



Memorandum

To: Wally Bobkiewicz, City Manager

From: Hitesh Desai, CFO/City Treasurer
Kate Lewis-Lakin, Budget Coordinator

Subject: 2018 Year-End Financial Report

Date: April 15, 2019

Recommended Action:

Staff recommends that the City Council accept and place on file the 2018 year-end financial report.

Funding Source:

N/A

Livability Benefits:

Innovation & Process: Support local government best practices and processes.

Summary:

Please find attached the unaudited financial statements as of December 31, 2018. The fourth quarter cash and investment memo is also attached.

A summary by fund for revenues, expenditures, fund and cash balances is shown on the following page. Included in this table are the ending balances as of December 31, 2018 for both unreserved fund and cash balances.

Of these two amounts, cash balance is the more meaningful metric since this represents liquid cash and/or invested assets which can be used (or easily sold) to support and fund current operations. While ending fund balance is also an important measurement of the City's financial health, it usually includes illiquid assets or future cash receipts or disbursements such as receivables (including property tax) due to the City and accounts payable/accrued expenses.

December 2018	Revenue	Expense	Net	Fund Balance	Cash Balance
100 GENERAL FUND	115,728,174	115,385,322	342,851	13,558,950	9,420,606
175 GENERAL ASSISTANCE FUND	938,725	981,437	(42,712)	601,787	602,261
176 HEALTH AND HUMAN SERVICES	851,311	826,851	24,460	13,645	197,738
180 GOOD NEIGHBOR FUND	1,002,718	1,000,000	2,718	4,602	1,004,602
185 LIBRARY FUND	7,710,199	7,190,773	519,426	1,561,730	1,668,352
186 LIBRARY DEBT SERVICE FUND	333,896	333,404	492	4,581	4,581
187 LIBRARY CAPITAL IMPROVEMENT FD	2,157,728	1,497,577	660,150	968,549	1,120,485
195 NEIGHBORHOOD STABILIZATION FUND	33,844	33,844	-	-	-
200 MOTOR FUEL TAX FUND	2,120,315	2,457,990	(337,675)	2,036,055	1,874,273
205 EMERGENCY TELEPHONE (E911) FUND	1,492,975	912,767	580,208	762,204	483,885
210 SPECIAL SERVICE AREA (SSA) #4	341,959	370,000	(28,041)	(226,835)	(226,835)
215 CDBG FUND	1,525,452	1,526,119	(667)	63,440	(72,231)
220 CDBG LOAN FUND	119,618	199,035	(79,418)	173,194	221,899
235 NEIGHBORHOOD IMPROVEMENT	1,066	163	903	171,074	171,074
240 HOME FUND	333,351	335,296	(1,945)	7,333	9,650
250 AFFORDABLE HOUSING FUND	207,566	318,935	(111,369)	1,365,175	1,480,155
300 WASHINGTON-NATIONAL TIF FUND	5,704,735	10,967,279	(5,262,544)	-	-
320 DEBT SERVICE FUND	22,010,174	21,833,969	176,205	417,986	267,020
330 HOWARD-RIDGE TIF FUND	4,152,727	2,183,243	1,969,484	2,216,862	2,446,255
335 WEST EVANSTON TIF FUND	241,663	54,049	187,614	620,380	630,165
340 DEMPSTER-DODGE TIF FUND	136,937	76,085	60,852	54,843	55,130
345 CHICAGO-MAIN TIF	222,258	109,542	112,716	173,909	174,197
350 SPECIAL SERVICE AREA (SSA) #6	115,978	115,086	892	3,099	3,099
415 CAPITAL IMPROVEMENTS FUND	20,500,412	15,360,484	5,139,928	13,898,401	15,663,034
416 CROWN CONSTRUCTION FUND	27,062,051	12,060,419	15,001,632	15,542,493	20,089,026
420 SPECIAL ASSESSMENT FUND	518,417	892,439	(374,022)	2,623,678	2,620,141
505 PARKING SYSTEM FUND	9,787,615	10,716,272	(928,657)	3,782,044	3,441,314
510 WATER FUND	16,782,270	16,563,624	218,646	6,781,441	6,862,741
515 SEWER FUND	12,166,129	7,537,174	4,628,956	8,666,711	3,333,654
520 SOLID WASTE FUND	5,199,044	4,865,956	333,087	(872,597)	(1,219,204)
600 FLEET SERVICES FUND	3,007,429	3,094,135	(86,705)	246,454	(608,165)
601 EQUIPMENT REPLACEMENT FUND	1,265,543	1,777,856	(512,313)	337,206	943,088
605 INSURANCE FUND	18,331,231	23,147,032	(4,815,800)	(9,154,305)	(4,294,322)
700 FIRE PENSION FUND*	6,056,363	9,353,322	(3,296,959)	-	-
705 POLICE PENSION FUND*	7,414,092	12,288,703	(4,874,611)	-	-
Grand Total	295,573,963	286,366,180	9,207,784	66,404,089	68,367,668

