,159	-
Payments to suppliers	(6,690,811)	(667,564)	(3,843,873)	(11,202,248)	(3,136,416)
Payments to employees	(667,915)	(1,756,792)	(1,563,685)	(3,988,392)	(3,866,022)
Payments for interfund services provided	(100,966)	-	(3,802,573)	(3,903,539)	(103,121)
Payments for insurance premiums	-	-	7,636	7,636	(12,355,778)
Net Cash Provided by (Used for) Operating Activities	<u>7,296,323</u>	<u>14,864,668</u>	<u>(3,219,957)</u>	<u>18,941,034</u>	<u>1,099,972</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In (Out)					
Capital Improvements	-	-	-	-	358,121
Washington Tax Increment District	-	-	3,385,896	3,385,896	-
General	(3,286,800)	-	-	(3,286,800)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(3,286,800)</u>	<u>-</u>	<u>3,385,896</u>	<u>99,096</u>	<u>358,121</u>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Sale of capital assets	-	-	-	-	91,591
Acquisition and construction of capital assets	(3,134,711)	(146,166)	(164,457)	(3,445,334)	(1,801,097)
Early Retirement Incentive payment	(711,451)	(158,100)	(237,150)	(1,106,701)	-
Principal paid on revenue bonds	(554,166)	-	-	(554,166)	-
Interest paid on revenue bonds	(67,615)	-	-	(67,615)	-
Proceeds from general obligation bonds	711,451	158,100	237,150	1,106,701	-
Principal paid on general obligation bonds	-	(2,710,260)	(2,420,000)	(5,130,260)	-
Interest paid on general obligation bonds	-	(734,437)	(1,122,958)	(1,857,395)	-
Principal paid on IEPA loans	-	(8,226,025)	-	(8,226,025)	-
Interest paid on IEPA loans	-	(2,497,893)	-	(2,497,893)	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(3,756,492)</u>	<u>(14,314,781)</u>	<u>(3,707,415)</u>	<u>(21,778,688)</u>	<u>(1,709,506)</u>
<b>Cash Flows from Investing Activities</b>					
Interest income	14,799	1,619	5,998	22,416	1,927
Net Cash Provided by Investing Activities	<u>14,799</u>	<u>1,619</u>	<u>5,998</u>	<u>22,416</u>	<u>1,927</u>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<u>267,830</u>	<u>551,506</u>	<u>(3,535,478)</u>	<u>(2,716,142)</u>	<u>(249,486)</u>
<b>Cash and Equivalents</b>					
Beginning of year	<u>7,068,287</u>	<u>2,601,047</u>	<u>15,119,926</u>	<u>24,789,260</u>	<u>1,676,181</u>
End of year	<u>\$ 7,336,117</u>	<u>\$ 3,152,553</u>	<u>\$ 11,584,448</u>	<u>\$ 22,073,118</u>	<u>\$ 1,426,695</u>
<b>Reconciliation</b>					
Cash and equivalents					
Current Cash	\$ 6,275,816	\$ -	\$ 11,584,448	\$ 17,860,264	\$ 1,426,695
Restricted Current Cash	1,060,301	3,152,553	-	4,212,854	-
	<u>\$ 7,336,117</u>	<u>\$ 3,152,553</u>	<u>\$ 11,584,448</u>	<u>\$ 22,073,118</u>	<u>\$ 1,426,695</u>

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued  
 Year ended February 28, 2011

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 5,106,642	\$ 7,699,192	\$ (1,388,930)	\$ 11,416,904	\$ (472,532)
Depreciation	1,439,663	3,291,386	2,038,940	6,769,989	1,197,047
Changes in assets and liabilities					
Increase/decrease in A/R miscellaneous	(147,505)	(159,809)	-	(307,314)	271
Other receivables	1,173,663	-	(1,858)	1,171,805	-
Notes receivables	-	-	5,000	5,000	-
Interfund receivable	-	-	(3,802,573)	(3,802,573)	-
Inventories	62,096	27,294	-	89,390	(52,671)
Accrued interest receivable	-	1,388	-	1,388	-
Compensated absences	(19,224)	45,777	(19,238)	7,315	(2,136)
Bonds payable	4,166	-	-	4,166	243,110
Interfund payable	(100,966)	4,054,159	-	3,953,193	(103,121)
OPEB liability payable	21,600	7,279	7,636	36,515	8,546
IMRF contributions payable	149,845	33,311	49,962	233,118	-
Unearned revenue	(12,191)	-	-	(12,191)	-
Vouchers payable	(355,494)	5,522	(101,123)	(451,095)	(377)
Vouchers payable (restricted)	(22,318)	(45,688)	13,335	(54,671)	-
Interest payable	(3,654)	(95,143)	(21,108)	(119,905)	-
Claims payable	-	-	-	-	281,835
Net Cash Provided by (Used for) Operating Activities	\$ 7,296,323	\$ 14,864,668	\$ (3,219,957)	\$ 18,941,034	\$ 1,099,972

Concluded

## CITY OF EVANSTON, ILLINOIS

### Fiduciary Funds

#### Statement of Net Assets

February 28, 2011

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	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	<u>\$ 7,009,095</u>
Receivables	
Accrued interest	262,142
Contribution receivable - Due from other funds	<u>6,112,022</u>
Total Receivables	<u>6,374,164</u>
Investments, at fair value	
U.S. Government obligations	44,618,916
Common stock	22,682,767
Mutual funds	<u>46,144,545</u>
Total Investments	<u>113,446,228</u>
Total Assets	<u>126,829,487</u>
Liabilities	
Vouchers payable	4,999
Due To Fire	<u>152</u>
Total Liabilities	<u>5,151</u>
Net assets held in trust	<u><u>\$ 126,824,336</u></u>

The accompanying notes are an integral part of this statement.

## CITY OF EVANSTON, ILLINOIS

### Fiduciary Funds - Pension Trust Funds

#### Statement of Changes in Plan Net Assets Year Ended February 28, 2011

	Pension Trust Funds
<hr/>	
Additions	
Contributions	
Employer	\$ 13,191,893
Plan members	2,019,636
Other-Donations, Legal Sett., Surplus Sales	95
Total contributions	<u>15,211,624</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	9,089,361
Investment income	<u>2,136,248</u>
Total investment income	11,225,609
Less investment expense	<u>328,586</u>
Net investment income	<u>10,897,023</u>
Total additions	<u>26,108,647</u>
Deductions	
Benefits	14,303,621
Refunds of contributions	149,950
Administrative expense	<u>120,802</u>
Total deductions	<u>14,574,373</u>
Net increase	11,534,274
Net assets held in trust for pension benefits	
Beginning of year	<u>115,290,062</u>
End of year	<u><u>\$ 126,824,336</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 Ending February 28, 2011

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#### **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, 2010. This report is the most recent one available.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**A. Reporting Entity - Continued**

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

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

Joint Ventures:

The City participates in two joint ventures, which are reported as nonequity governmental joint ventures and are described in Footnote 14. The joint ventures are: City of Evanston and Solid Waste Agency of Northern Cook County (SWANCC) and Evanston Housing Corporation.

**B. Government-wide and Fund Financial Statements**

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

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

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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."

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

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

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

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

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

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.

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

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

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

The City reports the following major governmental funds:

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

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

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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

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.

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

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#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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.

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.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**G. Inventories**

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.

**H. Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Infrastructure acquired prior to the February 28, 2003 implementation of GASB 34 has been reported.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<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.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**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.

**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 year between March 1, 2010 and February 28, 2011 and all property tax collections received within 60 days after the end of the fiscal year. 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 Ending February 28, 2011

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**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 2009 property tax levy that will not be collected within 60 days of the Township's March 31, 2010 year-end. A 5% allowance for loss is reflected in the Township financial statements.

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change.

**N. Interfund Transactions**

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

**O. Use of Estimates**

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

**P. Property Held for Resale**

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

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, Statement 61, The Financial Reporting Entity: Omnibus, and Statement No.62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Application of these standards may restate portions of these financial statements.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**R. Accounting and Financial Reporting for Intangible Assets**

Governmental Accounting Standards Board (GASB) statement No. 51 establishes standards of accounting and financial reporting for intangible assets. Accordingly, Computer Software and Systems have been reclassified and reported as intangible assets in the Capital Assets footnote.

**S. Restatement of Net Assets**

The City's net assets for the period ending February 28, 2010 have been restated for the Governmental activities in the amount of \$6,798,305 and Business type activities in the amount of \$1,106,701. In the Business type activities, net assets of Water Fund, Sewer Fund and Parking Fund were restated for \$711,451, \$158,100 and \$237,150 respectively. The net assets were restated (decreased) to correct an error because of the IMRF Employee Retirement Incentive (ERI) benefit liability incurred in the earlier year but not recorded.

**T. Conduit Debt**

The City has issued \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

---

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

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

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

General obligation bonds payable	\$ 117,322,439
Bonds premium liability	4,118,638
Compensated absences payable	9,910,267
Capital lease	363,759
IMRF Pension contributions payable	1,223,870
Pension contributions payable	<u>20,981,406</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 153,920,379</u>

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

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

Capital outlay	\$ 14,513,785
Depreciation expense	<u>(7,664,653)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 6,849,132</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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

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

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

Principal repayments:

General obligation debt	\$ 6,989,740
SSD#5 Bond	315,000
IMRF Pension contributions payable	2,904,369
Capital lease	344,793
Early Retirement Incentive payable	<u>6,798,305</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 17,352,207</u>
--	----------------------

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

Compensated absences	\$ 1,438,421
Amortization income	525,425
Pension contributions	(2,958,082)
IMRF Pension contributions payable	<u>(4,128,239)</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (5,122,475)</u>
--	-----------------------

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

Bond	\$ (13,393,299)
Bond premium liability	<u>(104,457)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (13,497,756)</u>
--	------------------------

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

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#### NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### A. Budgetary Information

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

1. Because of the change in fiscal year to a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2012. 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 23, 2008. 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 year.

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 Ending February 28, 2011

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**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 fiscal year-end.

The following funds had an excess of actual budgetary expenditures over original and final budget for the year ended February 28, 2011:

Fund	Actual	Budget	Excess
Community Development Loan	\$ 35,574	\$ 20,000	\$ 15,574
Neighborhood Stabilization Program 2	4,205,637	4,000,000	205,637
Special Service District No. 4 Fund	378,216	378,000	216
Township - Town Fund	519,818	518,719	1,099
Southwest Tax Increment District	840,523	840,000	523
Howard Hartrey Tax Increment District	711,843	675,053	36,790
Howard Ridge Tax Increment District	495,245	-	495,245

**B. DEFICIT FUND EQUITY**

The Insurance Fund, an internal service fund, had a net deficit of \$4,937,496 as of February 28, 2011. 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 Ending February 28, 2011

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#### **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 Ending February 28, 2011

**NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued**

**C. Types of Investments**

As of February 28, 2011, the City has the following investments and maturities. The fair value of the Illinois Funds is the same as the value of the pool shares.

Governmental and Enterprise Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 17,942,950	\$ 17,942,950	\$ -	\$ -
Illinois Funds	10,048,368	10,048,368	-	-
Mutual Funds	2,696,637	-	-	2,696,637
<b>Total Governmental and Enterprise Investment Fund</b>	<b>\$ 30,687,955</b>	<b>\$ 27,991,318</b>	<b>\$ -</b>	<b>\$ 2,696,637</b>

IMET Money Market	\$ 743,351
First Bank Money Market	3,312,602
JP Morgan Money Market	13,433,212
Vanguard Money Market	453,785
<b>Total Money Market / Liquid Assets</b>	<b>\$ 17,942,950</b>

Township Investment Type	Investment Maturities (In Years)			Equities
	Fair Value	Less Than 1 Year	1 - 10 More Years	
Illinois Funds	\$ 1,882,713	\$ 1,882,713	\$ -	\$ -
<b>Total Township Investment</b>	<b>\$ 1,882,713</b>	<b>\$ 1,882,713</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued**

**C. Types of Investments - continued**

Fire and Police Pension Investment Type	Investment Maturities (In Years)			Equities
	Fair Value	Less Than 1 Year	1 - 10 More Years	
Money Market / Liquid Assets	\$ 6,275,633	\$ 6,275,633	\$ -	\$ -
Mutual Funds	46,144,545	-	1,619,961	44,524,584
U.S. Treasuries	23,062,203	348,486	22,713,717	-
Federal Home Loan Bank	2,560,705	207,434	2,353,271	-
Federal Home Loan Mortgage Corp	3,814,329	-	3,814,329	-
Fannie Mae	9,330,667	244,636	9,086,031	-
Ginnie Mae	5,851,014	-	5,851,014	-
Common Stock	22,682,765	-	-	22,682,765
<b>Total Fire and Police Investment</b>	<b>\$ 119,721,861</b>	<b>\$ 7,076,189</b>	<b>\$ 45,438,323</b>	<b>\$ 67,207,349</b>

JP Morgan Trust Money Market	\$ -
Smith Barney Money Market	884,552
JP Morgan Money Market	2,099,190
Schwab Money Market	408,320
MB Bank Money Market	2,753,350
IMET Money Market Convenience	130,221
<b>Total Money Market / Liquid Assets</b>	<b>\$ 6,275,633</b>

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

*Credit Risk.* State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. The Illinois Funds and Money Markets were rated AAA by Standard & Poor's. The Illinois Metropolitan Investment 1 - 3 Year Fund (IMET) exclusively invests in AAA Standard & Poor's securities, such as treasury and agency obligations. IMET's convenience fund collateralizes all of its deposits 110%. Illinois Funds and IMET are an investment pools managed by the State of Illinois, Office of the Treasurer, and a Board of Trustees, respectively which allows governments within the State to pool their funds for investment purposes. They are not registered with the SEC as an investment company, but do operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds and IMET are valued at the fund's share price, the price for which the investments could be sold. 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.

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

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#### NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

##### C. Types of Investments - continued

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

*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.

##### 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 and certificates of deposits. At February 28, 2011, the carrying amount of the City's deposits, including cash on hand of \$15,850, was \$36,717,993. The financial institutions' balances totaled \$36,870,453.

##### Township

At March 31, 2010, the carrying amount of the Township's deposits was \$200,162. The financial institutions' balances totaled \$206,933.

##### Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At February 28, 2011, the carrying amount of the Pension's deposits was \$733,462. The financial institutions' balances totaled \$632,736.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued**

**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	\$ 62,579,332
Unrestricted investments	2,696,637
Restricted cash and equivalents and investments	<u>4,212,854</u>
Total Cash and Investments – Primary Government	69,488,823
Fiduciary funds cash and equivalents	7,009,095
Fiduciary funds investments	<u>113,446,228</u>
Total Cash and Investments	<u>\$ 189,944,146</u>
Carrying amount of deposits – from Note 4 D	\$ 37,651,617
Investments – from Note 4 C	<u>152,292,529</u>
Total	<u>\$ 189,944,146</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 5. RECEIVABLES**

**A. Summary of Receivables**

Receivables as of year-end 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	Employer Pension Contribution	Water	Sewer	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:							
Property taxes	\$ 16,447,232	\$ 13,597,749	\$ -	\$ -	\$ -	\$ 19,179,458	\$ 49,224,439
Accounts	-	-	2,079,091	2,359,083	-	-	4,438,174
Notes	-	-	-	-	-	6,092,308	6,092,308
Special assessments	-	-	-	-	-	862,381	862,381
Accrued interest	-	-	-	-	-	1,656	1,656
Other	1,983,145	-	-	-	61,308	1,104,572	3,149,025
Gross receivables	18,430,377	13,597,749	2,079,091	2,359,083	61,308	27,240,375	63,767,983
Less: allowance for uncollectibles	(328,945)	(271,955)	-	-	-	(473,589)	(1,074,489)
Net total receivables	<u>\$ 18,101,432</u>	<u>\$ 13,325,794</u>	<u>\$ 2,079,091</u>	<u>\$ 2,359,083</u>	<u>\$ 61,308</u>	<u>\$ 26,766,786</u>	<u>\$ 62,693,494</u>

Out of the total Notes Receivable, \$6,028,007 is estimated not to be paid during the next year. Out of the total Special Assessment receivable, \$487,781 is estimated not to be paid during the next year.

**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 year is summarized as follows:

Interest Rates	Beginning of Year	Loans Made	Loan Repayments	End of Year
0% - 8%	<u>\$ 5,383,108</u>	<u>\$ 767,539</u>	<u>\$ 148,339</u>	<u>\$ 6,002,308</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 6. CAPITAL ASSETS**

**A. Capital Asset Activity**

Capital asset activity for the year ended February 28, 2011, was as follows:

	Beginning of Year	Additions	Deletions	Transfers	End of Year
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 6,556,620	\$ 487,804	\$ 220,000	\$ -	\$ 6,824,424
Right of way	18,695,896	-	-	-	18,695,896
Artwork	115,000	-	-	-	115,000
Construction in progress	5,460,924	1,649,733	5,180,345	-	1,930,312
Total capital assets, not being depreciated	30,828,440	2,137,537	5,400,345	-	27,565,632
Capital assets, being depreciated:					
Buildings and improvements	85,760,858	2,765,241	-	-	88,526,099
Office equipment and furniture	11,261,861	457,943	-	(6,024,590)	5,695,214
Intangible assets	-	-	-	6,024,590	6,024,590
Machinery and equipment	22,137,038	1,312,438	898,352	-	22,551,124
Infrastructure	117,548,597	14,379,402	-	-	131,927,999
Library collections	10,215,429	311,141	1,100,748	-	9,425,822
Capitalized leases	1,438,196	-	344,794	-	1,093,402
Total capital assets being depreciated	248,361,979	19,226,165	2,343,894	-	265,244,250
Less accumulated depreciation for:					
Buildings and improvements	30,713,307	1,897,635	-	-	32,610,942
Office equipment and furniture	9,915,969	296,927	-	(5,246,705)	4,966,191
Intangible assets	-	-	-	5,246,705	5,246,705
Machinery and equipment	16,009,303	1,350,075	881,668	-	16,477,710
Infrastructure	56,498,489	4,538,345	-	-	61,036,834
Library collections	7,694,426	665,852	1,100,748	-	7,259,530
Capitalized leases	767,712	83,970	34,479	-	817,203
Total accumulated depreciation	121,599,206	8,832,804	2,016,895	-	128,415,115
Total capital net assets being depreciated, net	126,762,773	10,393,361	326,999	-	136,829,135
Governmental activities capital assets, net	\$ 157,591,213	\$ 12,530,898	\$ 5,727,344	\$ -	\$ 164,394,767

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 6. CAPITAL ASSETS - Continued**

