



City of
EvanstonTM
ILLINOIS

*Comprehensive Annual Financial Report
For the Fiscal Year Ended February 28, 2005*

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
FEBRUARY 28, 2005

Prepared by Finance Department

William A. Stafford
Finance Director and Comptroller

CITY OF EVANSTON, ILLINOIS

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INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials
February 28, 2005

LEGISLATIVE

CITY COUNCIL

Lorraine H. Morton, Mayor

Arthur B. Newman
Lionel Jean-Baptiste
Mellisa A. Wynne
Steven J. Bernstein

Joseph N. Kent
Edmund B. Moran, Jr.
Stephen B. Engelman
Ann Rainey
Gene Feldman

EXECUTIVE

Julia A. Carroll, City Manager

FINANCE DEPARTMENT

William A. Stafford, Finance Director and Comptroller

Barbara V. Zdanowicz, Assistant Finance Director

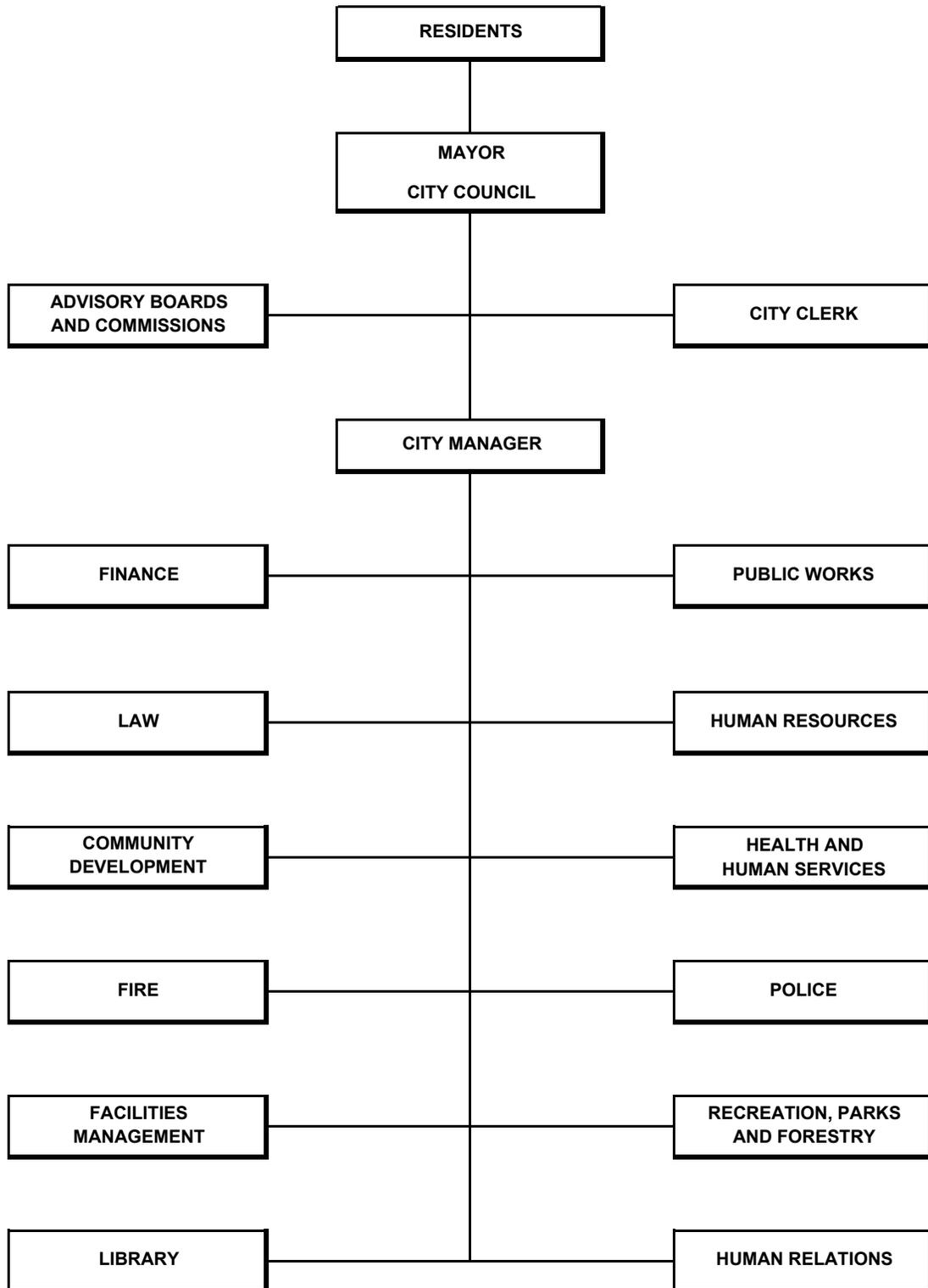
Bobbie Tolston-Brown, Director of Purchasing and Contracts