*Fund and cash balance not presented for fiduciary funds.

General Fund

As of December 31, 2018, the General Fund is reporting a net surplus of \$342,851. The fund balance in the General Fund is \$13,558,950 with a cash balance of \$9,420,606. The attached financials show the General Fund revenues at 100.8% of budget and expenses at 101.0% of budget.

Fund and cash balances were highest during summer primarily because of the receipt of the second installment of property taxes. To date, the General Fund received 97.7% of property tax revenue budgeted for the year.

The charts attached show actual expenses to budget by department for year-end 2018. Because, overall expenses in the General Fund were higher than budget, the General Fund is included in the 2018 Budget Amendment (34-R-19). The memo for that item includes further detail about expenses in each department.

Enterprise Funds

Through December 31, 2018, the Water Fund appears low on revenue and expenses. This is because the clearwell treated water storage project that was budgeted in 2018 was delayed to 2019. This delay causes Capital Outlay and Other Revenue (IEPA loan proceeds) to appear far below budget in the Water Fund. This project is budgeted again in 2019.

The Water Fund revenues reflect payment from the Village of Skokie at the rate of \$0.78 per 1000 gallons against the billed rate of \$2.06 per 1000 gallons. This issue is currently being challenged in the court.

Through December 31, 2018, the Solid Waste Fund has a negative fund balance of \$872,597 and a negative cash balance of \$1,219,204. The Solid Waste Fund received property tax revenue for the first time in 2018, and has to date received the full \$410,000 budgeted in property taxes. This amount will increase to \$820,000 in 2019.

Through December 31, 2018, the Insurance Fund is showing a negative fund balance of \$9,154,305 and a negative cash balance of \$4,294,322. Fund balance is lower than cash balance due to accrued liabilities for pending litigation.

Other Funds

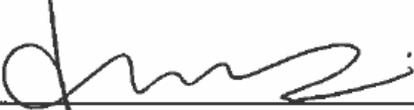
Through December 31, 2018, the Capital Improvements Fund is showing a fund balance of \$13,898,401 and a cash balance of \$15,663,034. The fund continues to spend down balances from the 2017A General Obligation Bonds received in October 2017 and from the 2018B General Obligation Bonds received in August 2018.

Through December 31, 2018, the Crown Construction fund is showing a fund balance of \$15,542,493 and a cash balance of \$20,089,026. Proceeds from the 2018A General Obligation Bonds were received in August 2018 and continue to be spent down on construction expenses.

If there are any questions on the attached report, please contact me by phone at (847) 448-8082 or by email: hdesai@cityofevanston.org. Detailed fund summary reports can be found at: <http://www.cityofevanston.org/city-budget/financial-reports/>.