**A. Capital Asset Activity - Continued**

	Beginning of Year	Additions	Deletions	Transfers	End of Year
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,297,937	\$ -	\$ -	\$ -	\$ 3,297,937
Construction in progress	1,923,555	3,283,096	4,434,428	-	772,223
Artwork	359,752	-	-	-	359,752
<b>Total capital assets, not being depreciated</b>	<b>5,581,244</b>	<b>3,283,096</b>	<b>4,434,428</b>	<b>-</b>	<b>4,429,912</b>
Capital assets, being depreciated:					
Land improvements	3,563,393	-	-	-	3,563,393
Buildings and improvements	73,491,559	115,098	-	-	73,606,657
Leasehold improvements	302,752	-	-	-	302,752
Plant	35,655,342	469,765	32,040	-	36,093,067
Transmission and distribution system	35,883,841	3,411,715	-	-	39,295,556
Sewer system and underground lines	241,791,489	164,171	-	-	241,955,660
Intangible assets	-	-	-	384,917	384,917
Equipment	2,815,833	434,277	60,590	(384,917)	2,804,603
Parking meters	707,688	-	-	-	707,688
<b>Total capital assets being depreciated</b>	<b>394,211,897</b>	<b>4,595,026</b>	<b>92,630</b>	<b>-</b>	<b>398,714,293</b>
Less accumulated depreciation for:					
Land improvements	1,003,082	112,973	-	-	1,116,055
Buildings and improvements	11,712,660	1,792,109	-	-	13,504,769
Leasehold improvements	298,452	4,300	-	-	302,752
Plant	12,123,356	887,033	19,335	-	12,991,054
Transmission and distribution system	6,735,593	488,270	-	-	7,223,863
Sewer system and underground lines	33,730,310	3,256,660	-	-	36,986,970
Intangible assets	-	-	-	54,988	54,988
Equipment	1,914,231	184,723	59,860	(54,988)	1,984,106
Parking meters	477,883	43,919	-	-	521,802
<b>Total accumulated depreciation</b>	<b>67,995,567</b>	<b>6,769,987</b>	<b>79,195</b>	<b>-</b>	<b>74,686,359</b>
<b>Total capital net assets being depreciated, net</b>	<b>326,216,330</b>	<b>(2,174,961)</b>	<b>13,435</b>	<b>-</b>	<b>324,027,934</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 331,797,574</b>	<b>\$ 1,108,135</b>	<b>\$ 4,447,863</b>	<b>\$ -</b>	<b>\$ 328,457,846</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**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	\$ 363,952
Public safety	643,331
Public works	5,259,889
Recreation and cultural opportunities	<u>2,565,632</u>

Total depreciation expense – governmental activities \$ 8,832,804

Business – type activities:

Water	\$ 1,439,661
Sewer	3,291,385
Motor Vehicle Parking	<u>2,038,941</u>

Total depreciation expense – business – type activities \$ 6,769,987

**B. Construction Commitments**

The value of construction contracts signed, where the work has not yet been performed at February 28, 2011, is as follows:

Capital Improvement Fund	\$ 952,977
Water Fund	<u>327,123</u>

Total Construction Commitments \$ 1,280,100

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 7. INTERFUNDS**

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

**A. Interfund Accounts**

At February 28, 2011 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
<b>Governmental Funds</b>		
General Fund		
Emergency Telephone System	\$ 18,019	\$ -
Economic Development	22,295	-
Fleet Service	33,636	-
Insurance	162,561	-
Community Development Block Grant	37,990	-
Capital Improvements	7,450	-
Home Fund	7,369	-
Affordable Housing	-	150,000
Special Assessment CP Fund	-	121
Motor Vehicle Parking System	59,052	-
Water	154,023	-
Sewer	38,857	-
Neighborhood Stabilization Program 2	3,864	-
Neighborhood Improvement Fund	-	20,000
Firefighters Pension	152	-
Police Pension	-	322
Total General Fund	<u>545,268</u>	<u>170,443</u>
Capital Improvements		
General Fund	-	7,450
Motor Vehicle Parking System	-	1,150,000
Total Capital Improvements	<u>-</u>	<u>1,157,450</u>
Employer Pension Contribution		
Firefighters Pension	-	2,757,955
Police Pension	-	3,353,745
Total Employer Pension Contribution	<u>-</u>	<u>6,111,700</u>
<b>Nonmajor Governmental Funds</b>		
Affordable Housing		
Community Development Block Grant	<u>150,000</u>	<u>-</u>
Neighborhood Stabilization Program 2		
General Fund	<u>-</u>	<u>3,864</u>
Economic Development		
General Fund	<u>-</u>	<u>22,295</u>
Emergency Telephone System		
General Fund	<u>-</u>	<u>18,019</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 7. INTERFUNDS - Continued**

**A. Interfund Accounts - Continued**

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Home Fund		
General Fund	\$ -	\$ 7,369
Community Development Block Grant		
General Fund	-	37,990
Community Development Loan	-	6,741
Special Assessment CP Fund	-	30,493
Total Community Development Block Grant	<u>-</u>	<u>75,224</u>
Community Development Loan		
Community Development Block Grant	<u>6,741</u>	<u>-</u>
Neighborhood Improvement Fund		
General Fund	<u>20,000</u>	<u>-</u>
Howard Hartrey Tax increment District		
Special Service District No. 4	<u>75,000</u>	<u>-</u>
Special Service District No. 4		
Special Service District No. 5	-	9,762
Howard Hartrey Tax Increment District	-	75,000
Total Special Service District No. 4	<u>-</u>	<u>84,762</u>
Special Service District No. 5		
Special Service District No. 4	<u>9,762</u>	<u>-</u>
Town		
General Assistance	<u>-</u>	<u>7,185</u>
General Assistance		
Town	<u>7,185</u>	<u>-</u>
Special Assessment CP Fund		
General Fund	121	-
Community Development Block Grant	30,493	-
Water	557	-
Sewer	<u>567</u>	<u>-</u>
Total Special Assessment	<u>31,738</u>	<u>-</u>
Total Nonmajor Governmental Funds	<u>300,426</u>	<u>218,718</u>
Total Governmental Funds	<u>845,694</u>	<u>7,658,311</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 7. INTERFUNDS - Continued**

**A. Interfund Accounts - Continued**

Funds	Due from Other Funds	Due to Other Funds
<b>Enterprise Funds</b>		
Water		
General Fund	\$ -	\$ 154,023
Insurance	-	678
Special Assessment CP Fund	-	557
Sewer	19,768	-
Total Water	<u>19,768</u>	<u>155,258</u>
Sewer		
General Fund	-	38,857
Motor Vehicle Parking System	-	4,000,000
Special Assessment CP Fund	-	567
Water	-	19,768
Total Sewer	<u>-</u>	<u>4,059,192</u>
Motor Vehicle Parking System		
General Fund	-	59,052
Sewer	4,000,000	-
Capital Improvements	1,150,000	-
Total Motor Vehicle Parking System	<u>5,150,000</u>	<u>59,052</u>
<b>Total Enterprise Funds</b>	<u>5,169,768</u>	<u>4,273,502</u>
<b>Internal Service Funds</b>		
Fleet Services		
General Fund	-	33,636
Insurance	-	14,656
Total Fleet Services	<u>-</u>	<u>48,292</u>
Insurance		
General Fund	-	162,561
Water	678	-
Fleet Services	14,656	-
Total Insurance	<u>15,334</u>	<u>162,561</u>
<b>Total Internal Service Funds</b>	<u>15,334</u>	<u>210,853</u>
<b>Trust and Agency Funds</b>		
Firefighters Pension		
Employer Pension Contribution	2,757,955	-
General Fund	-	152
Total Firefighters Pension	<u>2,757,955</u>	<u>152</u>
Police Pension		
Employer Pension Contribution	3,353,745	-
General Fund	322	-
Total Police Pension	<u>3,354,067</u>	<u>-</u>
<b>Total Trust and Agency Funds</b>	<u>6,112,022</u>	<u>152</u>
<b>Total Primary Government</b>	<u>\$ 12,142,818</u>	<u>\$ 12,142,818</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 7. INTERFUNDS - Continued**

**B. Interfund Transfers**

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

At February 28, 2011 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
<b>Governmental Funds</b>		
<b>General Fund</b>		
Affordable Housing Fund	\$ 24,000	\$ -
Washington Natl. Tax Increment District Debt Svc.	324,996	-
Howard Hartrey Tax Increment District	141,600	-
Southwest Tax Increment District	24,096	-
Capital Improvement Fund	300,000	-
Water Fund	3,286,800	-
Howard Ridge Tax Increment District	120,396	-
Motor Fuel Tax Fund	772,500	-
West Evanston Tax Increment District	24,996	-
Economic Development	390,000	-
<b>Total General Fund</b>	<u>5,409,384</u>	<u>-</u>
<b>Capital Improvements</b>		
Fleet Services	-	358,121
General Fund	-	300,000
<b>Total Capital Improvement</b>	<u>-</u>	<u>658,121</u>
<b>Nonmajor Governmental Funds</b>		
Affordable Housing Fund		
General Fund	-	24,000
Economic Development		
General Fund	-	390,000
Town		
General Assistance	290	-
General Assistance		
Town	-	290
General Obligation Debt Service Fund		
Special Assessment	317,664	-

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 7. INTERFUNDS - Continued**

**B. Interfund Transfers - Continued**

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Southwest Tax Increment District		
General Fund	\$ -	\$ 24,096
Howard Hartrey Tax Increment District		
General Fund	-	141,600
Howard Ridge Tax Increment District		
General Fund	-	120,396
Washington Natl. Tax Increment District Debt Svc.		
General Fund	-	324,996
Motor Vehicle Parking System	-	3,385,896
Total Washington National Tax Increment District	-	3,710,892
West Evanston Tax Increment District		
General Fund	-	24,996
Special Assessment		
General Obligation Debt Service Fund	-	317,664
Motor Fuel Tax		
General Fund	-	772,500
 Total Nonmajor Governmental Funds	 317,954	 5,526,434
 Total Governmental Funds	 5,727,338	 6,184,555
Enterprise Funds		
Water		
General Fund	-	3,286,800
Motor Vehicle Parking System		
Washington Natl. Tax Increment District Debt Svc.	3,385,896	-
 Total Enterprise Funds	 3,385,896	 3,286,800
Internal Service Funds		
Fleet Services		
Capital Improvements	358,121	-
 Total Internal Service Funds	 358,121	 -
 Total Primary Government	 \$ 9,471,355	 \$ 9,471,355

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

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#### NOTE 8. Operating Leases

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

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

<u>Leasing Co.</u>	<u>Expiration</u>	<u>Number of Machines</u>	<u>Monthly Payment</u>	<u>Annual lease payment</u>	<u>Type of Machines</u>
Chicago Office Technology Group	7/31/2014	9	1,642	\$ 11,607	Copiers
Secap Finance	12/31/2014	1	255	3,060	Postage Machine

Minimum annual lease payments are as follows:

Year ending 12/31/2011	\$ 18,970
Year ending 12/31/2012	22,764
Year ending 12/31/2013	22,764
Year ending 12/31/2014	<u>14,554</u>
	<u>\$ 79,052</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**  
For the Fiscal Year Ending February 28, 2011

**NOTE 9. LONG-TERM DEBT**

**A. Changes in Long-Term Debt**

	Interest Rate	Final Maturity Date	Balance 3/1/2010 As Restated	Issued	Payments	Balance 2/28/2011	Due Within One Year
<b>G.O. Debt Governmental Activities</b>							
Series 2002C	5.00%-5.80%	1/1/2022	\$ 3,365,000	\$ -	\$ 685,000	\$ 2,680,000	\$ 675,000
Series 2002C (SSA#5)	5.00%-5.80%	1/1/2016	2,155,000	-	315,000	1,840,000	325,000
Series 2003B	2.00%-5.25%	1/1/2023	3,145,000	-	365,000	2,780,000	660,000
Series 2004	2.00%-5.00%	12/1/2023	12,640,000	-	785,000	11,855,000	815,000
Series 2004B	2.00%-5.25%	12/1/2017	7,460,000	-	1,465,000	5,995,000	1,535,000
Series 2005	3.25%-5.00%	12/1/2025	15,200,000	-	525,000	14,675,000	545,000
Series 2006	3.85%-5.00%	12/1/2026	9,930,000	-	125,000	9,805,000	125,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	-	14,430,000	-
Series 2007	4.00%-5.00%	12/1/2016	19,790,000	-	1,105,000	18,685,000	1,150,000
Series 2008A	3.00%-5.00%	12/1/2021	3,605,000	-	195,000	3,410,000	195,000
Series 2008C	3.00%-5.00%	12/1/2028	9,623,880	-	349,740	9,274,140	361,800
Series 2008D	3.25%-5.00%	12/1/2016	9,890,000	-	1,390,000	8,500,000	1,415,000
Series 2010A	2.00%-3.625%	12/1/2029	-	6,500,000	-	6,500,000	240,000
Series 2010B	1.00%-3.30%	12/1/2019	-	6,893,299	-	6,893,299	597,700
Subtotal Governmental Activity G.O. Debt			<u>111,233,880</u>	<u>13,393,299</u>	<u>7,304,740</u>	<u>117,322,439</u>	<u>8,639,500</u>
Capital lease			708,552	-	344,793	363,759	363,759
Bonds premium liability			4,539,606	104,457	525,425	4,118,638	-
OPEB liability			1,037,581	360,562	-	1,398,143	-
Pension contributions			18,023,324	16,150,070	13,191,988	20,981,406	-
Compensated absences payable- City			11,503,888	3,396,183	4,877,873	10,022,198	4,060,365
IMRF Pension contributions			-	4,128,239	2,904,369	1,223,870	-
Early Retirement Incentive payable			6,798,305	-	6,798,305	-	-
Claims payable			5,173,368	1,701,681	1,419,846	5,455,203	2,703,328
Subtotal Other G.A. Liabilities			<u>47,784,624</u>	<u>25,841,192</u>	<u>30,062,599</u>	<u>43,563,217</u>	<u>7,127,452</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 159,018,504</u>	<u>\$ 39,234,491</u>	<u>\$ 37,367,339</u>	<u>\$ 160,885,656</u>	<u>\$ 15,766,952</u>
<b>G.O. Debt Business-type Activities</b>							
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	9,745,000	-	890,000	8,855,000	935,000
Series 2005 Sewer	3.25%-5.00%	12/1/2025	250,000	-	-	250,000	-
Series 2007 Sewer	4.00%-5.00%	12/1/2016	4,125,000	-	970,000	3,155,000	1,015,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	1,100,000	-	110,000	990,000	115,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	16,435,000	-	1,420,000	15,015,000	1,310,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	2,346,120	-	85,260	2,260,860	88,200
Series 2008D Sewer	3.25%-5.00%	12/1/2016	6,235,000	-	1,655,000	4,580,000	1,760,000
Series 2010B	1.00%-3.30%	12/1/2019	-	1,106,701	-	1,106,701	97,300
Subtotal Business Activity G.O. Debt			<u>40,236,120</u>	<u>1,106,701</u>	<u>5,130,260</u>	<u>36,212,561</u>	<u>5,320,500</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	1,140,000	-	265,000	875,000	280,000
Water Revenue Bond Series 2002	2.00-3.75%	1/1/2012	580,000	-	285,000	295,000	295,000
Subtotal Water Revenue Bonds			<u>1,720,000</u>	<u>-</u>	<u>550,000</u>	<u>1,170,000</u>	<u>575,000</u>
IEPA Loans	2.535-3.59%	Various	95,370,544	-	8,311,394	87,059,150	8,131,955
Unamortized bond Premium and discount			13,547	-	1,129	12,418	-
Bonds premium liability			1,011,417	-	130,878	880,539	-
Compensated absences payable- City			676,704	55,404	48,089	684,019	326,531
IMRF Pension contributions			-	786,331	553,213	233,118	-
Early Retirement Incentive payable			1,106,701	-	1,106,701	-	-
OPEB Liability			96,384	36,515	-	132,899	-
Subtotal Other Business Activity Liabilities			<u>2,904,753</u>	<u>878,250</u>	<u>1,840,010</u>	<u>1,942,993</u>	<u>326,531</u>
Total Business Debt & Liabilities			<u>\$ 140,231,417</u>	<u>\$ 1,984,951</u>	<u>\$ 15,831,664</u>	<u>\$ 126,384,704</u>	<u>\$ 14,353,986</u>
Total Governmental & Business Debt & Liabilities			<u>\$ 299,249,921</u>	<u>\$ 41,219,442</u>	<u>\$ 53,199,003</u>	<u>\$ 287,270,360</u>	<u>\$ 30,120,938</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 9- LONG-TERM DEBT - Continued**

**A. Changes in Long-term Debt- Continued**

**Business type activities - Water Revenue Bonds**

Business type activities revenue bonds are payable from revenues derived from Water service fees. The City has pledged future revenues, net of operating expenses, to repay original principal totaling \$5,855,000 in revenue bonds issued in 1999 and 2002. Proceeds from the bonds provided financing for Water CIP projects. The bonds are payable solely from revenues through 2014. Annual interest payment on the bonds is expected to require \$24,672 of net revenues for Fiscal Year 2011. The total principal and interest remaining to be paid on the bonds is \$1,258,719. Principal and interest paid for the current year totaled \$621,269 on customer revenues of \$6,696,150.

Revenue debt payable consists of the following:

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

**Business type activities - IEPA Loans**

Business type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$161,753,948 in IEPA loans issued in 1993 through 2009. Proceeds from the loans provided financing for the Long Term Sewer and Water Improvement Program. The IEPA loans are payable solely from revenues and are payable through 2031. Annual principal and interest on the loans are expected to require \$10,264,555 of net revenues for the Fiscal year 2011. The total principal and interest remaining to be paid on the loans is \$101,268,700. Principal and interest paid for the current year and total customer net revenues were \$10,694,644 and \$11,023,889 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	\$ 161,753,948	<u>\$ 87,059,150</u>
Total Business type Activities- IEPA Loan Debt				<u>\$ 87,059,150</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**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.

The following schedule illustrates the annual debt service requirements to maturity for general obligation bonds. Please note that the City is changing its fiscal year-end and therefore the principal amount due on December 31, 2011 for Governmental Activities does not tie to the Changes in Long-Term Debt summary, Due Within One Year.

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 6,979,500	\$ 4,355,124	\$ 5,320,500	\$ 1,701,641
2012	9,131,940	4,608,857	6,058,060	1,451,286
2013	9,568,400	4,333,505	4,271,600	1,157,255
2014	10,618,180	3,983,043	3,306,820	915,289
2015	8,938,240	3,557,412	3,796,760	775,433
2016-2020	38,026,079	12,402,088	12,228,921	1,444,636
2021-2025	26,978,520	4,927,152	711,480	239,852
2026-2029	7,081,580	592,147	518,420	52,672
Total	<u>\$ 117,322,439</u>	<u>\$ 38,759,328</u>	<u>\$ 36,212,561</u>	<u>\$ 7,738,064</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**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 <u>Year ending</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2011	\$ -	\$ 53,853
2012	325,000	98,231
2013	340,000	78,816
2014	380,000	57,740
2015	390,000	35,175
2016	405,000	11,873
Total	<u>\$ 1,840,000</u>	<u>\$ 335,688</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 <u>Year ending</u>	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2011	\$ -	\$ 24,672
2012	575,000	37,688
2013	290,000	19,688
2014	305,000	6,672
Total	<u>\$ 1,170,000</u>	<u>\$ 88,720</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 9- LONG-TERM DEBT - Continued**

**E. Notes Payable -IEPA Loans**

During the fiscal year ended February 28, 2011, the City currently has 27 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer and water system; the loans do not constitute a full faith and credit obligation of the City. They will be repaid with equal installments consisting of principal plus simple interest, on unpaid principal balances, over a period of 20 years. Initial principal balances will consist of disbursements and interest accrued during construction. Repayments begin not later than six months after completion of construction.