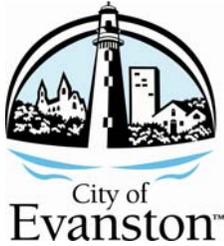
Mary Rodino Kutz, Accounting Manager

Patricia P. Ford, Payroll Manager

Kevin Lookis, Revenue Manager

CITY OF EVANSTON ORGANIZATION CHART





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August 15, 2005

The Honorable Mayor Lorraine H. Morton,
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, 2005 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, 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. Consequently, 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 accounting principles generally accepted in the United States of America (GAAP). 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. The City has implemented GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", including infrastructure reporting. 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. The Evanston Township Board of Trustees are the same individuals as the City Council members. 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 and, therefore, data from the Township is blended with data of the City.

The City's financial statements have been audited by Miller, Cooper & Co., Ltd., 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, 2005, 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, 2005, 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; apartment, condominium, and student housing; its residents are commuters and locally employed workers; the downtown is prospering, but neighborhood commercial centers are also strong and developing. It is a part of the Chicagoland 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 8.5 square miles, have been essentially the same ever since. The City has four miles of shoreline along Lake Michigan.

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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.

About 4,000 students live in university housing; another 900 live in fraternities and sororities. Roughly 800 live in two graduate student-housing complexes and approximately 3,500 live off-campus, mostly in privately owned apartments in Evanston.

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 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 five standing committees, Administration and Public Works, Budget, Human Services, Planning and Development, and Rules. The City Council has also established several special committees and commissions and advisory boards.

The City Manager is the Chief Administrative 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 twelve departments. The Finance Director is responsible for the central financial 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, social services, health and services for the aging, beaches, parks, and cultural events. The City is engaged in assisting in community and economic development and maintains land use controls.

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

Budget Process: The City's fiscal year begins on March 1 of each year. The City Manager submits to the City Council a proposed operating budget in December for the fiscal year commencing the following March 1. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds public hearings (three Saturday morning public hearings were held prior to adoption of the 2005/06 budget) and then may modify the budget prior to adoption.

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 except that 1) property taxes are budgeted as revenue in the year for which they are levied; 2) debt service payments are budgeted upon tax levy for such purposes, and 3) encumbrances are recorded as the equivalent of an expenditure for budget purposes. 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 modified accrual basis. Debt service payments and a number of specific accrued liabilities are only recognized as expenditures when payment is due, and revenue is recognized only when it has actually been received. The Comprehensive Annual Financial Report of the City (CAFR) presents expenditures and revenues on both a GAAP basis and a budget 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. A 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 general fixed 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 some other fund. In the fiscal year 2005/2006, the City projects 47.1% (\$82.7 million) of all City expenditures will occur in the General Fund. Other major funds include the Washington National Tax Increment District Fund, the Water Fund, Sewer Fund and Maple Avenue Garage Fund.

The Enterprise Funds (water and sewer) are operated and budgeted on a full accrual basis. Expenditures are recognized when a commitment is made (through a purchase order), 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 Governmental Accounting Standards Board. 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 Finance Department and Budget Department. Disbursements are made only if an expenditure is within the authorized appropriation. For each major expenditure a purchase order is prepared and approved and the related appropriation is encumbered before a check is issued.