CERTIFICATION OF ATTACHED FINANCIAL REPORTS

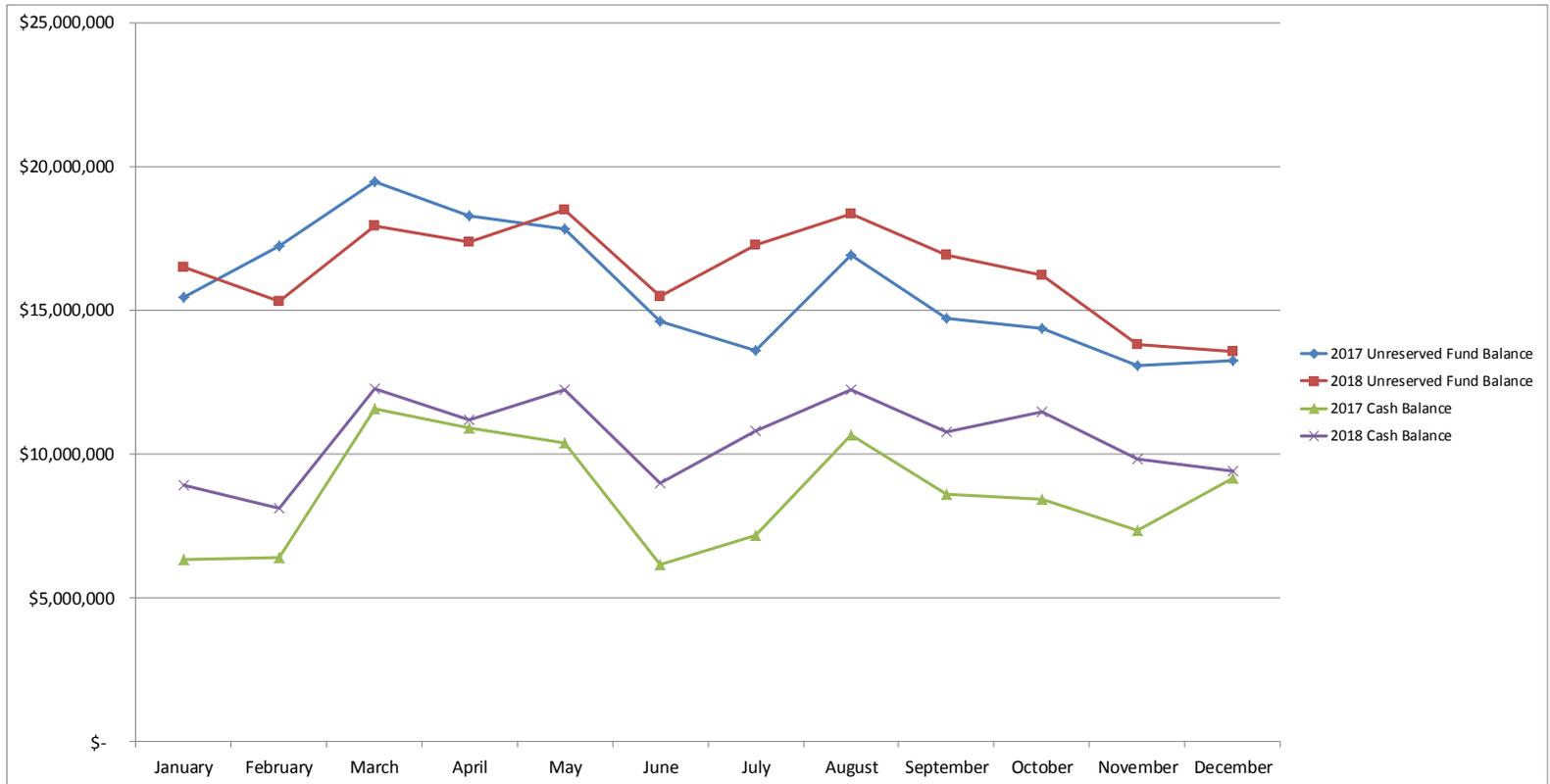
As required per Illinois Statute 65 ILCS 5/3.1-35-45 I, Hitesh Desai, Treasurer of the City of Evanston, hereby affirm that I have reviewed the December 31, 2018 year-to-date financial information and reports which to the best of my knowledge appear accurate and complete.



Hitesh Desai, Treasurer

2017 v 2018 Fund and Cash Balance - General Fund

	January	February	March	April	May	June	July	August	September	October	November	December
2017 Unreserved Fund Balance	\$ 15,453,984	\$ 17,244,431	\$ 19,450,955	\$ 18,292,843	\$ 17,839,404	\$ 14,612,957	\$ 13,603,487	\$ 16,910,096	\$ 14,723,355	\$ 14,354,436	\$ 13,093,607	\$ 13,243,107
2018 Unreserved Fund Balance	\$ 16,512,558	\$ 15,306,742	\$ 17,933,253	\$ 17,384,626	\$ 18,479,429	\$ 15,488,721	\$ 17,279,434	\$ 18,345,522	\$ 16,923,253	\$ 16,225,727	\$ 13,799,783	\$ 13,558,950
2017 Cash Balance	\$ 6,338,271	\$ 6,393,110	\$ 11,561,044	\$ 10,901,398	\$ 10,376,936	\$ 6,169,276	\$ 7,179,518	\$ 10,652,102	\$ 8,595,629	\$ 8,439,222	\$ 7,340,223	\$ 9,178,128
2018 Cash Balance	\$ 8,905,448	\$ 8,120,225	\$ 12,288,418	\$ 11,184,339	\$ 12,226,888	\$ 9,006,016	\$ 10,816,697	\$ 12,252,460	\$ 10,763,842	\$ 11,463,410	\$ 9,825,856	\$ 9,420,606