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

For the Fiscal Year ending	Business-type Activities	
	Principal	Interest
2011	\$ 8,131,955	\$ 2,132,601
2012	8,696,270	2,025,181
2013	8,255,134	1,777,092
2014	7,805,138	1,555,528
2015	7,548,296	1,341,861
2016-2020	29,004,191	4,065,591
2021-2025	14,413,531	1,219,706
2026-2030	3,175,700	91,990
2031-2035	28,935	-
Total	<u>\$ 87,059,150</u>	<u>\$ 14,209,550</u>

**F. Prior Years' General Obligation Bond Defeasances**

In 2006, the City defeased a portion of Series 2002C and 2003B Corporate Purpose bonds, by placing a portion of the proceeds of Series 2006B in an irrevocable Escrow Account.

The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At February 28, 2011, the following remaining outstanding balances are considered defeased:

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

The outstanding balances of Series 2002C and 2003B, not defeased at February 28, 2011, are recorded as a liability in the City's financial statements. Those balances are as follows:

Series	Amounts
2002C	\$ 2,680,000
2003B	2,780,000

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2011

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#### 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 \$334 for single coverage to \$1,782 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 \$334 for single coverage to \$1,782 for family coverage. For fiscal year 2010-11, the City's estimated contribution to the plan is \$658,187. 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 year, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 1,047,538
Interest on net OPEB obligation	51,029
Adjustment to annual required contribution	<u>(43,303)</u>
Annual OPEB cost	1,055,264
Contributions made	<u>(658,187)</u>
Increase in net OPEB obligation	397,077
Net OPEB obligation - Beginning of Year	<u>1,133,965</u>
Net OPEB obligation - End of Year	<u>\$ 1,531,042</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 9- LONG-TERM DEBT - Continued**

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

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Liability</u>
2/28/2009	\$ 683,740	48.42%	\$ 683,320
2/28/2010	1,041,981	56.75%	1,133,965
2/28/2011	1,055,264	62.37%	1,531,042

The funded status of the plan based on the projected valuation results as of March 1st, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 12,259,348
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 12,259,348</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	51,896,579
UAAL as a percentage of covered payroll	23.62%

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.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 9- LONG-TERM DEBT - Continued**

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

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 March 1, 2009 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.50 percent investment rate of return and an annual healthcare cost trend date of 8.50 percent initially, reduced by decrements to an ultimate rate of 3.50 percent after 10 years. 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 March 1, 2011, was 30 years.

**H. Capital Leases**

The City has entered into lease agreements as lessee for financing the acquisition of Accela Systems for Permit records. These lease agreements qualify as capital leases for accounting purposes and, therefore the assets and obligations have been recorded at the present value of the future minimum lease payments as of February, 28 2011. At February 28, 2011 \$708,552 of amounts included in capital assets were acquired via capital leases. The obligation for the capital leases will be repaid from the Governmental Funds. The future minimum lease obligations and the net present value of these minimum lease payments as of February 28, 2011 are as follows:

	<u>Amount</u>
Total minimum lease payments for fiscal year ending 2011	\$ 383,764
Less: amount representing interest	<u>(20,005)</u>
Present value of minimum lease payments	<u>\$ 363,759</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 10. FUND EQUITY**

**A. Restrictions of Net Assets - Water Fund**

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

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

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

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

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

**B. Restricted Net Assets - Fiduciary Funds**

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 54,358,822
Police Pension Fund Restriction for employee pension benefits	<u>72,465,514</u>
Total Fiduciary Funds	<u>\$ 126,824,336</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 10. FUND EQUITY - Continued**

**C. Reservations of Fund Equity**

Reservations are used to segregate portions of fund equity which are either legally restricted for specific purposes are not "available spendable resources." The following reservations are reported:

General Fund	
Reserved for Arts Council	\$ 15,225
Reserved for private elm trees	114,388
Reserved for Dutch elm inoculation	513,216
Reserved for Butterfield sculpture	30,883
Reserved for scholarship contributions	27,553
Reserved for public library acquisitions	248,840
Reserved for recreation group activities	207,123
Reserved for youth initiative	42,151
Reserved for parks and recreation	227,394
Other reserves	<u>568,103</u>
Total General Fund	<u>1,994,876</u>
Special Revenue Funds	
Reserved for HUD approved Projects	410,000
Reserved for notes receivable	<u>6,002,308</u>
Total Special Revenue Funds	<u>6,412,308</u>
Debt Service Funds	
Reserved for debt service	<u>22,325,817</u>
Total Reserved Fund Equity - Governmental Funds	<u>\$ 30,733,001</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 10. FUND EQUITY - Continued**

**D. Unrestricted Fund Equity - Designated**

The City has designated certain amounts of unrestricted fund equity for the following purposes:

General Fund	
IMRF - Pension	\$ 2,590,000
Compensated Absences	2,576,360
Capital projects to be financed in a future period	<u>260,553</u>
Total General Fund	<u>5,426,913</u>
Special Revenue Funds	
Specific capital projects	
Motor Fuel Tax	682,090
Library Endowment	3,152,078
Neighborhood Improvement	<u>10,000</u>
Total Special Revenue Funds	<u>3,844,168</u>
Capital Projects Funds	
Specific capital projects	
Capital Improvements	5,905,344
Special Assessment	<u>3,759,954</u>
Total Capital Projects Funds	<u>9,665,298</u>
Unrestricted Fund Equity - Designated	<u>\$ 18,936,379</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 11. INDIVIDUAL FUND ACTIVITIES**

**A. General Obligation Debt Service Fund**

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

**B. Water Fund**

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

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

**C. Special Service District No. 4**

On August 13, 2007, the City Council adopted Ordinance No. 37-R-07 which extended the life of Special Service District No. 4 until December 31, 2019. Special Service District No. 4 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2010 was \$395,918 which includes a loss & cost amount of \$7,918.

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 Ending February 28, 2011

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#### NOTE 12. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

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

For workers' compensation, specific excess coverage in excess of \$500,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss.

Only one case has exceeded the amount of insurance coverage in the past three years.

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 years are as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
<b>February 28, 2009</b>	\$ 4,264,337	\$ 1,094,263	\$ 5,358,600
New claims and/or estimate revisions	1,286,387	(186,225)	1,100,162
Claims payments	<u>(1,008,644)</u>	<u>(276,750)</u>	<u>(1,285,394)</u>
<b>February 28, 2010</b>	4,542,080	631,288	5,173,368
New claims and/or estimate revisions	442,956	1,258,725	1,701,681
Claims payments	<u>(1,283,558)</u>	<u>(136,288)</u>	<u>(1,419,846)</u>
<b>February 28, 2011</b>	<u>\$ 3,701,478</u>	<u>\$ 1,753,725</u>	<u>\$ 5,455,203</u>

## **CITY OF EVANSTON, ILLINOIS**

### **Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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#### **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 Ending February 28, 2011

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**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, 2010:

Current assets	\$ 5,277,771
Property, plant, and equipment	11,704,309
Debt issuance costs, net and other assets	<u>100,676</u>
Total assets	<u>\$ 17,082,756</u>
Current liabilities	\$ 4,162,145
Long-term debt, net of unamortized discount	4,822,573
Invested in capital assets, net of related debt	5,761,736
Restricted net assets	589,394
Unrestricted net assets	<u>1,746,908</u>
Total liabilities and fund equity	<u>\$ 17,082,756</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2010:

Total revenues	\$ 14,435,104
Total expenses	<u>(13,901,961)</u>
Net income	<u>\$ 533,143</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 Ending February 28, 2011

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**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, 2009 are summarized as follows:

Statement of Financial Position as of December 31, 2009:

Cash and cash equivalents	\$ 857,758
Mortgage loans receivable	<u>2,361,879</u>
Total assets	<u>3,219,637</u>
Payables and accrued expenses	155,637
Notes payable	<u>3,064,000</u>
Total liabilities	<u>3,219,637</u>
Net Assets	<u>\$ -</u>

(Note: December 31, 2009 is the most current information available.)

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 14. JOINT VENTURES – Continued**

**B. Evanston Housing Corporation - Continued**

Statement of Activities for the Year Ended December 31, 2009:

Total revenues	\$ 128,071
Total operating expenses	<u>(128,071)</u>
Excess of revenues over expenses	<u>\$ -</u>

(Note: December 31, 2009 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 February 28, 2011	<u>\$ 38,600,938</u>
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## **CITY OF EVANSTON, ILLINOIS**

### **Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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#### **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 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, which is when the revenue is recognized.

#### **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](http://www.imrf.org/pubs/pubs_homepage.htm).

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City and Township are required to contribute at an actuarially determined rate. The City's rate as of December 2010 was 8.51% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

Last year, 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 Ending February 28, 2011

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**NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund - Continued**

**B. Funding Status and Progress**

The City's gross total payroll for the calendar year ended December 31, 2010 was \$60,425,596. Of this amount, \$32,163,415 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2009 was \$330,215 which were reported to and covered by the IMRF plan.

As of December 31, 2010, the most recent actuarial valuation date, the City's Regular plan was 76.71% funded. The City's actuarial accrued liability for benefits was \$80,396,511 and the actuarial value of assets was \$61,673,349 resulting in an underfunded actuarial accrued liability (UAAL) of \$18,723,162. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$32,163,415 and the ratio of the UAAL to the covered payroll was 58%.

As of December 31, 2009, the most recent valuation date, the Township's Regular plan was fully funded. The Township's actuarial accrued liability for benefits was \$380,918 and the actuarial value of assets was \$476,660 resulting in an overfunding of \$95,742. The covered payroll for calendar year 2009 (annual payroll of active employees covered by the plan) was \$330,215.

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, 2010, the City's annual pension cost of \$4,914,570 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year, depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that 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 <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/10	\$ 4,914,570	70%	\$ 1,456,988
12/31/09	2,702,269	100%	-
12/31/08	2,574,448	100%	-

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund - Continued**

**C. Annual Pension Cost - Continued**

For December 31, 2009, the Township’s annual pension cost of \$12,053 was equal to the Township’s required and actual contributions. The required contribution was determined as part of the December 31, 2007 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 15% corridor. The actuarial assumptions used to determine the actuarial accrued liability for 2010 are based on the 2007-2009 experience study.

Three-Year Trend Information for IMRF - Township

Actuarial Valuation <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/09	\$ 12,053	100%	\$ -
12/31/08	13,371	100%	-
12/31/07	20,253	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 year ended February 28, 2011 was \$13,117,000 and \$9,133,000 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 Ending February 28, 2011

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**NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued**

**Police and Firefighters' Pension Plans - Continued**

**D. Plan Descriptions - Continued**

Participation in the plans at February 28, 2011 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	167	138
Active plan members	<u>157</u>	<u>104</u>
Total	<u>324</u>	<u>242</u>

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

	<u>Police Pension Fund</u>	<u>Firefighters' Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	5.00%	5.00%
Attributable to inflation	3.50%	3.50%
Cost of Living Increases	3.00%	3.00%

## **CITY OF EVANSTON, ILLINOIS**

### **Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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#### **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.

Last year, 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 Ending February 28, 2011

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**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 March 1, 2011 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 8,831,924	\$ 7,148,759
Interest on net pension obligation	758,550	503,082
Adjustment to annual required contribution	<u>(656,707)</u>	<u>(435,539)</u>
Annual pension cost	8,933,767	7,216,302
Contributions made	<u>(7,254,351)</u>	<u>(5,937,637)</u>
Increase (decrease) in net pension obligation	1,679,416	1,278,665
Net pension obligation at March 1, 2010	<u>10,836,432</u>	<u>7,186,892</u>
Net pension obligation at March 1, 2011	<u>\$ 12,515,848</u>	<u>\$ 8,465,557</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 Ending February 28, 2011

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**NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued**

**Police and Firefighters' Pension Plans – Continued**

**G. Concentration of Investments**

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

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

**H. Five-Year Trend Information – Pension Trust Funds**

	<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police	2/28/11	\$ 8,933,767	91.65 %	\$ 12,515,848
	2/28/10	7,914,901	104.71	10,836,432
	2/28/09	7,233,096	115.50	10,495,325
	2/29/08	6,789,705	91.52	11,100,974
	2/28/07	4,728,814	99.62	8,639,014
Firefighters'	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
	2/28/07	4,234,574	93.89	5,927,461
	2/28/06	3,973,339	104.44	5,383,088

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued**

**Police and Firefighters' Pension Plans – Continued**

**I. Pensions - Detailed Statement of Net Assets**

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Assets			
Cash and short-term investments	\$ 2,623,744	\$ 4,385,351	\$ 7,009,095
Receivables			
Accrued interest	44,993	217,149	262,142
Due from other funds	<u>2,757,955</u>	<u>3,354,067</u>	<u>6,112,022</u>
Total Receivables	<u>2,802,948</u>	<u>3,571,216</u>	<u>6,374,164</u>
Investments, at fair value			
U.S. Government obligations	8,609,568	36,009,348	44,618,916
Common stock	11,366,758	11,316,009	22,682,767
Mutual funds	<u>28,957,856</u>	<u>17,186,689</u>	<u>46,144,545</u>
Total Investments	<u>48,934,182</u>	<u>64,512,046</u>	<u>113,446,228</u>
Total Assets	<u>54,360,874</u>	<u>72,468,613</u>	<u>126,829,487</u>
Liabilities			
Vouchers payable	<u>1,900</u>	<u>3,099</u>	<u>4,999</u>
Due to other funds	<u>152</u>	<u>-</u>	<u>152</u>
Total Liabilities	<u>2,052</u>	<u>3,099</u>	<u>5,151</u>
Net assets held in trust for pension benefits	<u>\$ 54,358,822</u>	<u>\$ 72,465,514</u>	<u>\$ 126,824,336</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

**NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued**

**Police and Firefighters' Pension Plans – Continued**

**J. Pensions - Detailed Statement of Changes in Net Assets**

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Additions			
Contributions			
Employer	\$ 5,937,637	\$ 7,254,256	\$ 13,191,893
Plan members	786,615	1,233,021	2,019,636
Other-Donations, Legal Sett., Surplus Sales	-	95	95
Total Contributions	<u>6,724,252</u>	<u>8,487,372</u>	<u>15,211,624</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	3,714,273	5,375,088	9,089,361
Interest	<u>567,829</u>	<u>1,568,419</u>	<u>2,136,248</u>
Total investment income	4,282,102	6,943,507	11,225,609
Less investment expense	<u>171,116</u>	<u>157,470</u>	<u>328,586</u>
Net investment income	<u>4,110,986</u>	<u>6,786,037</u>	<u>10,897,023</u>
Total Additions	<u>10,835,238</u>	<u>15,273,409</u>	<u>26,108,647</u>
Deductions			
Benefits	6,262,733	8,040,888	14,303,621
Refunds of contributions	-	149,950	149,950
Administrative expense	<u>54,039</u>	<u>66,763</u>	<u>120,802</u>
Total Deductions	<u>6,316,772</u>	<u>8,257,601</u>	<u>14,574,373</u>
Net increase	4,518,466	7,015,808	11,534,274
Net assets held in trust for pension benefits			
Beginning of year	<u>49,840,356</u>	<u>65,449,706</u>	<u>115,290,062</u>
End of year	<u>\$ 54,358,822</u>	<u>\$ 72,465,514</u>	<u>\$ 126,824,336</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2011

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**NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued**

**Police and Firefighters' Pension Plans – Continued**

**K. Pensions - Actuarial Valuations**

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

	<u>Firefighters' Pension Fund</u>	<u>Police Pension Fund</u>
Valuation date	March 1, 2010	March 1, 2010
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	22 Years , 4 months	22 Years, 4 months
Actuarial valuation method	4-year smoothed mkt.	4-year smoothed mkt.

## 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  
 February 28, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll Under/(Over) ((b-a)/c)
<b>Firefighters' Pension</b>						
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%
<b>Police Pension</b>						
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%
<b>Illinois Municipal Retirement Fund (City)</b>						
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%)
<b>Illinois Municipal Retirement Fund (Township)</b>						
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%)
<b>Post Employment Benefits other than Pension</b>						
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  
 February 28, 2011

Tax Levy Year	Firefighters' Pension Fund			Police Pension Fund		
	Annual Required Contribution	City's Contribution	Percentage Contributed	Annual Required Contribution	City's Contribution	Percentage Contributed
2010	\$ 7,148,759	N/A	N/A	\$ 8,831,924	N/A	N/A
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%
2001	2,209,466	2,324,407	105.20%	2,990,038	3,038,432	101.62%

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  
 Year ended February 28, 2011

	Original & Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 39,380,300	\$ 39,430,313	\$ 50,013
Licenses and permits	8,312,400	8,661,398	348,998
Intergovernmental	15,434,500	15,745,906	311,406
Charges for services	9,479,900	9,785,836	305,936
Fines	4,403,500	4,002,700	(400,800)
Investment income	100,000	11,454	(88,546)
Miscellaneous	4,353,900	5,987,365	1,633,465
Total Revenues	<u>81,464,500</u>	<u>83,624,972</u>	<u>2,160,472</u>
<b>Expenditures</b>			
General management and support	21,623,298	21,954,654	(331,356)
Public safety	34,101,652	35,258,964	(1,157,312)
Public works	14,518,121	12,618,308	1,899,813
Health and human resource development	3,607,852	3,700,431	(92,579)
Recreation and cultural opportunities	17,930,800	17,390,458	540,342
Housing and economic development	3,320,919	2,952,803	368,116
Total Expenditures	<u>95,102,642</u>	<u>93,875,618</u>	<u>1,227,024</u>
(Deficiency) of Revenues (under) Expenditures	<u>(13,638,142)</u>	<u>(10,250,646)</u>	<u>3,387,496</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in (out)			
West Evanston TIF	24,996	24,996	-
Motor Fuel Tax Fund	772,500	772,500	-
Economic Development Fund	390,000	390,000	-
Housing Fund	24,000	24,000	-
Washington National TIF Debt Service Fund	324,996	324,996	-
Howard Hartrey Debt Service	141,600	141,600	-
Southwest TIF I Debt Service Fund	24,096	24,096	-
Howard Ridge TIF	120,396	120,396	-
Capital Improvement Fund	300,000	300,000	-
Water Fund	3,286,800	3,286,800	-
Issuance of debt	6,893,299	6,893,299	-
Premiums and discounts	3,023	3,023	-
Accrued interest	7,355	7,355	-
	<u>12,313,061</u>	<u>12,313,061</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (1,325,081)</u>	2,062,415	<u>\$ 3,387,496</u>
<b>Fund Balance</b>			
Beginning of year		<u>27,976,648</u>	
End of year		<u>\$ 30,039,063</u>	

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Required Supplementary Information**

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**NOTE 1. DIGEST OF CHANGES - IMRF**

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

The principal changes were:

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

**NOTE 2. CONVERSION FROM GAAP BASIS TO BUDGETARY BASIS**

Adjustments necessary to convert City revenues and expenditures for the year ended February 28, 2011 on the GAAP basis to the budgetary basis are presented below:

	<u>General Fund</u>
Revenues	
GAAP basis revenues as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 83,378,760
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>246,212</u>
Budgetary Basis Revenues	<u><u>\$ 83,624,972</u></u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 93,875,618
Increase (decrease) due to changes in Encumbrances	<u>-</u>
Budgetary Basis Expenditures	<u><u>\$ 93,875,618</u></u>

Note: See Auditors' Report.