MAJOR INITIATIVES

The City has been involved in a variety of projects throughout the year which reflect the City's commitment to ensuring that its citizens are able to experience a high quality of life in both work and play. The most significant of these projects are briefly described below:

- The City's downtown area has been undergoing major revitalization in recent years, with the active support of the City. The downtown area has become significantly more vital, with its mix of new and existing restaurants, offices, hotels, theaters, and shops. The final phase of the Downtown II TIF district has been completed with the finishing of the 207 unit Optima Views 20 plus - story condominium building. This represents a \$45 million increase in the equalized assessed valuation of the property in this district since 1997. Optima Horizons is an additional Downtown II condominium development of 248 units and a garage. The garage is open and the condominiums are completed.
- The Sherman Plaza redevelopment is under full construction as of the date of this letter and will include a new City-owned 1,500 space parking garage on Sherman Avenue, 160,000 square feet of retail space and 229 condominium units in a 24-story tower. The garage is financed by the City's general obligation bonds.
- The City is in the final construction phase of a \$190 million plus sewer system rehabilitation project that will connect the City's sewer system with the Metropolitan Sanitary District of Greater Chicago's deep tunnel project.
- Between 1997 and 2003, the number of major crime reported in Evanston fell by 53%. This current level continues to reflect the lowest crimes levels in over 30 years.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: While the City has experienced a steady economy it continues to see an unusually strong housing market. Sales tax for the fiscal year FY 2005 increased 1.7% which is similar to the increases experienced by many Chicagoland area municipalities. Much of this can be attributed to the continued growth of condominiums and economic development in the downtown area which continues to outpace both the state and national economies.

Long-Term Financial Planning: The City continues to complete its Long-Range Sewer plan which is a complete overhaul of the City's sewer system. This project will be completed in the next three years. Most of these improvements have been funded with low interest Illinois Environmental Protection Agency (IEPA) loans.

The City continues to have a five-year Capital Improvements Program and a budget process that projects future operating budgets.

Risk Management: The City has changed its management approach to risk management and has in place third-party administration of its liability and workers' compensation claims. Additionally, more staff and resources are being dedicated to internal risk management and safety training. The City has also settled the majority of its largest outstanding lawsuits during the last five months.

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. As a matter of Budget Policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary.

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 has fully funded this plan.

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 29, 2004. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

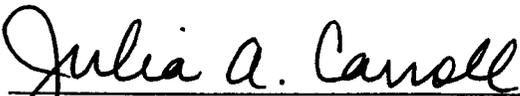
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated March 1, 2004. 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.

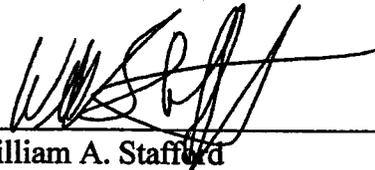
We acknowledge the excellent work of Accounting Manager, Ms. Mary Rodino Kutz; TIF Accounting Analyst, Remy Navarrete, and the Accounting Division staff in preparing the financial statements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,



Julia A. Carroll
City Manager



William A. Stafford
Finance Director and Comptroller

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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, 2004

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.



Nancy L. Zjelke

President

Jeffrey R. Enos

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Honorable Lorraine H. Morton, Mayor and
Members of 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, 2005, which collectively comprise the City'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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of February 28, 2005, and the respective changes in financial position and cash flows, where applicable, 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 have also issued our report dated August 19, 2005 on our consideration of the City's internal control over financial reporting and 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.

(Continued)

The Honorable Lorraine H. Morton, Mayor and
Members of City Council
Evanston, Illinois

(Continued)

The management's discussion and analysis on pages 3 through 9 and retirement fund historical data and budgetary comparison information on pages 84 through 87 are not a required part of the basic financial statements but are supplementary information required by the 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.

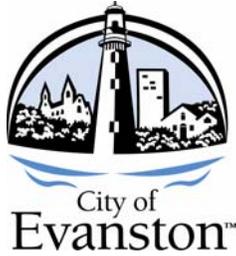
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston, Illinois's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital assets used in the operation of governmental funds, supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, capital assets used in the operation of the governmental funds, and supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections 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.

MILLER, COOPER & CO., LTD

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Northbrook, Illinois
August 12, 2005



MANAGEMENT'S DISCUSSION AND ANALYSIS

FEBRUARY 28, 2005

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 vii of this report.

FINANCIAL HIGHLIGHTS

- The City's net assets increased by \$29,089,239 (or 14.97%) for the fiscal year reported (FY 2005). The governmental net assets increased by \$19,723,512 (or 34.89% from FY 2004) and the business-type activities net assets increased by \$9,365,727 (or 6.8% from FY 2004).
- The governmental activities revenue increased by \$8,466,474 (or 7.82%). The expenditures decreased by \$5,659,119 (or 5.58%).
- The business-type activities revenue decreased by \$782,396 (or 2.32%). The expenditures increased by \$429,595 (or 1.76%).
- The total cost of all City programs decreased by \$5,229,524 or 4.15%.
- The City of Evanston issued new debt in the amount of \$25,085,000 during the current fiscal year. Of this, \$13,355,000 will be used to pay for capital improvements out of the Capital Improvements Fund.