Budget by Organization Report Through 12/31/18

Classification	2018 Budget	December 2018	YTD 2018	%	2017 Actuals
Fund 100 - GENERAL FUND					
REVENUE					
Property Taxes	28,849,196	34,789	28,188,353	97.7%	28,294,363
Other Taxes	49,742,274	5,525,537	50,095,876	100.7%	46,951,377
Licenses, Permits and Fees	12,397,400	1,911,305	11,680,895	94.2%	13,357,911
Fines and Forfeitures	3,882,500	201,576	3,765,058	97.0%	3,467,694
Charges for Services	10,077,550	976,382	10,396,458	103.2%	8,754,025
Interfund Transfers	7,748,417	1,333,573	8,133,142	105.0%	11,586,943
Intergovernmental Revenue	793,100	246,793	1,466,926	185.0%	1,234,749
Other Revenue	1,300,217	426,139	1,906,784	146.7%	1,858,106
Interest Income	50,100	13,091	94,681	189.0%	38,544
REVENUE TOTALS	114,840,754	10,669,185	115,728,174	100.8%	115,543,711
EXPENSE					
13 CITY COUNCIL	492,806	55,527	547,275	111.1%	498,172
14 CITY CLERK	191,784	21,930	217,953	113.6%	251,193
15 CITY MANAGER'S OFFICE	7,540,597	1,213,869	7,324,610	97.1%	7,539,496
17 LAW	736,346	92,781	688,581	93.5%	772,045
19 ADMINISTRATIVE SERVICES	9,075,303	1,075,125	9,221,165	101.6%	9,314,164
21 COMMUNITY DEVELOPMENT	3,614,774	472,799	3,579,301	99.0%	2,592,984
22 POLICE	38,391,099	3,159,312	39,392,691	102.6%	39,067,047
23 FIRE MGMT & SUPPORT	23,934,390	1,740,808	24,813,300	103.7%	24,355,551
24 HEALTH	3,697,529	318,112	3,187,544	86.2%	3,071,334
30 PARKS, REC. AND COMMUNITY SERV.	11,955,812	1,229,142	12,889,510	107.8%	12,479,438
40 PUBLIC WORKS AGENCY	14,607,356	1,530,608	13,523,392	92.6%	13,983,314
EXPENSE TOTALS	114,237,796	10,910,012	115,385,322	101.0%	113,924,739
Fund 100 - GENERAL FUND Totals					
REVENUE TOTALS	114,840,754	10,669,185	115,728,174	100.8%	115,543,711
EXPENSE TOTALS	114,237,796	10,910,012	115,385,322	101.0%	113,924,739
Fund 100 - GENERAL FUND Totals	602,958	(240,827)	342,851		1,618,972
Starting Fund Balance	13,216,099		13,216,099		
Net Change	602,958		342,851		
Ending Fund Balance	13,819,057		13,558,950		

Budget by Organization Report Through 12/31/18 Prior Fiscal Year Activity Included