## GOVERNMENTAL FUND TYPES

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

#### **City Funds**

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

Economic Development - to account for cost associated with economic development activities of the City. Financing is provided primarily by real estate transfer 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.

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.

General Obligation Debt - accumulated monies for the principal and interest payments on general obligation 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

February 28, 2011

	<b>Special Revenue</b>				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
<b>Assets</b>					
Cash and equivalents	\$ 865,277	\$ 2,425,371	\$ 1,303,357	\$ 453,785	\$ 69,915
Investments	-	-	-	2,696,637	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	1,656	-
Other	-	36,541	169,094	-	-
Property held for resale	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	139,283	-	-	-	-
Due from other funds	-	-	-	-	20,000
<b>Total Assets</b>	<b>\$ 1,004,560</b>	<b>\$ 2,461,912</b>	<b>\$ 1,472,451</b>	<b>\$ 3,152,078</b>	<b>\$ 89,915</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Vouchers payable	\$ 74	\$ 16,415	\$ 59,602	\$ -	\$ -
Other	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	22,295	18,019	-	-
Deferred revenues	322,396	-	-	-	-
<b>Total Liabilities</b>	<b>322,470</b>	<b>38,710</b>	<b>77,621</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for notes receivable	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	-	-
Unreserved					
Designated	682,090	-	-	3,152,078	10,000
Undesignated	-	2,423,202	1,394,830	-	79,915
<b>Total Fund Balances</b>	<b>682,090</b>	<b>2,423,202</b>	<b>1,394,830</b>	<b>3,152,078</b>	<b>89,915</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,004,560</b>	<b>\$ 2,461,912</b>	<b>\$ 1,472,451</b>	<b>\$ 3,152,078</b>	<b>\$ 89,915</b>

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Total City Funds
\$ 439,738	\$ 26,625	\$ 89,947	\$ 58,681	\$ 3,176	\$ 5,431	\$ 5,741,303
-	-	-	-	-	-	2,696,637
-	-	-	-	-	386,864	386,864
1,451,662	2,586,776	24,799	2,029,071	-	-	6,092,308
-	-	(12,000)	(78,000)	-	-	(90,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	1,656
262,476	-	-	-	-	-	468,111
-	-	410,000	-	-	-	410,000
-	-	1,012	-	-	-	1,012
-	30,499	83,545	-	329,045	-	582,372
150,000	-	-	6,741	-	-	176,741
<b>\$ 2,303,876</b>	<b>\$ 2,643,900</b>	<b>\$ 597,303</b>	<b>\$ 2,016,493</b>	<b>\$ 332,221</b>	<b>\$ 392,295</b>	<b>\$ 16,467,004</b>
\$ 4,723	\$ -	\$ 99,280	\$ 6,739	\$ 327,366	\$ -	\$ 514,199
-	-	-	4,628	-	-	4,628
-	-	-	404	991	-	1,395
-	7,369	75,224	-	3,864	84,762	211,533
-	-	-	-	-	195,208	517,604
4,723	7,369	174,504	11,771	332,221	279,970	1,249,359
1,451,662	2,586,776	12,799	1,951,071	-	-	6,002,308
-	-	-	-	-	-	-
-	-	410,000	-	-	-	410,000
-	-	-	-	-	-	3,844,168
847,491	49,755	-	53,651	-	112,325	4,961,169
2,299,153	2,636,531	422,799	2,004,722	-	112,325	15,217,645
<b>\$ 2,303,876</b>	<b>\$ 2,643,900</b>	<b>\$ 597,303</b>	<b>\$ 2,016,493</b>	<b>\$ 332,221</b>	<b>\$ 392,295</b>	<b>\$ 16,467,004</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued

February 28, 2011 and March 31, 2010 for City and Township respectively

	<b>Special Revenue</b>			
	Town	General Assistance	Total Township Funds	Total Special Revenue
<b>Assets</b>				
Cash and equivalents	\$ 511,725	\$ 1,571,150	\$ 2,082,875	\$ 7,824,178
Investments	-	-	-	2,696,637
Receivables				
Property taxes (net of allowance)				
Current year levy	145,039	513,139	658,178	1,045,042
Notes	-	-	-	6,092,308
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	1,656
Other	10,483	231	10,714	478,825
Property held for resale	-	-	-	410,000
Prepaid items	-	-	-	1,012
Due from other governments	-	-	-	582,372
Due from other funds	-	7,185	7,185	183,926
<b>Total Assets</b>	<b>\$ 667,247</b>	<b>\$ 2,091,705</b>	<b>\$ 2,758,952</b>	<b>\$ 19,225,956</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Vouchers payable	\$ 18,886	\$ 23,289	\$ 42,175	\$ 556,374
Other	-	-	-	4,628
Due to other governments	-	-	-	1,395
Due to other funds	7,185	-	7,185	218,718
Deferred revenues	133,969	474,381	608,350	1,125,954
<b>Total Liabilities</b>	<b>160,040</b>	<b>497,670</b>	<b>657,710</b>	<b>1,907,069</b>
<b>Fund Balances</b>				
Reserved for notes receivable	-	-	-	6,002,308
Reserved for debt service	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	410,000
Unreserved				
Designated	-	-	-	3,844,168
Undesignated	507,207	1,594,035	2,101,242	7,062,411
<b>Total Fund Balances</b>	<b>507,207</b>	<b>1,594,035</b>	<b>2,101,242</b>	<b>17,318,887</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 667,247</b>	<b>\$ 2,091,705</b>	<b>\$ 2,758,952</b>	<b>\$ 19,225,956</b>

<b>Debt Service</b>							
General Obligation Debt	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
\$ 467,341	\$ 11,670	\$ 150,767	\$ 4,565,268	\$ 6,742,354	\$ 567,710	\$ 1,040,510	\$ 13,545,620
-	-	-	-	-	-	-	-
10,655,302	429,746	437,734	1,039,086	4,352,962	409,306	426,691	17,750,827
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	9,762	-	75,000	-	-	-	84,762
\$ 11,122,643	\$ 451,178	\$ 588,501	\$ 5,679,354	\$ 11,095,316	\$ 977,016	\$ 1,467,201	\$ 31,381,209
\$ -	\$ -	\$ -	\$ -	\$ 3,485	\$ 5,485	\$ -	\$ 8,970
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,813,579	212,756	191,004	467,589	1,929,155	219,581	212,758	9,046,422
5,813,579	212,756	191,004	467,589	1,932,640	225,066	212,758	9,055,392
-	-	-	-	-	-	-	-
5,309,064	238,422	397,497	5,211,765	9,162,676	751,950	1,254,443	22,325,817
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,309,064	238,422	397,497	5,211,765	9,162,676	751,950	1,254,443	22,325,817
\$ 11,122,643	\$ 451,178	\$ 588,501	\$ 5,679,354	\$ 11,095,316	\$ 977,016	\$ 1,467,201	\$ 31,381,209

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
February 28, 2011

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 3,728,954	\$ 25,098,752
Investments	-	2,696,637
Receivables		
Property taxes (net of allowance)		
Current year levy	-	18,795,869
Notes	-	6,092,308
Allowance	-	(90,000)
Special assessments	862,381	862,381
Accrued interest	-	1,656
Other	-	478,825
Property held for resale	-	410,000
Prepaid items	-	1,012
Due from other governments	-	582,372
Due from other funds	31,738	300,426
	<u>31,738</u>	<u>300,426</u>
Total Assets	<u>\$ 4,623,073</u>	<u>\$ 55,230,238</u>
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 738	\$ 566,082
Other	-	4,628
Due to other governments	-	1,395
Due to other funds	-	218,718
Deferred revenues	862,381	11,034,757
	<u>862,381</u>	<u>11,034,757</u>
Total Liabilities	<u>863,119</u>	<u>11,825,580</u>
Fund Balances		
Reserved for notes receivable	-	6,002,308
Reserved for debt service	-	22,325,817
Reserved for HUD Approved Projects	-	410,000
Unreserved		
Designated	3,759,954	7,604,122
Undesignated	-	7,062,411
	<u>3,759,954</u>	<u>7,062,411</u>
Total Fund Balances	<u>3,759,954</u>	<u>43,404,658</u>
Total Liabilities and Fund Balances	<u>\$ 4,623,073</u>	<u>\$ 55,230,238</u>

Concluded

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances  
Year ended February 28, 2011

	<b>Special Revenue</b>				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
<b>Revenues</b>					
Taxes	\$ -	\$ 1,539,970	\$ 1,011,894	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	1,880,012	-	-	-	-
Investment income	1,614	591	974	433,821	-
SSI reimbursement	-	-	-	-	-
Medical reimbursement	-	-	-	-	-
Miscellaneous	2,108	12,463	-	39,806	-
Total Revenues	<u>1,883,734</u>	<u>1,553,024</u>	<u>1,012,868</u>	<u>473,627</u>	<u>20,000</u>
<b>Expenditures</b>					
<b>Current</b>					
General management and support	-	-	-	-	-
Public safety	-	-	1,821,835	-	-
Public works	1,223,580	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	293	-
Housing and economic development	-	747,437	-	-	5,397
<b>Debt service</b>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
<b>Capital outlay</b>					
Total Expenditures	<u>1,223,580</u>	<u>747,437</u>	<u>1,821,835</u>	<u>293</u>	<u>5,397</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>660,154</u>	<u>805,587</u>	<u>(808,967)</u>	<u>473,334</u>	<u>14,603</u>
<b>Other Financing Sources (Uses)</b>					
<b>Transfers in (out)</b>					
General	(772,500)	(390,000)	-	-	-
Town	-	-	-	-	-
General Assistance	-	-	-	-	-
General Obligation Debt Service	-	-	-	-	-
Washington Natl. Tax Increment Dist. CIP	-	-	-	-	-
Special Assessment Capital Project	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(772,500)</u>	<u>(390,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(112,346)	415,587	(808,967)	473,334	14,603
Fund Balances -Beginning of Year	<u>794,436</u>	<u>2,007,615</u>	<u>2,203,797</u>	<u>2,678,744</u>	<u>75,312</u>
Fund Balances - End of Year	<u>\$ 682,090</u>	<u>\$ 2,423,202</u>	<u>\$ 1,394,830</u>	<u>\$ 3,152,078</u>	<u>\$ 89,915</u>

Continued

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,097	\$ 2,788,961
-	-	-	-	-	-	-
-	663,318	1,971,590	56,361	4,205,637	-	8,776,918
1,098	7,490	-	9,453	-	35	455,076
-	-	-	-	-	-	-
-	-	-	-	-	-	-
207,037	-	37,787	-	-	-	299,201
208,135	670,808	2,009,377	65,814	4,205,637	217,132	12,320,156
-	-	-	-	-	-	-
-	-	-	-	-	-	1,821,835
-	-	-	-	-	-	1,223,580
-	-	-	-	-	-	-
-	-	-	-	-	-	293
111,076	83,141	2,009,377	35,574	4,205,637	378,216	7,575,855
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
111,076	83,141	2,009,377	35,574	4,205,637	378,216	10,621,563
97,059	587,667	-	30,240	-	(161,084)	1,698,593
(24,000)	-	-	-	-	-	(1,186,500)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(24,000)	-	-	-	-	-	(1,186,500)
73,059	587,667	-	30,240	-	(161,084)	512,093
2,226,094	2,048,864	422,799	1,974,482	-	273,409	14,705,552
\$ 2,299,153	\$ 2,636,531	\$ 422,799	\$ 2,004,722	\$ -	\$ 112,325	\$ 15,217,645

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued  
 Year Ended February 28, 2011 and March 31, 2010 for City and Township respectively

	<b>Special Revenue</b>			
	Town	General Assistance	Total Township Funds	Total Special Revenue
<b>Revenues</b>				
Taxes	\$ 367,269	\$ 1,217,254	\$ 1,584,523	\$ 4,373,484
Special assessments	-	-	-	-
Intergovernmental	56,596	-	56,596	8,833,514
Investment income	640	1,431	2,071	457,147
SSI reimbursement	-	20,197	20,197	20,197
Medical reimbursement	-	125	125	125
Miscellaneous	-	-	-	299,201
Total Revenues	<u>424,505</u>	<u>1,239,007</u>	<u>1,663,512</u>	<u>13,983,668</u>
<b>Expenditures</b>				
Current				
General management and support	519,818	937,570	1,457,388	1,457,388
Public safety	-	-	-	1,821,835
Public works	-	-	-	1,223,580
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	293
Housing and economic development	-	-	-	7,575,855
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>519,818</u>	<u>937,570</u>	<u>1,457,388</u>	<u>12,078,951</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(95,313)</u>	<u>301,437</u>	<u>206,124</u>	<u>1,904,717</u>
Other Financing Sources (Uses)				
Transfers in (out)				
General	-	-	-	(1,186,500)
Town	-	(290)	(290)	(290)
General Assistance	290	-	290	290
General Obligation Debt Service	-	-	-	-
Washington Natl. Tax Increment Dist. CIP	-	-	-	-
Special Assesmtment Capital Project	-	-	-	-
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	<u>290</u>	<u>(290)</u>	<u>-</u>	<u>(1,186,500)</u>
Net Change in Fund Balances	(95,023)	301,147	206,124	718,217
Fund Balances -Beginning of Year	<u>602,230</u>	<u>1,292,888</u>	<u>1,895,118</u>	<u>16,600,670</u>
Fund Balances - End of Year	<u>\$ 507,207</u>	<u>\$ 1,594,035</u>	<u>\$ 2,101,242</u>	<u>\$ 17,318,887</u>

Continued

<b>Debt Service</b>							
General Obligation Debt	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
\$ 9,642,473	\$ 395,214	\$ 330,136	\$ 883,463	\$ 4,887,915	\$ 248,025	\$ 422,698	\$ 16,809,924
-	-	-	-	-	-	-	-
700	44	12	1,549	27,588	239	1,060	31,192
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,126	-	1,126
9,643,173	395,258	330,148	885,012	4,915,503	249,390	423,758	16,842,242
71,197	-	-	-	-	-	-	71,197
-	-	-	-	-	-	-	-
-	-	-	-	88,362	-	-	88,362
-	-	840,523	-	-	-	-	840,523
-	-	-	-	-	-	-	-
-	-	-	785	6,580	495,246	313,727	816,338
6,149,740	315,000	-	535,000	305,000	-	-	7,304,740
4,407,988	125,975	-	170,483	134,366	-	-	4,838,812
12,248	-	-	-	-	-	-	12,248
-	-	-	-	-	-	-	-
10,641,173	440,975	840,523	706,268	534,308	495,246	313,727	13,972,220
(998,000)	(45,717)	(510,375)	178,744	4,381,195	(245,856)	110,031	2,870,022
-	-	(24,096)	(141,600)	(324,996)	-	(24,996)	(515,688)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(120,396)	-	(120,396)
317,664	-	-	-	-	-	-	317,664
-	-	-	-	(3,385,896)	-	-	(3,385,896)
317,664	-	(24,096)	(141,600)	(3,710,892)	(120,396)	(24,996)	(3,704,316)
(680,336)	(45,717)	(534,471)	37,144	670,303	(366,252)	85,035	(834,294)
5,989,400	284,139	931,968	5,174,621	8,492,373	1,118,202	1,169,408	23,160,111
\$ 5,309,064	\$ 238,422	\$ 397,497	\$ 5,211,765	\$ 9,162,676	\$ 751,950	\$ 1,254,443	\$ 22,325,817

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued  
Year ended February 28, 2011

	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>		
Taxes	\$ -	\$ 21,183,408
Special assessments	429,487	429,487
Intergovernmental	-	8,833,514
Investment income	6,005	494,344
SSI reimbursement	-	20,197
Medical reimbursement	-	125
Miscellaneous	4	300,331
<b>Total Revenues</b>	<b>435,496</b>	<b>31,261,406</b>
<b>Expenditures</b>		
<b>Current</b>		
General management and support	774	1,529,359
Public safety	-	1,821,835
Public works	-	1,311,942
Health and human resource development	-	840,523
Recreation and cultural opportunities	-	293
Housing and economic development	-	8,392,193
<b>Debt service</b>		
Principal	-	7,304,740
Interest	-	4,838,812
Fiscal agent fees	-	12,248
Capital outlay	190,932	190,932
<b>Total Expenditures</b>	<b>191,706</b>	<b>26,242,877</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>243,790</b>	<b>5,018,529</b>
<b>Other Financing Sources (Uses)</b>		
<b>Transfers in (out)</b>		
General	-	(1,702,188)
Town	-	(290)
General Assistance	-	290
General Obligation Debt Service	(317,664)	(317,664)
Washington Natl. Tax Increment Dist. CIP	-	(120,396)
Special Assessment Capital Project	-	317,664
Motor Vehicle Parking System	-	(3,385,896)
<b>Total Other Financing Sources (Uses)</b>	<b>(317,664)</b>	<b>(5,208,480)</b>
<b>Net Change in Fund Balances</b>	<b>(73,874)</b>	<b>(189,951)</b>
<b>Fund Balances -Beginning of Year</b>	<b>3,833,828</b>	<b>43,594,609</b>
<b>Fund Balances - End of Year</b>	<b>\$ 3,759,954</b>	<b>\$ 43,404,658</b>

Concluded

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Taxes</b>			
<b>Property</b>			
Current year levy	\$ 16,349,600	\$ 15,898,788	\$ (450,812)
Prior year levy	200,000	260,557	60,557
<b>Total Property Taxes</b>	<b>16,549,600</b>	<b>16,159,345</b>	<b>(390,255)</b>
Personal Property Replacement Tax	676,500	740,819	64,319
<b>Other Taxes</b>			
State Use Tax	1,095,000	1,060,610	(34,390)
Sales Tax - Home Rule	5,520,000	5,724,904	204,904
Auto Rental Tax	35,000	36,445	1,445
Athletic Contest Tax	650,000	646,337	(3,663)
Utility Tax	8,484,000	7,872,181	(611,819)
Cigarette Tax	485,000	440,103	(44,897)
Evanston Motor Fuel Tax	450,000	558,024	108,024
Liquor Tax	2,050,000	2,070,063	20,063
Parking Tax	1,785,000	2,330,876	545,876
Amusement Tax	200	424	224
Real Estate TransferTax	1,600,000	1,790,182	190,182
<b>Total Other Taxes</b>	<b>22,154,200</b>	<b>22,530,149</b>	<b>375,949</b>
<b>Total Taxes</b>	<b>39,380,300</b>	<b>39,430,313</b>	<b>50,013</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 2,700,000	\$ 2,598,341	\$ (101,659)
Business Licenses	171,000	102,264	(68,736)
Pet Licenses	45,000	24,000	(21,000)
Contractor Licenses	80,000	76,050	(3,950)
Rooming House Licenses	193,200	182,936	(10,264)
Liquor Licenses	370,500	347,475	(23,025)
One Day Liquor Licenses	-	5,953	5,953
Farmer's Market Licenses	28,000	12,860	(15,140)
Rental building register	146,000	70,340	(75,660)
Other Licenses	17,000	21,265	4,265
Long Term Care License	112,400	113,700	1,300
Seasonal Food estb	-	1,547	1,547
Mobile food vehicle	-	750	750
Hen coop lic	-	200	200
Resident Care home License	500	460	(40)
Building Permits	2,200,000	2,702,810	502,810
Plumbing Permits	110,000	117,574	7,574
Electrical Permits	120,000	124,174	4,174
Signs and Awnings	10,000	6,712	(3,288)
Other /Misc Permits	220,000	225,916	5,916
Elevator Permits	50,000	20,919	(29,081)
Heating Vent / AC Permits	200,000	323,351	123,351
Right of Way Permits	160,000	213,600	53,600
Residents Parking Permit	150,000	126,530	(23,470)
Visitor Parking Permit	14,300	12,246	(2,054)
Fire supression / Alarm Permit	-	20,588	20,588
Annual Sign Fees	25,000	30,340	5,340
Plat PR. & Sign Approval HRG Fees	2,500	1,320	(1,180)
Alarm Panel Francise Fee	5,000	9,255	4,255
Northwestern / Centel Easement	27,000	47,000	20,000
Cable Franchise Fee	890,000	862,650	(27,350)
PEG Fees - COMCAST	-	105,108	105,108
Nicor Franchise Fee	95,000	79,684	(15,316)
Solid Waste Franchise Fee	170,000	73,480	(96,520)
Total Licenses and Permits	8,312,400	8,661,398	348,998