Classification	2018 Budget	December 2018	YTD 2018	%	2017 Actuals
Fund 505 - PARKING SYSTEM FUND					
REVENUE					
Licenses, Permits and Fees	-	400	2,798	100.0%	1,900
Charges for Services	6,676,575	550,789	6,299,952	94.4%	6,303,624
Interfund Transfers	4,217,040	-	3,037,704	72.0%	4,120,636
Intergovernmental Revenue	12,125	-	-	0.0%	-
Other Revenue	193,316	40,989	337,563	174.6%	253,523
Interest Income	35,070	14,196	109,598	312.5%	62,067
REVENUE TOTALS	11,134,126	606,374	9,787,615	87.9%	10,741,750
EXPENSE					
Salary and Benefits	1,849,028	286,769	1,885,699	102.0%	1,675,404
Services and Supplies	3,451,775	620,567	4,013,848	116.3%	3,172,070
Capital Outlay	2,450,000	(119,749)	81,227	3.3%	280,311
Insurance and Other Chargebacks	319,648	26,637	319,648	100.0%	319,648
Community Sponsored Organizations	-	-	-	100.0%	-
Depreciation Expense	-	2,644,560	2,644,560	100.0%	2,561,771
Contingencies	11,000	1,495	1,495	13.6%	4,246
Debt Service	3,070,625	44,367	97,498	3.2%	267,734
Miscellaneous	304,000	49,876	231,879	76.3%	267,436
Interfund Transfers	1,440,417	120,035	1,440,417	100.0%	1,584,683
EXPENSE TOTALS	12,896,493	3,674,556	10,716,272	83.1%	10,133,302
Fund 505 - PARKING SYSTEM FUND					
REVENUE TOTALS	11,134,126	606,374	9,787,615	87.9%	10,741,750
EXPENSE TOTALS	12,896,493	3,674,556	10,716,272	83.1%	10,133,302
Fund 505 - PARKING SYSTEM FUND	(1,762,367)	(3,068,182)	(928,657)		608,448
Starting Fund Balance	4,710,701		4,710,701		
Net Change	(1,762,367)		(928,657)		
Ending Fund Balance	2,948,334		3,782,044		

Budget by Organization Report Through 12/31/18 Prior Fiscal Year Activity Included

Classification	2018 Budget	December 2018	YTD 2018	%	2017 Actuals
Fund 510 - WATER FUND					
REVENUE					
Licenses, Permits and Fees	70,000	(60)	47,218	67.5%	86,063
Charges for Services	18,267,000	1,289,354	16,055,922	87.9%	17,255,947
Interfund Transfers	-	187,430	187,430	100.0%	-
Other Revenue	27,333,656	(5,623,760)	235,772	0.9%	294,812
Interest Income	25,000	38,321	255,928	1023.7%	35,784
REVENUE TOTALS	45,695,656	(4,108,716)	16,782,270	36.7%	17,672,605
EXPENSE					
Salary and Benefits	5,614,331	781,625	5,803,542	103.4%	5,958,873
Services and Supplies	4,655,410	56,158	3,183,368	68.4%	2,528,863
Capital Outlay	29,346,200	(4,931,199)	22,219	0.1%	(192,124)
Insurance and Other Chargebacks	468,492	40,946	470,397	100.4%	468,492
Depreciation Expense	-	2,581,863	2,581,863	100.0%	2,470,280
Contingencies	1,000	-	-	0.0%	-
Debt Service	1,960,760	235,499	819,926	41.8%	717,388
Miscellaneous	15,000	-	-	0.0%	2
Interfund Transfers	3,602,313	306,859	3,682,309	102.2%	7,360,654
EXPENSE TOTALS	45,663,506	(928,249)	16,563,624	36.3%	19,312,428
Fund 510 - WATER FUND Totals					
REVENUE TOTALS	45,695,656	(4,108,716)	16,782,270	36.7%	17,672,605
EXPENSE TOTALS	45,663,506	(928,249)	16,563,624	36.3%	19,312,428
Fund 510 - WATER FUND Totals	32,150	(3,180,467)	218,645		(1,639,823)
Starting Fund Balance	6,562,795		6,562,795		
Net Change	32,150		218,645		
Ending Fund Balance	6,594,945		6,781,440		

Budget by Organization Report Through 12/31/18 Prior Fiscal Year Activity Included

Classification	2018 Budget	December 2018	YTD 2018	%	2017 Actuals
Fund 515 - SEWER FUND					
REVENUE					
Charges for Services	12,589,650	746,006	11,919,244	94.7%	12,477,657
Interfund Transfers	-	187,430	187,430	100.0%	-
Other Revenue	2,104,000	(1,865,229)	3,002	0.1%	14,870
Interest Income	5,000	9,832	56,455	1129.1%	16,023
REVENUE TOTALS	14,698,650	(921,961)	12,166,129	82.8%	12,508,550
EXPENSE					
Salary and Benefits	1,274,709	203,078	1,399,755	109.8%	1,313,154
Services and Supplies	2,558,630	(282,055)	301,786	11.8%	88,677
Capital Outlay	2,181,300	(730,320)	(654)	0.0%	16,941
Insurance and Other Chargebacks	269,988	22,499	269,988	100.0%	269,988
Depreciation Expense	-	3,615,269	3,615,269	100.0%	3,530,787
Debt Service	7,540,066	(7,221,578)	959,123	12.7%	1,143,643
Miscellaneous	1,500	-	230	15.3%	-
Interfund Transfers	991,677	82,640	991,677	100.0%	1,141,676
EXPENSE TOTALS	14,817,870	(4,310,467)	7,537,174	50.9%	7,504,867
Fund 515 - SEWER FUND Totals					
REVENUE TOTALS	14,698,650	(921,961)	12,166,129	82.8%	12,508,550
EXPENSE TOTALS	14,817,870	(4,310,467)	7,537,174	50.9%	7,504,867
Fund 515 - SEWER FUND Totals					
	(119,220)	3,388,506	4,628,956		5,003,683
Starting Fund Balance	4,037,755		4,037,755		
Net Change	(119,220)		4,628,956		
Ending Fund Balance	3,918,535		8,666,711		

Budget by Organization Report Through 12/31/18 Prior Fiscal Year Activity Included

Classification	2018 Budget	December 2018	YTD 2018	%	2017 Actuals
Fund 520 - SOLID WASTE FUND					
REVENUE					
Property Taxes	410,000	-	410,000	100.0%	-
Licenses, Permits and Fees	375,000	73,576	286,662	76.4%	329,039
Charges for Services	3,732,394	300,475	3,672,193	98.4%	3,699,121
Interfund Transfers	705,967	58,831	705,967	100.0%	755,967
Other Revenue	38,000	32,514	124,222	326.9%	33,348
REVENUE TOTALS	5,261,361	465,395	5,199,044	98.8%	4,817,475
EXPENSE					
Salary and Benefits	993,616	191,121	1,074,800	108.2%	890,220
Services and Supplies	3,488,676	265,043	3,432,094	98.4%	3,482,141
Capital Outlay	275,750	(150,216)	28,613	10.4%	24,635
Insurance and Other Chargebacks	-	1,520	1,520	100.0%	-
Debt Service	21,797	615	1,280	5.9%	1,797
Miscellaneous	7,500	-	5,288	70.5%	3,057
Interfund Transfers	322,362	26,864	322,362	100.0%	504,807
EXPENSE TOTALS	5,109,701	334,946	4,865,956	95.2%	4,906,657
Fund 520 - SOLID WASTE FUND Totals					
REVENUE TOTALS	5,261,361	465,395	5,199,044	98.8%	4,817,475
EXPENSE TOTALS	5,109,701	334,946	4,865,956	95.2%	4,906,657
Fund 520 - SOLID WASTE FUND Totals					
	151,660	130,449	333,087		(89,182)
Starting Fund Balance	(1,205,684)		(1,205,684)		
Net Change	151,660		333,087		
Ending Fund Balance	(1,054,024)		(872,597)		



Memorandum

To: Wally Bobkiewicz, City Manager
From: Hitesh Desai, CFO/ Treasurer
Subject: 4th Quarter 2018 - Cash and Investment Report
Date: April 12, 2019

Attached please find the Cash and Investment report as of December 31, 2018.

A comparison between the third quarter and fourth quarter of 2018 investment reports indicate a decrease in combined cash & investments of \$30,480,789 from \$98,848,156 to \$68,367,667. The decrease was principally due to the payment of debt obligations and funding of various construction projects. Cash and investment changes from the previous period are summarized below:

	12/31/2018	9/30/2018	Change
Cash	30,889,683	29,522,377	1,367,306
Investments	37,477,984	69,325,779	(31,847,795)
TOTAL	68,367,667	98,848,156	(30,480,789)

As of December 31, 2018, ledger balances showing the highest percentage of total deposit was held by First Bank and Trust at \$30.9M or 45.2% of the total. PMA Financial was in custody of money market funds at approximately \$9.4M, or 13.7%, Wintrust held \$12.1M or 17.7% while Fifth Third held \$4.0M or 5.9%. Illinois Funds was at \$5.6M or 8.1% and IMET was at \$5.9M or 8.7%. Staff will continue to monitor the allocation of Cash and Investments to ensure compliance with the City's investment policy of no financial institution should have greater than 50% of the city's total cash and investments.

If you have any questions on this report or would like to discuss in greater detail, please contact me by phone at (847) 448.8082 or by e-mail at hdesai@cityofevanston.org.