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 8,914,000	\$ 8,791,573	\$ (122,427)
State Income Tax	5,717,000	5,808,360	91,360
State Highway Maintenance	93,400	69,146	(24,254)
Full Circle grant	-	6,474	6,474
H1N1 Grant	-	26,833	26,833
Health Department Basic Serv. Grant	76,000	39,048	(36,952)
Dental Sealant Grant	2,000	721	(1,279)
Summer Food Inspections	400	450	50
Kid Care Agreement	-	2,520	2,520
Illinois Tobacco Free Community	21,900	1,750	(20,150)
Teen Pregnancy Prevension Grant	60,600	45,900	(14,700)
Childhood Lead Poisoning Grant	500	720	220
Teen Parent Services Program	30,600	12,769	(17,831)
Other State / County Grant	22,500	28,915	6,415
Tanning Parlor Inspection	100	-	(100)
Fire Department Training	9,000	1,115	(7,885)
CRI Grant	40,000	11,642	(28,358)
PHEP Grant	70,000	31,027	(38,973)
State Recycling Grant	-	60,000	60,000
Summer Youth	-	15,167	15,167
Leadbase Paint Control Grant	180,000	8,000	(172,000)
Federal Grant / Aid	33,200	601,857	568,657
Commission on Aging Grant - Advocate	37,000	33,576	(3,424)
Civil Defence Grants (F.E.M.A.)	24,000	38,116	14,116
Police Training	8,000	8,000	-
HUD Emergency Shelter Grant	86,000	85,729	(271)
Law Enforcement Block Grant	-	8,178	8,178
Other Federal Aid	8,300	8,320	20
Total Intergovernmental - Revenue from Other Agencies	15,434,500	15,745,906	311,406

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Charges for Services</b>			
Recreation			
Recreation - program	\$ 4,824,600	\$ 5,155,391	\$ 330,791
Recreation - unreconciled	40,000	69,857	29,857
<b>Total Recreation</b>	<b>4,864,600</b>	<b>5,225,248</b>	<b>360,648</b>
Library			
State Per Capita Grant	75,400	75,805	405
Library Video Rental	39,400	31,706	(7,694)
Non-Residents Card	1,800	2,400	600
Library Material Replacement Charged	17,000	12,587	(4,413)
Library Miscellaneous Revenues	2,800	428	(2,372)
Library Copy Machines Charges	25,000	22,652	(2,348)
Library Meeting Room Rental	11,500	9,932	(1,568)
North Branch Rental Inc.	34,700	33,396	(1,304)
<b>Total Library</b>	<b>207,600</b>	<b>188,906</b>	<b>(18,694)</b>
<b>Charges for Services</b>			
Other Service Charges			
Birth and Death Records	-	5,447	5,447
Sanitation Classes	7,000	4,850	(2,150)
Dental Clinic Fees	130,000	149,127	19,127
Health Clinic Fees - Food Establishment	180,000	189,968	9,968
Dental Check up	-	2,375	2,375
Emergency Dental Exam	-	30	30
Amalgam Filling	-	30	30
Dental Co-Pay	-	45	45
Resin Filling	-	1,500	1,500
Extraction	-	120	120
Root Canal Payment	-	175	175
Sealant Office Visit	-	230	230
Additional Sealant	-	10	10
Temporary License Fee	6,500	8,438	1,938
Food Delivery Vehicle	6,000	4,850	(1,150)
Scavenger Truck	300	-	(300)
Beverage Snack Vending Machine	30,000	30,559	559
Tobacco License	20,000	20,500	500
BeeKeeper License	-	75	75
Home Day Care License	5,500	-	(5,500)
Birth Certificate	80,000	66,115	(13,885)
Death Certificate - 16 . 23	69,000	34,094	(34,906)
Funeral Director License	6,600	7,350	750

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Charges for Services - Continued</b>			
<b>Other Service Charges - Continued</b>			
Temp Funeral Direct License	\$ 5,000	\$ 5,526	\$ 526
SWANCC Recycling	150,000	56,406	(93,594)
Recycling Service Charged	2,192,400	2,261,231	68,831
Recycling Service Charge - Penalty	20,000	37,569	17,569
Sanitation Special Pickup Fees	80,000	83,399	3,399
Weights & Measures Examinations	1,000	345	(655)
Senior Taxi Coupon Sales	105,000	96,717	(8,283)
Fire Cost Recovery Charge	10,000	2,545	(7,455)
Other Services Charges	-	693	693
Condo Conversion Application Fee	-	16,650	16,650
Historic preservation	8,900	6,075	(2,825)
Ambulance Service	985,000	973,482	(11,518)
Towing Charges	3,000	-	(3,000)
Police Report Fees	16,000	15,794	(206)
Wood Recycling	24,000	34,830	10,830
Zoning Fees	40,000	45,378	5,378
Fire Report Fees	1,500	462	(1,038)
Fire Building inspections	10,000	5,265	(4,735)
Alarm Panel Subscription Fees	150,000	133,405	(16,595)
Skokie Animal Board Fee	7,500	8,085	585
Background Check Daycare Prov.	-	540	540
New Pavement Degradation	50,000	55,518	5,518
Plan Review	7,500	5,879	(1,621)
<b>Total Other Service Charges</b>	<b>4,407,700</b>	<b>4,371,682</b>	<b>(36,018)</b>
<b>Total Charges for Services</b>	<b>9,479,900</b>	<b>9,785,836</b>	<b>305,936</b>
<b>Fines</b>			
Ticket Fines - Parking	3,500,000	3,172,985	(327,015)
False Alarm and Other Fines	435,000	196,674	(238,326)
Boot Release Fee	68,000	78,615	10,615
Housing Code Violation Fines	48,000	136,968	88,968
Permit Penalty Fees	7,500	10,940	3,440
Administrative Adjudication Fine	150,000	244,133	94,133
Library Fines & Fees	195,000	162,385	(32,615)
<b>Total Fines</b>	<b>4,403,500</b>	<b>4,002,700</b>	<b>(400,800)</b>
<b>Investment Income</b>	<b>100,000</b>	<b>11,454</b>	<b>(88,546)</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Miscellaneous			
Charges to Other Funds			
Recreation restricted accts	\$ 76,300	\$ 42,450	\$ (33,850)
Community Development Fund	856,000	966,218	110,218
Home Fund	34,300	36,396	2,096
Neighborhood Stabilization Program 2	-	118,248	118,248
Emergency Telephone System Fund	126,000	126,000	-
Parking Fund	644,500	686,496	41,996
Sewer Fund	266,000	266,004	4
	<hr/>	<hr/>	<hr/>
Total Charges to Other Funds	2,003,100	2,241,812	238,712
	<hr/>	<hr/>	<hr/>
Miscellaneous			
Other Revenues			
Property Sales and Rentals	500,100	108,657	(391,443)
Berglund Animal Hosp. Pkg.	-	2,400	2,400
Damage to City Signage	2,000	-	(2,000)
Damage to City traffic Signal	20,000	3,039	(16,961)
Damage to Street Lights	20,000	-	(20,000)
Miscellaneous Revenue	50,700	227,377	176,677
Taxicab Revenue	7,000	4,800	(2,200)
Teen baby nursery	41,000	82,000	41,000
Reimbursements - School resource	290,000	-	(290,000)
Sale of surplus properties	-	213,000	213,000
Reimbursements - Serve & Pro.	-	3,424	3,424
Reimbursements - Salt Use	-	83,377	83,377
Reimbursements - Fire Dept.	-	36,051	36,051
Payment in Lieu of Taxes	300,000	87,500	(212,500)
Contributions from EPL	-	158,400	158,400
Dutch Elm Trees Ins.	75,000	75,000	-
Private Elm Trees Ins.	50,000	42,830	(7,170)
Fees and Merchandise	-	2,878	2,878
Trash Cart Sales	30,000	67,527	37,527
Yard Waste	950,000	222,135	(727,865)
Parking Permits - Ryan Field	15,000	15,137	137
Change in Reserves	-	410,021	410,021
Sale of land	-	1,900,000	1,900,000
	<hr/>	<hr/>	<hr/>
Total Other Revenues	2,350,800	3,745,553	1,394,753
	<hr/>	<hr/>	<hr/>
Total Miscellaneous	4,353,900	5,987,365	1,633,465
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 81,464,500	\$ 83,624,972	\$ 2,160,472
	<hr/>	<hr/>	<hr/>

Concluded

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>General Management and Support</b>			
City Council	\$ 448,352	\$ 422,686	\$ 25,666
City Manager	1,952,348	1,921,782	30,566
City Clerk	154,842	167,178	(12,336)
Law Department	1,026,853	960,002	66,851
Administrative Services	15,683,859	16,170,222	(486,363)
Facilities management	2,357,044	2,312,784	44,260
<b>Total General Management and Support</b>	<b>21,623,298</b>	<b>21,954,654</b>	<b>(331,356)</b>
<b>Public Safety</b>			
Police	21,773,329	22,439,406	(666,077)
Fire	12,328,323	12,819,558	(491,235)
<b>Total Public Safety</b>	<b>34,101,652</b>	<b>35,258,964</b>	<b>(1,157,312)</b>
<b>Public Works</b>			
Public Works Director	222,848	219,288	3,560
Municipal Service Center	412,835	333,141	79,694
City Engineer	1,542,003	1,511,537	30,466
Traffic Engineer	2,457,483	790,445	1,667,038
Streets	5,239,029	5,136,421	102,608
Sanitation	4,643,923	4,627,476	16,447
<b>Total Public Works</b>	<b>14,518,121</b>	<b>12,618,308</b>	<b>1,899,813</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Health and Human Resource Development</b>			
Health and Human Services Director	\$ 274,162	\$ 264,411	\$ 9,751
Health Department	1,356,080	1,163,612	192,468
Mental health and community purchased services	677,434	638,909	38,525
Subsidized Taxicab Program	-	290	(290)
Human Relations	1,300,176	1,218,749	81,427
Grants	-	414,460	(414,460)
Total Health and Human Resource Development	<u>3,607,852</u>	<u>3,700,431</u>	<u>(92,579)</u>
<b>Recreation and Cultural Opportunities</b>			
Library	4,217,010	4,214,555	2,455
Recreation	8,083,161	7,850,178	232,983
Parks and forestry	4,313,501	4,127,017	186,484
Ecology Center	463,904	405,079	58,825
Arts Council	853,224	793,629	59,595
Total Recreation and Cultural Opportunities	<u>17,930,800</u>	<u>17,390,458</u>	<u>540,342</u>
<b>Housing and Economic Development</b>			
Community Development administration	177,860	127,830	50,030
Planning and zoning	834,460	812,943	21,517
Housing rehabilitation and property standards	919,730	905,504	14,226
Building code compliance	1,388,869	1,106,526	282,343
Total Housing and Economic Development	<u>3,320,919</u>	<u>2,952,803</u>	<u>368,116</u>
Total Expenditures	<u>\$ 95,102,642</u>	<u>\$ 93,875,618</u>	<u>\$ 1,227,024</u>

Concluded

**CITY OF EVANSTON, ILLINOIS**

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Intergovernmental allotments	\$ 1,900,000	\$ 1,880,012	\$ (19,988)
Interest	30,000	1,614	(28,386)
Miscellaneous	-	2,108	2,108
<b>Total Revenues</b>	<b>1,930,000</b>	<b>1,883,734</b>	<b>(46,266)</b>
<b>Expenditures</b>			
Public Works	1,830,000	1,223,580	606,420
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>100,000</b>	<b>660,154</b>	<b>560,154</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out) General Fund	(772,500)	(772,500)	-
<b>Net Change in Fund Balance</b>	<b><u>\$ (672,500)</u></b>	<b>(112,346)</b>	<b><u>\$ 560,154</u></b>
<b>Fund Balances</b>			
Beginning of year		<u>794,436</u>	
End of year		<u>\$ 682,090</u>	

**CITY OF EVANSTON, ILLINOIS**

## Economic Development Fund

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

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,800,000	\$ 1,539,970	\$ (260,030)
Interest	8,000	591	(7,409)
Miscellaneous	-	12,463	12,463
Total Revenue	1,808,000	1,553,024	(254,976)
Expenditures			
Housing and economic development	1,369,087	747,437	621,650
Excess of Revenues over Expenditures	438,913	805,587	366,674
Other Financing Sources (Uses)			
Transfers in (out) General Fund	(390,000)	(390,000)	-
Net Change in Fund Balance	<u>\$ 48,913</u>	415,587	<u>\$ 366,674</u>
Fund Balances			
Beginning of year		<u>2,007,615</u>	
End of year		<u>\$ 2,423,202</u>	

**CITY OF EVANSTON, ILLINOIS**

Emergency Telephone System Fund

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

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,050,000	\$ 1,011,894	\$ (38,106)
Interest	6,000	974	(5,026)
Total Revenue	1,056,000	1,012,868	(43,132)
Expenditures			
Public Safety	2,612,104	1,821,835	790,269
Net Change in Fund Balance	<u>\$ (1,556,104)</u>	(808,967)	<u>\$ 747,137</u>
Fund Balance			
Beginning of year		<u>2,203,797</u>	
End of year		<u>\$ 1,394,830</u>	

**CITY OF EVANSTON, ILLINOIS**

Neighborhood Improvement

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes and Special Assessments	\$ 40,000	\$ 20,000	\$ (20,000)
Expenditures			
Housing and economic development	50,000	5,397	44,603
Net Change in Fund Balance	<u>\$ (10,000)</u>	14,603	<u>\$ 24,603</u>
Fund Balances			
Beginning of year		<u>75,312</u>	
End of year		<u>\$ 89,915</u>	

**CITY OF EVANSTON, ILLINOIS**

Affordable Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
 Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Affordable Housing Demo Tax	\$ 10,000	\$ 20,000	\$ 10,000
Developer Contributions	150,000	150,000	-
Interest	21,000	1,098	(19,902)
Miscellaneous	-	37,037	37,037
<b>Total Revenue</b>	<b>181,000</b>	<b>208,135</b>	<b>27,135</b>
<b>Expenditures</b>			
Housing and economic development	298,000	111,076	186,924
<b>Excess of Revenues over Expenditures</b>	<b>(117,000)</b>	<b>97,059</b>	<b>214,059</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
Debt Service Fund	(24,000)	(24,000)	-
<b>Net Change in Fund Balance</b>	<b><u>\$ (141,000)</u></b>	<b>73,059</b>	<b><u>\$ 214,059</u></b>
<b>Fund Balance</b>			
Beginning of year		<u>2,226,094</u>	
End of year		<u><u>\$ 2,299,153</u></u>	

**CITY OF EVANSTON, ILLINOIS**

HOME Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Intergovernmental allotments	\$ 575,009	\$ 663,318	\$ 88,309
Interest	9,000	7,490	(1,510)
<b>Total Revenue</b>	<b>584,009</b>	<b>670,808</b>	<b>86,799</b>
<b>Expenditures</b>			
Housing and economic development	542,200	83,141	459,059
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>41,809</b>	<b>587,667</b>	<b>545,858</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out) General Fund	(34,300)	-	34,300
<b>Net Change in Fund Balance</b>	<b>\$ 7,509</b>	<b>587,667</b>	<b>\$ 580,158</b>
<b>Fund Balance</b>			
Beginning of year		<u>2,048,864</u>	
End of year		<u>\$ 2,636,531</u>	

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

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

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,050,176	\$ 1,971,590	\$ (78,586)
Miscellaneous	-	37,787	37,787
Total Revenues	2,050,176	2,009,377	(40,799)
Expenditures			
Housing and economic development	2,050,176	2,009,377	40,799
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>422,799</u>	
End of year		<u>\$ 422,799</u>	

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 351,113	\$ 359,568	\$ (8,455)
Total Administration/Planning	351,113	359,568	(8,455)
Economic Development			
Evanston Community Development Corp.	30,000	30,000	-
Evanston Community Development Corp. West	20,000	20,000	-
Technology Innovation Center	20,000	20,000	-
Neighborhood Facade Program	40,000	33,275	6,725
MBE/Small Business Assistance	40,000	40,000	-
Total Economic Development	150,000	143,275	6,725
Housing			
Housing Code Compliance	425,000	425,000	-
Targeted Code Enforcement	-	14,672	(14,672)
Housing Rehab Administration	325,000	248,142	76,858
Minor Repairs/Painting Assistance - E.N.A.W.	100,000	121,401	(21,401)
Total Housing	850,000	809,215	40,785
Neighborhood Revitalization			
Alley Paving Program	75,000	67,578	7,422
Curb/Sidewalk Replacement	45,833	46,174	(341)
Curb/Ramp ADA 2008	45,833	45,833	-
Disposition 1817	-	(315)	315
Brummel Park	50,000	-	50,000
F/J	-	50,000	(50,000)
Family Focus-Weissbourd	40,000	39,890	110
Handyman Assistance/Elderly Home Repair	12,000	14,330	(2,330)
Reba Early Learning Center Roof	14,000	21,000	(7,000)
Special Assessments/Alley Paving	50,000	62,190	(12,190)
School Dist. 65 Oakton Playground	5,000	5,000	-
Snap Lighting	24,000	10,949	13,051
South Evanston Neighborhood Security	-	1,449	(1,449)
YMCA	25,000	-	25,000
YMCA Airconditioning	-	14,000	(14,000)
YMCA Access	15,000	13,900	1,100
Graffiti Removal Program	35,000	35,000	-
Total Neighborhood Revitalization	436,666	426,978	9,688

Continued

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Public Services</b>			
Adopt a Fancy Can	\$ 4,000	\$ 539	\$ 3,461
Connections for the Homeless	4,000	4,000	-
Divine Wisdom	700	700	-
Evanston Community Defender	39,000	39,000	-
Evanston Youth Initiative	-	1,190	(1,190)
Girl Scouts	8,000	8,000	-
Interfaith Housing Program/ Home Sharing	14,000	14,000	-
Interfaith Job	2,000	2,000	-
Latino	1,500	-	1,500
Legal Assist Foundation	9,000	9,000	-
Meals at Home	9,000	9,000	-
Music Inst.	2,000	2,000	-
Neighborhood Initiative Fund	8,000	-	8,000
North Shore Senior Center	22,500	22,500	-
Open studio Art	3,000	3,000	-
Purch Local Employment	5,000	5,000	-
Shore Front Mag	15,000	15,000	-
Summer Youth Employment	42,000	42,000	-
Youth Job Center of Evanston	39,697	39,697	-
YWCA Shelter Project	34,000	34,000	-
<b>Total Public Services</b>	<b>262,397</b>	<b>250,626</b>	<b>11,771</b>
<b>CDBG-R</b>			
Fleetwood Foster Imp Phase 1B	-	18,773	(18,773)
CDBG-R Admin	-	942	(942)
<b>Total CDBG-R</b>	<b>-</b>	<b>19,715</b>	<b>(19,715)</b>
<b>Total Expenditures</b>	<b>\$ 2,050,176</b>	<b>\$ 2,009,377</b>	<b>\$ 40,799</b>

Concluded

**CITY OF EVANSTON, ILLINOIS**

Community Development Loan

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ -	\$ 56,361	\$ 56,361
Interest	3,000	9,453	6,453
Total Revenues	3,000	65,814	62,814
Expenditures			
Housing and economic development	20,000	35,574	(15,574)
Excess (Deficiency) of Revenues over (under) Expenditures	(17,000)	30,240	47,240
Other Financing Sources (Uses)			
Transfers in (out)			
Community Development Block Grant	(55,000)	-	55,000
Net Change in Fund Balance	<u>\$ (72,000)</u>	30,240	<u>\$ 102,240</u>
Fund Balances			
Beginning of year		<u>1,974,482</u>	
End of year		<u>\$ 2,004,722</u>	

**CITY OF EVANSTON, ILLINOIS**

Neighborhood Stabilization Program 2

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

Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 4,000,000	\$ 4,205,637	\$ 205,637
Expenditures			
Housing and economic development	4,000,000	4,205,637	(205,637)
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balances			
Beginning of year		<u>-</u>	
End of year		<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)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 378,000	\$ 388,000	\$ 10,000
Prior year levy	-	(2,517)	(2,517)
Interest	-	35	35
Total Revenues	378,000	385,518	7,518
Expenditures			
Housing and economic development	378,000	378,216	(216)
Net Change in Fund Balance	<u>\$ -</u>	7,302	<u>\$ 7,302</u>
Fund Balance			
Beginning of year		<u>300,230</u>	
End of year		<u>\$ 307,532</u>	

**CITY OF EVANSTON, ILLINOIS**

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year ended March 31, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 295,753	\$ 367,269	\$ 71,516
Interest	6,000	640	(5,360)
Replacement tax	40,000	56,596	16,596
Total Revenues	341,753	424,505	82,752
Expenditures			
General management and support	518,719	519,818	(1,099)
Excess (Deficiency) of Revenues over (under) Expenditures	(176,966)	(95,313)	81,653
Other Financing Sources (Uses)			
Transfers in (out)			
General Assistance Fund	200,000	290	(199,710)
Net Change in Fund Balance	<u>\$ 23,034</u>	(95,023)	<u>\$ (118,057)</u>
Fund Balance			
Beginning of year		<u>602,230</u>	
End of year		<u>\$ 507,207</u>	

**CITY OF EVANSTON, ILLINOIS**

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year ended March 31, 2010

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Property taxes	\$ 986,553	\$ 1,217,254	\$ 230,701
Interest	9,000	1,431	(7,569)
SSI reimbursement	15,000	20,197	5,197
Medical reimbursement	-	125	125
<b>Total Revenues</b>	<b>1,010,553</b>	<b>1,239,007</b>	<b>228,454</b>
<b>Expenditures</b>			
General management and support	1,089,282	937,570	151,712
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(78,729)</b>	<b>301,437</b>	<b>380,166</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
Town Fund	100,000	(290)	(100,290)
<b>Net Change in Fund Balance</b>	<b>\$ 21,271</b>	<b>301,147</b>	<b>\$ 279,876</b>
<b>Fund Balance</b>			
Beginning of year		1,292,888	
End of year		\$ 1,594,035	

**CITY OF EVANSTON, ILLINOIS**

Special Assessment Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2011

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Special Assessments	\$ 550,000	\$ 429,487	\$ (120,513)
Interest	25,000	6,005	(18,995)
Miscellaneous	-	4	4
<b>Total Revenue</b>	<b>575,000</b>	<b>435,496</b>	<b>(139,504)</b>
<b>Expenditures</b>			
General management and support	\$ -	\$ 774	\$ (774)
Capital outlay	480,000	190,932	289,068
<b>Total Expenditures</b>	<b>480,000</b>	<b>191,706</b>	<b>288,294</b>
Excess (Deficiency) of Revenues over (under) Expenditures	95,000	243,790	148,790
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
Debt Service Fund	(317,659)	(317,664)	(5)
<b>Net Change in Fund Balance</b>	<b><u>\$ (222,659)</u></b>	<b>(73,874)</b>	<b><u>\$ 148,785</u></b>
<b>Fund Balance</b>			
Beginning of year		<u>3,833,828</u>	
End of year		<u><u>\$ 3,759,954</u></u>	

**CITY OF EVANSTON, ILLINOIS**

Debt Service Funds

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

Budget and Actual (Budgetary Basis)

Year ended February 28, 2011

	General Obligation Debt		Special Service District No. 5		Southwest Tax Increment District		Howard Hartrey Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
	Revenues							
Taxes								
Property taxes								
Current year levy, net	\$ 10,376,436	\$ 10,806,574	\$ 431,812	\$ 432,706	\$ 656,000	\$ 437,734	\$ 1,252,000	\$ 1,039,086
Prior year levy, net	-	(111,054)	-	(4,460)	-	-	-	-
Investment income	10,000	700	100	45	500	12	15,000	1,549
Total Revenues	<u>10,386,436</u>	<u>10,696,220</u>	<u>431,912</u>	<u>428,291</u>	<u>656,500</u>	<u>437,746</u>	<u>1,267,000</u>	<u>1,040,635</u>
Expenditures								
General management and support	200,000	71,197	-	-	-	523	-	785
Health and human resources development	-	-	-	-	840,000	840,000	-	-
Public Works	-	-	-	-	-	-	-	-
Debt Service								
Principal	6,624,740	6,618,800	325,000	325,000	-	-	533,249	570,000
Interest	4,186,965	4,295,737	113,062	107,706	-	-	141,804	141,058
Fiscal agent fees	8,000	12,248	-	-	-	-	-	-
Total Expenditures	<u>11,019,705</u>	<u>10,997,982</u>	<u>438,062</u>	<u>432,706</u>	<u>840,000</u>	<u>840,523</u>	<u>675,053</u>	<u>711,843</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(633,269)</u>	<u>(301,762)</u>	<u>(6,150)</u>	<u>(4,415)</u>	<u>(183,500)</u>	<u>(402,777)</u>	<u>591,947</u>	<u>328,792</u>
Other Financing Sources (Uses)								
Transfers in (out)								
General	-	-	-	-	(24,100)	(24,096)	(141,600)	(141,600)
Special Assessment	317,659	317,664	-	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>317,659</u>	<u>317,664</u>	<u>-</u>	<u>-</u>	<u>(24,100)</u>	<u>(24,096)</u>	<u>(141,600)</u>	<u>(141,600)</u>
Net Changes in Fund Balances	<u>\$ (315,610)</u>	<u>15,902</u>	<u>\$ (6,150)</u>	<u>(4,415)</u>	<u>\$ (207,600)</u>	<u>(426,873)</u>	<u>\$ 450,347</u>	<u>187,192</u>
Fund Balances								
Beginning of year		<u>300,170</u>		<u>22,886</u>		<u>577,637</u>		<u>3,742,018</u>
End of year		<u>\$ 316,072</u>		<u>\$ 18,471</u>		<u>\$ 150,764</u>		<u>\$ 3,929,210</u>

Washington National Tax Increment District		Howard Ridge Tax Increment District		West Evanston Tax Increment District		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 4,704,000	\$ 4,420,436	\$ 689,000	\$ 409,309	\$ 315,000	\$ 426,691	\$ 18,424,248	\$ 17,972,536
-	152,321	-	14,233	-	16,361	-	67,401
25,000	27,588	500	239	500	1,060	51,600	31,193
4,729,000	4,600,345	689,500	424,907	315,500	444,112	18,475,848	18,072,256
-	6,581	-	495,246	490,000	313,727	690,000	888,059
-	-	-	-	-	-	840,000	840,000
232,500	88,362	-	-	-	-	232,500	88,362
304,002	325,000	-	-	-	-	7,786,991	7,838,800
111,762	118,201	-	-	-	-	4,553,593	4,662,702
-	-	-	-	-	-	8,000	12,248
648,264	538,144	-	495,246	490,000	313,727	14,111,084	14,330,171
4,080,736	4,062,201	689,500	(70,339)	(174,500)	130,385	4,364,764	3,742,086
(325,000)	(324,996)	(120,400)	(120,396)	(25,000)	(24,996)	(636,100)	(636,084)
-	-	-	-	-	-	317,659	317,664
(3,385,900)	(3,385,896)	-	-	-	-	(3,385,900)	(3,385,896)
(3,710,900)	(3,710,892)	(120,400)	(120,396)	(25,000)	(24,996)	(3,704,341)	(3,704,316)
<u>\$ 369,836</u>	351,309	<u>\$ 569,100</u>	(190,735)	<u>\$ (199,500)</u>	105,389	<u>\$ 660,423</u>	37,769
	<u>5,944,361</u>		<u>752,963</u>		<u>935,123</u>		<u>12,275,158</u>
	<u>\$ 6,295,670</u>		<u>\$ 562,228</u>		<u>\$ 1,040,512</u>		<u>\$ 12,312,927</u>

## PROPRIETARY FUND TYPES

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Net Assets

February 28, 2011

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Intrafund	Totals
Assets						
Current Assets						
Cash and equivalents	\$ 2,877,661	\$ -	\$ 2,852,488	\$ 545,667	\$ -	\$ 6,275,816
Restricted cash and equivalents and investments	-	35,957	624,344	400,000	-	1,060,301
Receivables						
Accounts - billed	1,182,100	-	-	-	-	1,182,100
Accounts - unbilled	896,991	-	-	-	-	896,991
Due from other funds	19,768	100,000	-	-	(100,000)	19,768
Inventory	609,278	-	-	-	-	609,278
Total Current Assets	5,585,798	135,957	3,476,832	945,667	(100,000)	10,044,254
Capital Assets						
Land	555,415	-	-	-	-	555,415
Construction in progress	90,660	-	-	681,563	-	772,223
Capital assets being depreciated	76,318,163	-	-	-	-	76,318,163
Less accumulated depreciation	(20,784,758)	-	-	-	-	(20,784,758)
Total Capital Assets	56,179,480	-	-	681,563	-	56,861,043
Total Assets	\$ 61,765,278	\$ 135,957	\$ 3,476,832	\$ 1,627,230	\$ (100,000)	\$ 66,905,297

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Net Assets

February 28, 2011

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Intrafund	Totals
Liabilities and Net Assets						
Current Liabilities						
Vouchers payable	\$ 119,050	\$ -	\$ -	\$ 30,945	\$ -	\$ 149,995
Interest payable - restricted	-	8,224	-	-	-	8,224
Revenue bonds payable	479,167	-	-	-	-	479,167
Notes payable-IEPA	28,937	-	-	-	-	28,937
Revenue bonds payable - restricted	-	95,833	-	-	-	95,833
General obligation bonds payable	62,272	-	-	-	-	62,272
Due to other funds	255,258	-	-	-	(100,000)	155,258
Unearned revenue	674	-	-	-	-	674
Compensated absences payable	216,943	-	-	-	-	216,943
<b>Total Current Liabilities</b>	<b>1,162,301</b>	<b>104,057</b>	<b>-</b>	<b>30,945</b>	<b>(100,000)</b>	<b>1,197,303</b>
Long-Term Liabilities						
Notes payable-IEPA	1,128,514	-	-	-	-	1,128,514
Revenue bonds payable	595,000	-	-	-	-	595,000
OPEB liability	84,726	-	-	-	-	84,726
Compensated absences payable	237,514	-	-	-	-	237,514
General obligation bonds payable	649,179	-	-	-	-	649,179
IMRF Pension contributions payable	149,845	-	-	-	-	149,845
Unamortized bond discount on bonds payable	12,419	-	-	-	-	12,419
<b>Total Long-Term Liabilities</b>	<b>2,857,197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,857,197</b>
<b>Total Liabilities</b>	<b>4,019,498</b>	<b>104,057</b>	<b>-</b>	<b>30,945</b>	<b>(100,000)</b>	<b>4,054,500</b>
Net Assets						
Invested in capital assets, net of related debt	55,092,894	-	-	-	-	55,092,894
Restricted for debt service	-	599,672	624,344	-	-	1,224,016
Restricted for Capital Improvements	-	-	-	400,000	-	400,000
Unrestricted	2,652,886	(567,772)	2,852,488	1,196,285	-	6,133,887
<b>Total Net Assets</b>	<b>57,745,780</b>	<b>31,900</b>	<b>3,476,832</b>	<b>1,596,285</b>	<b>-</b>	<b>62,850,797</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 61,765,278</b>	<b>\$ 135,957</b>	<b>\$ 3,476,832</b>	<b>\$ 1,627,230</b>	<b>\$ (100,000)</b>	<b>\$ 66,905,297</b>

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts  
Year ended February 28, 2011

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
<b>Increases</b>				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ 350,000	\$ -	\$ 2,500,000	\$ 2,850,000
Investment earnings	842	10,628	556	12,026
<b>Total Increases</b>	<b>350,842</b>	<b>10,628</b>	<b>2,500,556</b>	<b>2,862,026</b>
<b>Decreases</b>				
Bond principal	554,166	-	-	554,166
Bond interest	67,615	-	-	67,615
Purchase of capital assets	-	-	3,973,104	3,973,104
Payment of expense	300	-	1,341	1,641
<b>Total Decreases</b>	<b>622,081</b>	<b>-</b>	<b>3,974,445</b>	<b>4,596,526</b>
<b>Net Increase (Decrease)</b>	<b>(271,239)</b>	<b>10,628</b>	<b>(1,473,889)</b>	<b>(1,734,500)</b>
<b>Net Assets</b>				
Beginning of year	303,139	3,466,204	3,070,174	6,839,517
End of year	\$ 31,900	\$ 3,476,832	\$ 1,596,285	\$ 5,105,017

**CITY OF EVANSTON, ILLINOIS**

Water Fund - Operation and Maintenance Account

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

Year ended February 28, 2011

(With Comparative Totals for the Year Ended February 28, 2010)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 12,465,000	\$ 13,086,057	\$ 12,203,588
Miscellaneous	947,446	651,825	490,889
<b>Total Operating Revenues</b>	<b>13,412,446</b>	<b>13,737,882</b>	<b>12,694,477</b>
Operating Expenses Excluding Depreciation			
Administration	788,521	820,136	785,180
Operations			
Pumping	2,655,827	2,075,791	2,284,009
Filtration	2,492,978	2,170,905	2,214,043
Meter maintenance	356,611	294,342	337,999
Distribution	1,384,891	1,205,917	1,197,073
Other	394,800	624,486	938,456
<b>Total Operating Expenses Excluding Depreciation</b>	<b>8,073,628</b>	<b>7,191,577</b>	<b>7,756,760</b>
Operating Income Before Depreciation	5,338,818	6,546,305	4,937,717
Depreciation	-	1,439,663	1,249,299
Operating Income	5,338,818	5,106,642	3,688,418
Nonoperating Revenues (Expenses)			
Investment income	12,000	2,773	3,132
Interest expense	-	(67,615)	(88,176)
Bond expenses and amortization of discount	-	1,129	1,129
Net book value of capital assets disposed	-	(13,434)	(15,354)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>12,000</b>	<b>(77,147)</b>	<b>(99,269)</b>
Income Before Transfers	5,350,818	5,029,495	3,589,149
Transfers In (Out)			
Transfer Out	(2,778,600)	(3,286,800)	(2,693,604)
<b>Total Transfers In (Out)</b>	<b>(2,778,600)</b>	<b>(3,286,800)</b>	<b>(2,693,604)</b>
Net Income	\$ 2,572,218	1,742,695	895,545
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		1,744,885	2,893,329
Increase in Unreserved Net Assets		3,487,580	3,788,874
Unreserved Net Assets			
Beginning of year, as restated		54,258,200	51,180,777
End of year		\$ 57,745,780	\$ 54,969,651

**CITY OF EVANSTON, ILLINOIS**

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

Year ended February 28, 2011

(With Comparative Totals for the Year Ended February 28, 2010)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 5,675,000	\$ 5,419,316	\$ 5,102,757
Skokie	2,690,000	2,885,096	2,594,765
Northwest Water Commission	4,100,000	4,781,645	4,506,066
Total Charges for Services	12,465,000	13,086,057	12,203,588
Miscellaneous			
Fees and outside work	80,000	79,439	74,480
Fees, merchandise and other	867,446	572,386	416,409
Total Miscellaneous	947,446	651,825	490,889
Total Operating Revenues	\$ 13,412,446	\$ 13,737,882	\$ 12,694,477

## **Internal Service Funds**

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

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

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

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Net Assets

February 28, 2011

Assets	Fleet Services	Insurance	Totals
<b>Current Assets</b>			
Cash and equivalents	\$ 689,094	\$ 737,601	\$ 1,426,695
Receivables - other	625,747	-	625,747
Inventories	396,460	-	396,460
Prepaid Expenses	1,171,968	-	1,171,968
Due from other funds	-	15,334	15,334
<b>Total Unrestricted Current Assets</b>	<b>2,883,269</b>	<b>752,935</b>	<b>3,636,204</b>
<b>Capital Assets</b>			
Cost	20,431,236	-	20,431,236
Accumulated depreciation	(15,112,841)	-	(15,112,841)
<b>Total Capital Assets</b>	<b>5,318,395</b>	<b>-</b>	<b>5,318,395</b>
<b>Total Assets</b>	<b>8,201,664</b>	<b>752,935</b>	<b>8,954,599</b>
<b>Liabilities and Fund Equity</b>			
<b>Current Liabilities</b>			
Vouchers payable	328,913	72,667	401,580
Compensated absences payable	31,451	-	31,451
Claims payable	-	2,703,328	2,703,328
Due to other funds	48,292	162,561	210,853
<b>Total Current Liabilities</b>	<b>408,656</b>	<b>2,938,556</b>	<b>3,347,212</b>
<b>Long-Term Liabilities</b>			
Compensated absences payable	51,324	-	51,324
OPEB Liability	29,331	-	29,331
Claims payable	-	2,751,875	2,751,875
<b>Total Long-Term Liabilities</b>	<b>80,655</b>	<b>2,751,875</b>	<b>2,832,530</b>
<b>Total Liabilities</b>	<b>489,311</b>	<b>5,690,431</b>	<b>6,179,742</b>
<b>Net Assets (Deficit)</b>			
Invested in capital assets	5,318,395	-	5,318,395
Unrestricted	2,393,958	(4,937,496)	(2,543,538)
<b>Total Net Assets (deficit)</b>	<b>\$ 7,712,353</b>	<b>\$ (4,937,496)</b>	<b>\$ 2,774,857</b>

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended February 28, 2011

	Fleet Services	Insurance	Totals
Operating Revenues			
Charges for Services			
General Fund	\$ 4,047,726	\$ 2,595,802	\$ 6,643,528
Sewer Fund	305,500	270,216	575,716
Water Fund	195,100	468,492	663,592
Motor Vehicle Parking System Fund	29,700	319,788	349,488
Emergency Telephone System	-	17,460	17,460
Economic Development	-	17,460	17,460
Community Development Block Grant	-	17,460	17,460
Claims Reimbursements	-	221,603	221,603
Health Insurance Contributions	-	12,049,883	12,049,883
Miscellaneous	4,848	-	4,848
Total Operating Revenues	4,582,874	15,978,164	20,561,038
Operating Expenses			
General support	244,546	-	244,546
Major maintenance	2,803,490	-	2,803,490
General liability claims	-	1,887,565	1,887,565
Workers compensation claims	-	1,740,321	1,740,321
Health Insurance Premiums	-	12,355,778	12,355,778
Other	-	804,823	804,823
Total Operating Expenses	3,048,036	16,788,487	19,836,523
Operating Income (Loss) Before Depreciation	1,534,838	(810,323)	724,515
Depreciation	1,197,047	-	1,197,047
Operating Income (Loss)	337,791	(810,323)	(472,532)
Nonoperating Revenues (Expenses)			
Capital contributions & Grants	1,139,024	-	1,139,024
Investment income	897	1,030	1,927
Gain (loss) on disposition of assets	74,907	-	74,907
Total Nonoperating Revenues (Expenses)	1,214,828	1,030	1,215,858
Transfers In (Out)			
Capital Improvements	358,121	-	358,121
Change in Net Assets	1,910,740	(809,293)	1,101,447
Total Net Assets (Deficit) - Beginning of Year	5,801,613	(4,128,203)	1,673,410
Total Net Assets (Deficit)- End of Year	\$ 7,712,353	\$ (4,937,496)	\$ 2,774,857

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Cash Flows  
Year ended February 28, 2011

	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 4,583,145	\$ 15,978,164	\$ 20,561,309
Receipts from (to) interfund services provided	(242,825)	139,704	(103,121)
Payments to suppliers	(2,656,527)	(479,889)	(3,136,416)
Payments to employees	(238,136)	(3,627,886)	(3,866,022)
Payments for insurance premiums	-	(12,355,778)	(12,355,778)
Net Cash Provided by (used for) Operating Activities	1,445,657	(345,685)	1,099,972
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	91,591	-	91,591
Acquisition and construction of capital assets	(1,801,097)	-	(1,801,097)
Capital contributions	358,121	-	358,121
Net Cash Used for Capital and Related Financing Activities	(1,351,385)	-	(1,351,385)
Cash Flows from Investing Activities			
Interest income	897	1,030	1,927
Net Cash provided by Investing Activities	897	1,030	1,927
Net Increase in Cash and Cash Equivalents	95,169	(344,655)	(249,486)
Cash and Equivalents			
Beginning of year	593,925	1,082,256	1,676,181
End of year	\$ 689,094	\$ 737,601	\$ 1,426,695

Continued

**CITY OF EVANSTON, ILLINOIS**

Combining Statement of Cash Flows - Continued

Internal Service Funds  
 Year ended February 28, 2011

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ 337,791	\$ (810,323)	\$ (472,532)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	1,197,047	-	1,197,047
Changes in assets and liabilities			
Increase/decrease in A/R miscellaneous	271	-	271
Inventories	(52,671)	-	(52,671)
Compensated absences	(2,136)	-	(2,136)
OPEB Liability	8,546	-	8,546
Accounts payable	200,011	43,099	243,110
Interfund payable	(242,825)	139,704	(103,121)
Vouchers payable	(377)	-	(377)
Claims payable	-	281,835	281,835
Net Cash Provided By (Used For) Operating Activities	<u>\$ 1,445,657</u>	<u>\$ (345,685)</u>	<u>\$ 1,099,972</u>

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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	155 - 158
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	159 - 161
<b>Debt Capacity</b> 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.	162 - 164
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.	166 - 167
<b>Operating Information</b> 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.	168 - 173

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

**CITY OF EVANSTON, ILLINOIS**

Net Assets by Component

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

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

Note: A Ten Year history is not yet available.

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Changes in Net Assets

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

	Fiscal Year Ended								
	2/28/2003	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011
<b>Expenses</b>									
Governmental Activities									
General government	\$ 14,274	\$ 15,791	\$ 14,451	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773	\$ 17,517
Public Safety	33,420	39,237	31,168	45,951	46,368	48,763	49,484	50,488	53,226
Public Works	13,187	13,065	14,225	14,632	16,505	21,566	21,628	18,509	15,626
Health & Human Resource Development	5,041	5,370	5,843	4,781	6,108	4,982	4,546	4,760	4,541
Housing & Economic Development	5,818	5,973	6,757	6,850	7,924	7,090	6,965	20,066	10,857
Culture and Recreation	16,247	17,129	18,276	19,792	18,303	20,634	20,002	9,120	20,142
Interest on Long-term Debt	4,540	4,900	5,086	5,874	6,926	5,522	4,041	4,396	5,595
Total governmental activities expenses	<u>92,527</u>	<u>101,465</u>	<u>95,806</u>	<u>117,417</u>	<u>122,085</u>	<u>128,630</u>	<u>124,683</u>	<u>127,112</u>	<u>127,504</u>
Business-type Activities									
Water	11,407	8,992	8,176	8,760	8,778	8,668	9,391	9,133	8,713
Sewer	8,544	8,964	8,781	9,219	9,588	8,972	8,726	8,779	8,784
Motor vehicle parking system	3,702	3,468	4,777	2,904	2,963	2,403	8,896	8,841	8,425
Sherman garage	-	-	-	-	1,613	4,270	-	-	-
Maple avenue garage	2,679	3,028	3,148	3,096	2,910	2,682	-	-	-
Total Business-type Activities	<u>26,332</u>	<u>24,452</u>	<u>24,882</u>	<u>23,979</u>	<u>25,852</u>	<u>26,996</u>	<u>27,013</u>	<u>26,753</u>	<u>25,922</u>
Total primary government expenses	<u>\$ 118,859</u>	<u>\$ 125,917</u>	<u>\$ 120,688</u>	<u>\$ 141,396</u>	<u>\$ 147,937</u>	<u>\$ 155,625</u>	<u>\$ 151,696</u>	<u>\$ 153,865</u>	<u>\$ 153,426</u>
<b>Program Revenues</b>									
Governmental Activities									
Charges for Services									
General government	\$ 11,704	\$ 12,750	\$ 13,262	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087	\$ 12,796
Culture and Recreation	3,759	3,739	3,731	4,310	4,353	4,521	4,637	4,902	5,265
Other activities	4,479	6,799	9,253	10,293	8,779	14,518	10,289	7,946	9,377
Operating grants and contributions	3,006	3,480	3,713	3,441	3,679	5,982	5,117	5,898	9,851
Capital Grants and Contributions	1,963	1,459	212	1,127	185	118	113	4,037	8,026
Total governmental activities program revenues	<u>24,911</u>	<u>28,227</u>	<u>30,171</u>	<u>32,231</u>	<u>30,626</u>	<u>37,778</u>	<u>33,504</u>	<u>35,870</u>	<u>45,315</u>
Business-type activities									
Charges for Services									
Water	13,495	13,478	13,187	13,961	12,639	13,239	13,685	12,694	13,738
Sewer	15,806	15,436	14,913	16,077	14,394	14,239	13,774	13,243	13,393
Sherman garage	-	-	-	-	779	1,950	-	-	-
Motor vehicle parking system	3,129	3,266	3,011	2,965	3,059	3,084	6,719	6,772	5,987
Maple avenue garage fund	1,266	1,263	1,512	1,622	1,417	1,430	-	-	-
Total Business-type activities program revenues	<u>33,696</u>	<u>33,443</u>	<u>32,623</u>	<u>34,625</u>	<u>32,288</u>	<u>33,941</u>	<u>34,178</u>	<u>32,709</u>	<u>33,118</u>
Total primary government program revenues	<u>\$ 58,607</u>	<u>\$ 61,670</u>	<u>\$ 62,794</u>	<u>\$ 66,856</u>	<u>\$ 62,914</u>	<u>\$ 71,719</u>	<u>\$ 67,682</u>	<u>\$ 68,579</u>	<u>\$ 78,433</u>
Net (expense)/revenue									
Governmental activities	(67,616)	(73,238)	(65,635)	(85,186)	(91,459)	(90,852)	(91,179)	(91,242)	(82,189)
Business-type activities	7,364	8,991	7,741	10,646	6,436	6,945	7,165	5,956	7,196
Total Primary Government net expense	<u>(60,252)</u>	<u>(64,247)</u>	<u>(57,894)</u>	<u>(74,540)</u>	<u>(85,023)</u>	<u>(83,906)</u>	<u>(84,014)</u>	<u>(85,286)</u>	<u>(74,993)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities									
Taxes									
Property taxes	\$ 71,719	\$ 75,929	\$ 79,715	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839	\$ 47,040
Sales taxes	217	345	345	-	14,387	16,172	15,500	14,880	15,577
Investment earnings	1,266	1,710	1,547	2,997	3,752	3,653	360	721	557
Miscellaneous	2,513	2,096	4,996	1,412	17,287	25,799	26,684	24,601	27,501
Transfers	(1,719)	(4,335)	(1,244)	(4,277)	(616)	(5,116)	(9,469)	(13,700)	(99)
Total governmental activities	<u>76,112</u>	<u>75,745</u>	<u>85,359</u>	<u>89,942</u>	<u>96,793</u>	<u>87,455</u>	<u>89,292</u>	<u>85,341</u>	<u>90,576</u>
Business-type activities									
Investment earnings	432	343	380	896	1,344	1,287	606	87	23
Miscellaneous	-	-	-	-	-	-	(28)	-	-
Transfers	1,719	4,335	1,244	4,277	616	5,116	9,469	13,700	99
Total business-type activities	<u>2,151</u>	<u>4,678</u>	<u>1,624</u>	<u>5,173</u>	<u>1,960</u>	<u>6,403</u>	<u>10,047</u>	<u>13,787</u>	<u>122</u>
Total primary government	<u>\$ 78,263</u>	<u>\$ 80,423</u>	<u>\$ 86,983</u>	<u>\$ 95,115</u>	<u>\$ 98,753</u>	<u>\$ 93,858</u>	<u>\$ 99,339</u>	<u>\$ 99,128</u>	<u>\$ 90,698</u>
<b>Changes in Net Assets</b>									
Governmental activities	\$ 8,496	\$ 2,507	\$ 19,724	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,887)	\$ (5,901)	\$ 8,387
Business-type activities	9,515	13,669	9,365	15,819	8,396	13,348	17,212	19,743	7,318
Total primary government	<u>\$ 18,011</u>	<u>\$ 16,176</u>	<u>\$ 29,089</u>	<u>\$ 20,575</u>	<u>\$ 13,730</u>	<u>\$ 9,951</u>	<u>\$ 15,325</u>	<u>\$ 13,842</u>	<u>\$ 15,705</u>

Note: A Ten Year History is not yet available.  
Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Fund Balances, Governmental Funds

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

	<b>Fiscal Year</b>									
	<b>As of</b>									
	<u>2/28/2002</u>	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>
General Fund										
Reserved	\$ 2,820	\$ 4,614	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275	\$ 1,585	\$ 1,995
Unreserved	<u>12,438</u>	<u>13,110</u>	<u>14,375</u>	<u>15,209</u>	<u>18,804</u>	<u>24,866</u>	<u>24,840</u>	<u>19,752</u>	<u>18,603</u>	<u>20,009</u>
Total general fund	<u>\$ 15,258</u>	<u>\$ 17,724</u>	<u>\$ 19,040</u>	<u>\$ 23,157</u>	<u>\$ 24,831</u>	<u>\$ 26,193</u>	<u>\$ 25,948</u>	<u>\$ 21,027</u>	<u>\$ 20,188</u>	<u>\$ 22,004</u>
All Other Governmental Funds										
Reserved	\$ 25,683	\$ 29,211	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953	\$ 28,738
Unreserved, reported in										
Special revenue funds	7,507	60,514	4,617	5,249	5,171	5,587	6,649	10,356	10,807	10,907
Capital Projects Funds	<u>12,648</u>	<u>-</u>	<u>58,816</u>	<u>49,476</u>	<u>31,696</u>	<u>23,965</u>	<u>25,620</u>	<u>20,899</u>	<u>9,276</u>	<u>9,665</u>
Total all other governmental funds	<u>\$ 45,838</u>	<u>\$ 89,725</u>	<u>\$ 92,183</u>	<u>\$ 85,486</u>	<u>\$ 70,804</u>	<u>\$ 61,293</u>	<u>\$ 62,008</u>	<u>\$ 63,012</u>	<u>\$ 49,036</u>	<u>\$ 49,310</u>

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

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Changes in Fund Balances, Governmental Funds

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

	<b>Fiscal Year Ended</b>									
	<u>2/28/2002</u>	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>
<b>Revenues</b>										
Taxes	\$ 68,749	\$ 58,814	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726	\$ 73,559
Licenses, fees and permits	7,405	6,459	6,699	6,773	9,164	8,061	10,276	8,820	7,279	8,661
Fines and penalties	3,242	3,742	4,163	3,999	3,781	4,029	4,660	4,442	4,151	4,003
Charges for services	5,515	6,262	5,997	6,053	6,905	7,167	7,732	8,399	8,680	9,786
Special Assessments	-	208	217	365	546	565	520	516	240	429
Intergovernmental	5,859	19,116	18,586	21,618	21,106	21,402	22,625	21,013	20,696	26,456
Investment Earnings	2,458	1,255	1,650	1,540	2,970	3,695	3,402	272	714	555
Other Revenues	<u>4,976</u>	<u>6,859</u>	<u>6,953</u>	<u>9,451</u>	<u>5,812</u>	<u>5,578</u>	<u>5,116</u>	<u>4,679</u>	<u>4,642</u>	<u>6,390</u>
Total Revenues	<u>98,204</u>	<u>102,715</u>	<u>108,098</u>	<u>116,543</u>	<u>125,945</u>	<u>127,634</u>	<u>130,098</u>	<u>132,176</u>	<u>131,128</u>	<u>129,839</u>
<b>Expenditures</b>										
General Government	13,025	12,565	13,365	14,666	15,601	14,539	18,190	16,498	16,184	23,463
Public Safety	25,454	32,093	33,896	36,323	39,094	39,690	42,466	49,999	48,970	50,352
Public Works	11,655	10,847	11,119	12,070	13,242	14,282	18,868	18,913	16,062	14,053
Recreation and cultural opportunities	13,028	13,712	14,287	15,493	16,526	16,683	19,118	18,942	18,100	17,399
Health and Human Development	4,621	4,839	5,272	5,801	4,566	5,850	4,982	4,546	4,760	4,541
Housing and Economic Development	6,293	5,662	5,882	6,717	6,646	7,683	7,089	6,963	9,120	11,345
Pensions	9,277	4,209	2,688	1,372	4,628	5,645	-	-	-	-
Capital Outlay	16,837	13,301	9,941	18,208	42,087	18,986	12,416	8,209	7,960	7,112
<u>Debt Service</u>										
Interest	4,339	4,846	5,163	5,027	5,857	6,927	5,128	5,143	4,953	4,878
Fiscal agent fees				359	323	517	42	28	5	12
Principal	<u>6,300</u>	<u>6,585</u>	<u>9,385</u>	<u>7,885</u>	<u>7,690</u>	<u>11,530</u>	<u>10,815</u>	<u>9,885</u>	<u>7,524</u>	<u>7,650</u>
Total governmental activities expenditure	<u>110,829</u>	<u>108,659</u>	<u>110,998</u>	<u>123,921</u>	<u>156,260</u>	<u>142,332</u>	<u>139,114</u>	<u>139,126</u>	<u>133,638</u>	<u>140,805</u>
Net (expense)/revenue										
Governmental activities	(12,625)	(5,944)	(2,900)	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)	(2,510)	(10,966)
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	\$ -	\$ 57,066	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340	\$ -	\$ 13,393
Capitalized interest income	-	773	-	-	355	-	-	839	-	120
Capitalized interest expense	-	(773)	-	-	(355)	-	-	-	-	-
Proceeds sale property/other	318	40	-	-	-	-	-	-	-	-
Reduction in long term debt	-	(100)	-	-	-	-	-	-	-	-
Escrow funding	-	(4,072)	(12,718)	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)	-	-
Transfers in	5,619	8,259	9,762	6,020	7,032	6,529	8,975	5,927	11,019	5,727
Transfers (out)	<u>(3,893)</u>	<u>(9,572)</u>	<u>(15,287)</u>	<u>(15,062)</u>	<u>(14,432)</u>	<u>(10,528)</u>	<u>(15,344)</u>	<u>(14,794)</u>	<u>(23,324)</u>	<u>(6,184)</u>
Total Other financing sources (uses)	<u>2,044</u>	<u>51,621</u>	<u>6,674</u>	<u>4,796</u>	<u>17,306</u>	<u>6,549</u>	<u>9,485</u>	<u>3,032</u>	<u>(12,305)</u>	<u>13,056</u>
<b>Net Changes in Fund Balance</b>	<u>\$ (10,581)</u>	<u>\$ 45,677</u>	<u>\$ 3,774</u>	<u>\$ (2,582)</u>	<u>\$ (13,009)</u>	<u>\$ (8,149)</u>	<u>\$ 469</u>	<u>\$ (3,917)</u>	<u>\$ (14,815)</u>	<u>\$ 2,090</u>
Debt Service as a percentage of noncapital expenditures	11.32%	11.99%	14.40%	12.21%	11.87%	14.96%	12.58%	11.48%	9.93%	9.36%

Note: The largest own-source revenue is the property tax with a rate of 1.204% (for the city portion only) of Equalized Assessed Value (EAV) for the tax year 2009 .  
Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Equalized Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

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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>
2000	\$ 828,097,184	\$ 16,895	\$ 390,321,697	\$ 67,725,714	\$ 298,315	\$ 1,286,459,805	\$ 3,859,379,415	2.033
2001	1,105,269,184	16,895	459,256,602	50,985,114	311,382	1,615,839,177	4,847,517,531	1.628
2002	1,202,783,327	16,895	467,795,729	66,579,781	368,172	1,737,543,904	5,212,631,712	1.609
2003	1,221,970,442	16,895	435,093,531	69,669,560	397,456	1,727,147,884	5,181,443,652	1.698
2004	1,543,464,138	16,895	479,999,412	71,684,555	446,570	2,095,611,570	6,286,834,710	1.528
2005	1,680,183,692	16,895	500,330,397	61,756,603	465,435	2,242,753,022	6,728,259,066	1.491
2006	1,707,669,215	16,895	476,821,737	60,920,888	464,011	2,245,892,746	6,737,678,238	1.527
2007	2,149,123,958	16,895	560,536,782	62,154,048	508,346	2,772,340,029	8,317,020,087	1.283
2008	2,324,551,100	16,895	560,106,493	53,168,671	554,733	2,938,397,892	8,815,193,676	1.295
2009	2,564,394,619	15,956	615,808,511	125,104,411	665,872	3,305,989,369	9,917,968,107	1.204

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

2009 EAV				2000 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	\$ 27,177,656	1	0.82%	Golub & Company	\$ 18,104,484	1	1.36%
LR 1603 Orrington	22,925,388	2	0.69%	Rotary International	15,175,127	2	1.14%
Church Street Plaza	16,850,500	3	0.51%	Albertson's (Jewel & Osco)	9,294,298	3	0.70%
NNN Church Street Office Center	13,542,966	4	0.41%	Lynn Minnici	9,264,731	4	0.70%
Church & Chicago Limited Partnership	13,038,074	5	0.39%	Church & Chicago Ltd Partnership	8,789,492	5	0.66%
Evanston Hotel Assoc.	12,132,357	6	0.37%	St. Francis Hospital	8,413,462	6	0.63%
Sanir Cumberland Center	11,263,572	7	0.34%	Evanston Plaza Freed	7,936,773	7	0.60%
Inland	11,120,188	8	0.34%	The Orrington Hotel	7,793,713	8	0.58%
Albertson's	11,742,809	9	0.36%	Presbyterian Homes	7,512,879	9	0.56%
	<u>11,601,647</u>	10	<u>0.35%</u>	Home Depot	<u>7,361,655</u>	10	<u>0.55%</u>
Total	<u>\$ 151,395,157</u>		<u>4.58%</u>	Total	<u>\$ 99,646,614</u>		<u>7.48%</u>
Total EAV	<u>\$ 3,305,989,369</u>			Total EAV	<u>\$ 1,332,744,014</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
2001	\$ 26,305,327	\$ 25,391,349	96.53%	\$ 442,216	\$ 25,833,565	98.21%
2002	27,957,126	27,286,591	97.60%	254,154	27,540,745	98.51%
2003	29,813,787	28,565,408	95.81%	365,801	28,931,209	97.04%
2004	32,100,657	30,991,234	96.54%	412,246	31,403,480	97.83%
2005	33,423,311	32,550,464	97.39%	613,876	33,164,340	99.23%
2006	34,399,146	33,249,612	96.66%	437,287	33,686,899	97.93%
2007	35,550,694	34,061,461	95.81%	400,850	34,462,311	96.94%
2008	38,044,671	36,246,629	95.27%	358,214	36,604,843	96.22%
2009	39,779,364	38,018,159	95.57%	464,506	38,482,665	96.74%
2010	41,479,398	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2010 is collected beyond fiscal year end 2011 through 12/31/11

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Net Debt to Equalized Assessed Valuation	Net Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
2/28/2002	74,239	1,615,839,177	147,832,588	5,193,168	86,835,000	55,804,420	2,497,771,155	3.45%	2.23%	751.69
2/28/2003	74,239	1,710,663,113	194,086,731	6,942,441	123,720,000	63,424,290	2,694,578,744	3.71%	2.35%	854.33
2/29/2004	74,239	1,737,543,904	191,073,334	6,592,437	114,445,000	70,035,897	2,694,578,744	4.03%	2.60%	943.38
2/28/2005	74,239	1,727,147,885	187,110,000	6,678,359	106,935,000	73,496,641	2,775,350,776	4.26%	2.65%	990.00
2/28/2006	74,239	2,095,611,570	195,875,000	6,551,304	110,212,500	79,111,196	2,902,967,617	3.78%	2.73%	1,065.63
2/28/2007	74,239	2,242,753,022	187,745,000	6,504,507	96,780,000	84,460,493	2,902,967,617	3.77%	2.91%	1,137.68
2/29/2008	74,239	2,245,892,746	181,750,000	6,146,567	81,455,000	94,148,433	2,902,967,617	4.19%	3.24%	1,268.18
2/28/2009	74,239	2,772,340,029	171,945,001	7,317,930	62,079,183	102,547,888	2,902,967,617	3.70%	3.53%	1,381.32
2/28/2010	74,239	2,938,397,892	149,315,000	5,989,400	46,882,320	96,443,280	2,902,967,617	3.28%	3.32%	1,299.09
2/28/2011	74,486	3,305,989,369	151,695,000	5,309,064	50,097,260	96,288,676	3,157,759,484	2.91%	3.05%	1,292.71

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 Sewer Fund, the Fleet Service Fund, the Motor Vehicle Parking System Fund, the Howard Hartrey Tax Increment Tax District Fund, the Southwest Tax Increment District Fund, the Washington National Tax Increment Tax District Fund, the Emergency Telephone System Fund, Special Assessment fund, recycling revenues of the General Fund, certain dedicated Water Fund revenues, and property tax from the defeased Special Service District No. 5 Bonds that is not being abated.

Source: Cook County and City Finance department

**CITY OF EVANSTON, ILLINOIS**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business- Type Activities			Total Primary Government	Percentage of Personal Income	(1) Per Capita
	General Obligation Bonds	Special Service District Bonds	Capital Lease	General Obligation Bonds	Water Revenue Bonds	IEPA Loans			
2/28/2002	147,745,000	4,140,000	87,588	58,590,000	8,470,000	92,296,380	311,328,968	12.46%	\$ 4,194
2/28/2003	140,435,000	410,000	15,064	52,970,000	6,185,000	93,559,011	293,574,075	10.89%	3,954
2/29/2004	141,565,000	280,000	-	49,175,000	5,380,000	99,653,404	296,053,404	10.99%	3,988
2/28/2005	143,455,000	3,590,000	-	43,655,000	4,575,000	102,200,011	297,475,011	10.72%	4,007
2/28/2006	158,490,000	3,335,000	-	37,385,000	3,710,000	101,400,675	304,320,675	10.48%	4,099
2/28/2007	110,920,000	3,070,000	-	76,825,000	3,240,000	99,490,921	293,545,921	10.11%	3,954
2/29/2008	115,220,000	2,785,000	-	66,530,000	2,755,000	103,410,887	290,700,887	10.01%	3,916
2/28/2009	115,961,136	2,165,000	1,035,370	55,983,865	2,245,000	101,775,223	279,165,594	9.62%	3,760
2/28/2010	109,078,880	2,155,000	708,552	40,236,120	1,720,000	95,370,544	249,269,096	8.59%	3,358
2/28/2011	115,482,439	1,840,000	363,759	36,212,561	1,170,000	87,059,150	242,127,909	7.67%	3,251

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

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

## CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities

As of February 28, 2011

	Total Outstanding	Percentage of Debt Applicable to City of Evanston	City of Evanston's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	<u>\$ 117,322,439</u>	100.00%	<u>\$ 117,322,439</u>
Other bonded debt			
County of Cook	\$ 3,505,435,000	1.86%	\$ 65,201,091
Cook County Forest Preserve District	101,935,000	1.86%	1,895,991
Metropolitan Water Reclamation District	1,945,659,620	1.90%	36,967,533
High School District 202	17,006,098	90.19%	15,337,800
School District 65	60,579,810	90.19%	54,636,931
Skokie Park District	<u>8,580,000</u>	0.72%	<u>61,776</u>
Total Overlapping Debt	<u>\$ 5,639,195,528</u>		<u>\$ 174,101,122</u>
Total Direct and Overlapping Debt	<u>\$ 5,756,517,967</u>		<u>\$ 291,423,561</u>

Source: Cook County

**CITY OF EVANSTON, ILLINOIS**

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
				Principal	Interest	
2/28/2002	\$ 13,005,269	\$ 5,670,480	\$ 7,334,789	\$ 2,325,000	\$ 494,210	2.60
2/28/2003	13,687,288	9,347,238	4,340,050	2,200,000	343,795	1.71
2/29/2004	13,583,515	7,056,290	6,527,225	805,000	235,913	6.27
2/28/2005	13,338,642	6,395,231	6,943,411	805,000	206,575	6.86
2/28/2006	14,380,966	6,705,865	7,675,101	865,000	177,355	7.36
2/28/2007	13,196,942	6,900,063	6,296,879	470,000	145,088	10.24
2/29/2008	13,787,014	7,138,056	6,648,959	485,000	128,713	10.83
2/28/2009	13,878,833	7,866,909	6,011,924	510,000	110,913	9.68
2/28/2010	12,742,603	7,756,760	4,985,843	525,000	91,556	8.09
2/28/2011	13,752,681	7,191,577	6,561,104	550,000	71,269	10.56

Note:

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

Source: Various City departments

# CITY OF EVANSTON, ILLINOIS

## Demographic and Economic Statistics

### Last Ten Years

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

Source: Various Government agencies

**CITY OF EVANSTON, ILLINOIS**

Principal Employers

Current Year and Ten Years Ago

<u>2011</u>				<u>2001</u>			
<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	9,471	48%	1	Northwestern University	5,325	36%	1
Northshore University Healthcare	3,727	19%	2	Evanston Northwestern Healthcare	3,780	25%	2
Evanston School District 65	1,599	8%	3	St. Francis Hospital	1,649	11%	3
St. Francis Hospital	1,272	7%	4	City of Evanston	1,000	7%	4
City of Evanston	918	5%	5	Evanston School District 65	700	5%	5
Presbyterian Homes/McGaw Care	602	3%	6	Evanston Township High School	566	4%	6
Rotary International	520	3%	7	Presbyterian Homes/McGaw Care	533	4%	7
School district 202	525	3%	8	Shure, Inc.	510	3%	8
C.E. Neihoff & Co.	480	2%	9	Jewel / Osco Food Stores	455	3%	9
Mather Lifeways	450	2%	10	Mather Lifeways	430	3%	10
Total	<u>19,564</u>			Orrington Hotel	<u>14,948</u>		

Source: City Economic Development Division

**CITY OF EVANSTON, ILLINOIS**

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

<b>Function/Program</b>	<b>Fiscal Year Ended</b>									
	<u>2/28/2002</u>	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>
<b>General Government</b>										
City Clerk	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	7.55	7.55	7.25	7.25	7.25	7.25	13.70	31.53	27.70	22.00
MBIS / IT	20.75	21.50	21.80	22.80	24.80	23.80	25.50	-	-	13.00
Legal	7.50	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00
Human Resources	8.00	8.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	5.00
Finance	27.00	26.00	24.50	24.50	26.50	25.50	26.50	29.50	28.50	19.50
Parking Systems	-	-	-	-	-	-	-	-	-	13.00
Facilities Management	24.00	23.00	23.00	23.10	21.10	21.20	-	-	-	-
Community Development	38.00	36.00	34.00	36.00	36.00	36.00	36.00	35.00	33.00	28.00
Police	214.80	212.30	213.80	217.50	219.50	221.75	220.75	220.75	218.50	219.00
Fire	109.00	109.00	109.00	109.00	110.00	111.00	111.00	112.00	111.00	107.00
Human & Health Services	45.03	41.73	39.54	39.30	39.30	40.15	29.68	24.90	26.40	15.90
Public Works	90.50	90.00	90.00	90.25	91.25	90.25	108.45	105.45	83.25	58.80
Human Relations	4.00	4.00	4.00	4.00	4.00	4.00	-	-	-	-
Library	66.37	67.17	66.20	66.65	67.18	67.19	66.69	69.35	67.50	52.00
Recreation, Parks & Forestry	124.82	122.25	113.94	119.20	121.30	119.90	115.90	112.75	131.75	132.00
<b>Total General Fund</b>	<u>790.32</u>	<u>777.50</u>	<u>762.03</u>	<u>775.55</u>	<u>784.18</u>	<u>784.99</u>	<u>771.17</u>	<u>758.23</u>	<u>743.60</u>	<u>694.20</u>
<b>Neighborhood Stabilization Program</b>										
Emergency Telephone System	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
CDBG	3.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic Development Fund	1.45	1.45	1.45	1.45	1.45	1.45	1.30	2.30	2.30	5.00
Downtown II TIF Fund	-	-	-	-	-	1.00	-	-	-	-
Capital Improvements Fund	-	-	-	-	-	-	-	-	-	1.00
Maple Ave. Garage	-	-	-	-	1.00	1.00	1.00	1.00	-	-
Parking Fund	13.00	13.00	13.00	13.00	14.00	14.50	14.50	14.50	15.50	14.00
Water	44.00	44.00	44.00	43.00	43.00	43.00	43.00	43.00	43.00	42.00
Sewer	14.00	14.00	14.00	14.00	13.50	14.00	14.00	14.00	14.00	12.00
Fleet Services	17.00	17.00	17.00	17.00	17.00	17.00	15.00	15.00	15.00	11.00
Insurance Fund	-	2.00	1.30	1.30	1.30	1.30	1.00	2.00	2.00	3.00
<b>Total Other Funds</b>	<u>95.95</u>	<u>96.45</u>	<u>96.75</u>	<u>95.75</u>	<u>97.25</u>	<u>99.25</u>	<u>95.80</u>	<u>97.80</u>	<u>98.80</u>	<u>95.00</u>
<b>Total All Funds</b>	<u>886.27</u>	<u>873.95</u>	<u>858.78</u>	<u>871.30</u>	<u>881.43</u>	<u>884.24</u>	<u>866.97</u>	<u>856.03</u>	<u>842.40</u>	<u>789.20</u>

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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
City of Evanston	2.033	1.628	1.610	1.698	1.528	1.491	1.527	1.283	1.295	1.204
Consolidated Elections	-	0.032	-	0.029	-	0.014	-	0.012	-	0.021
Cook County	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415	0.394
Cook County Forest Preserve District	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051	0.049
Suburban T.B. Sanitarium	0.008	0.007	0.006	0.004	0.001	0.005	0.005	-	-	-
Metropolitan Water Reclamation District	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252	0.261
North Shore Mosquito Abatement District	0.011	0.010	0.009	0.009	0.008	0.008	0.009	0.008	0.008	0.008
Evanston Township	0.077	0.064	0.062	0.065	0.056	0.055	0.058	0.050	0.050	0.042
Community College 535	0.213	0.186	0.179	0.186	0.161	0.158	0.166	0.141	0.140	0.140
School District 202	2.977	2.469	2.349	2.444	2.078	2.023	2.099	1.750	1.722	1.616
School District 65	4.232	3.516	3.343	3.475	2.978	2.890	3.045	2.535	2.552	2.401
Total tax rate for property not in park district or special service district	<u>10.859</u>	<u>9.126</u>	<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>
Percent of total tax rate levied by City of Evanston	<u>18.7%</u>	<u>17.8%</u>	<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>

Source: Cook County Assessor's office

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Type of Customer

Last Ten Fiscal Years  
(in 100 cubic feet)

Type of Customer	Fiscal Year Ended									
	<u>2/28/2002</u>	<u>2/28/2003</u>	<u>2/29/2004</u>	<u>2/28/2005</u>	<u>2/28/2006</u>	<u>2/28/2007</u>	<u>2/29/2008</u>	<u>2/28/2009</u>	<u>2/28/2010</u>	<u>2/28/2011</u>
Residential	2,711,271	2,734,202	2,639,717	2,506,887	2,720,807	2,388,360	2,375,942	2,260,284	2,174,255	2,187,244
Industrial	41,895	37,076	36,015	22,010	20,096	16,307	16,579	15,722	13,624	14,195
Commercial	1,337,280	1,395,576	1,415,895	1,318,236	1,267,657	1,278,334	1,240,591	1,193,241	1,109,556	1,153,949
Government	113,349	112,007	90,908	86,096	109,121	96,777	100,278	89,420	69,229	75,308
<b>Total</b>	<b>4,203,795</b>	<b>4,278,861</b>	<b>4,182,535</b>	<b>3,933,229</b>	<b>4,117,681</b>	<b>3,779,778</b>	<b>3,733,390</b>	<b>3,558,667</b>	<b>3,366,664</b>	<b>3,430,696</b>
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 1.52	\$ 1.52	\$ 1.52

Source: City Water department

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Major Customers

Last Ten Fiscal Years

Type of Customer	Fiscal Year Ended									
	2/28/2002	2/28/2003	2/29/2004	2/28/2005	2/28/2006	2/28/2007	2/29/2008	2/28/2009	2/28/2010	2/28/2011
Evanston residents/businesses	\$ 6,606,091	\$ 6,711,004	\$ 6,665,158	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019	\$ 5,396,739	\$ 5,377,297
Village of Skokie	2,859,685	3,011,018	2,959,732	2,802,720	3,018,734	2,891,834	3,158,396	2,689,304	2,676,163	2,885,096
Northwest Water Commission	3,247,291	3,434,685	3,367,253	3,377,407	3,750,200	3,497,989	3,620,878	4,820,074	4,506,066	4,781,645
<b>Total</b>	<b>\$12,713,067</b>	<b>\$13,156,707</b>	<b>\$12,992,143</b>	<b>\$12,739,153</b>	<b>\$13,475,578</b>	<b>\$12,194,340</b>	<b>\$ 12,791,917</b>	<b>\$ 12,939,397</b>	<b>\$ 12,578,968</b>	<b>\$ 13,044,038</b>

Source: City Water department

**CITY OF EVANSTON, ILLINOIS**

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Function/Program</u></b>										
Police										
Violent Offenses	270	314	293	266	226	224	282	299	255	214
Property Offenses	4,174	4,122	3,318	3,145	2,965	2,942	2,825	2,739	2,412	2,119
911 Calls Received	37,201	55,125	55,383	56,650	56,650	55,795	59,135	56,717	52,198	35,991
Fire										
Emergency responses	7,925	8,003	8,106	7,624	8,135	8,173	8,517	9,134	8,566	8,917
Fires extinguished	227	218	225	199	287	220	192	185	154	157
Inspections	2,940	3,071	2,664	2,194	1,496	1,320	1,050	1,810	709	680
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4
Parks and Recreation										
Athletic field usage (hours)	unavailable	unavailable	unavailable	unavailable	unavailable	15,561	15,165	17,121	16,185	18,966
Picnic permits issued	unavailable	unavailable	unavailable	unavailable	unavailable	319	373	403	431	460
Library										
Volumes in collection	463,263	477,768	491,064	520,458	486,031	495,575	458,017	502,019	502,019	471,262
Total volumes borrowed	878,990	887,773	868,837	880,561	893,841	897,141	867,743	945,952	945,952	951,667
Water										
New connections	68	47	70	59	74	104	61	57	28	29
Water main breaks	34	65	41	45	78	48	36	52	52	38
Average daily consumption (millions of gallons)	37.16	36.22	37.74	37.31	41.44	41.41	42.91	40.09	39.41	38.91
Peak daily consumption (millions of gallons)	75.50	75.50	73.17	60.98	80.46	66.49	66.00	65.40	58.94	57.02

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Function/Program</u></b>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	161	161	161	161	161	162	162	165	165	164
Fire Stations	5	5	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	147	147	147	147	147	147	147	147	147	147
Streetlights	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641
Parks and Recreation										
Acreage	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	51	51	51	51	51
Baseball/softball diamonds	18	18	18	18	18	18	18	18	18	18
Soccer/football fields	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	159	159	159	159	159	159	157	157	157	157
Fire hydrants	1347	1347	1347	1347	1347	1347	1370	1370	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  
TAX INCREMENT FINANCING DISTRICTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evanston as of and for the year ended February 28, 2011, and have issued our report thereon dated August 26, 2011. The financial statements are the responsibility of the management of the City of Evanston. Our responsibility is to express opinions on the financial statements based upon our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

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

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

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
August 26, 2011