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 long-term and short-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 of 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 is 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 services, fleet services, 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 10 - 13 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements, providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the 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 statements are included in the basic financial statements for the general fund and major special revenue fund. Budgetary comparison schedules for the other special revenue funds and the debt service fund can be found in a later 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 14 – 15 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 are provided to customers external to the City organization such as the water utilities and the parking garages. 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 long-term and short-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 and non-major enterprise funds is found in combining schedules in a later section of this report.

The basic proprietary fund financial statements are presented on pages 17 - 21 of this report.

Fiduciary funds such as the employee 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 22 - 23 of this report.

Notes to the financial statements

The accompanying notes to the 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 27 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 obligation 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 84 - 87 of this report.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service funds are presented in a subsequent section of this report beginning on page 88. Additional information on capital assets and long-term debt can be found in notes (to the financial statements) 49 and 60, respectively.

Financial Analysis of the City as a Whole

The City's combined net assets increased by \$29,089,239 from FY 2004 – an increase from \$194,352,212 to \$223,441,451.

STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	\$148,165,127	\$150,486,948	\$35,542,196	\$38,579,066	\$183,707,323	\$189,066,014
Capital Assets	140,959,825	128,853,599	264,856,918	257,467,197	405,816,743	386,320,796
Total Assets	289,124,952	279,340,547	300,399,114	296,046,263	589,524,066	575,386,810
Long-Term Liabilities	105,722,077	124,593,383	124,190,111	125,402,379	229,912,188	249,995,762
Other Liabilities	107,155,602	98,223,403	29,014,825	32,815,433	136,170,430	131,038,836
Total Liabilities	212,877,679	222,816,786	153,204,936	158,217,812	366,082,615	381,034,598

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Net Assets:						
Investment in Capital assets,						
net of Debt	426,491	-9,753,068	114,442,311	106,538,749	114,868,802	96,785,681
Restricted	32,810,919	33,415,913	11,274,326	11,157,974	44,085,245	44,573,887
Unrestricted	43,009,863	32,860,916	21,477,541	20,131,728	64,487,404	52,992,644
Total Net Assets	\$76,247,273	\$56,523,761	\$147,194,178	\$137,828,451	\$223,441,451	\$194,352,212

The City's total revenues increased by \$7,684,078 or 5.41%. The City's cost of all programs was decreased by \$5,229,524. Governmental activities increased due to net revenues over expenditures that added monies to the fund reserves. The main reason for the net asset increase in business-type funds (water and sewer funds) was due to planned accumulated increases in balances in those funds for future debt service and capital projects.

Governmental Funds: The governmental activities experienced a net increase of \$29,089,239. This was mainly due to a surplus in the General Fund of revenues over expenditures, and settlement of some major liabilities in Insurance Fund. Increased accumulations of funds in the TIF funds were offset by the spending which occurred in the Motor Fuel Tax and Emergency Telephone System funds.

Business Funds: The business-type activities experienced a net increase in fund balance of \$9,365,727. Most of the increase is attributable to the continued planned surpluses in the Sewer and Water Funds. The Sewer Fund increase is due to the need to accumulate cash to pay off future years' debt service on the over \$90 million in Illinois Environmental Protection Agency (IEPA) loans the City has outstanding which have paid for the complete overhaul of the City's sewer system. The Water Fund continues to generate sufficient funds to subsidize the General Fund and pay for its accumulated depreciation. In the spring of 2005, demolition and construction began on the Sherman Plaza project. This project will include a new parking facility as well as a high rise condominium and retail space.

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	
	2005	2004	2005	2004	2005	2004
Revenue						
Program Revenues:						
Charges for services	\$26,246,493	\$23,287,630	\$32,623,801	\$33,443,731	\$58,870,294	\$56,731,361
Operating grants and contributions	3,713,201	3,479,547			3,713,201	3,479,547
Capital grants and contributions	212,000	1,458,824			212,000	1,458,824
General Revenues:						
Sales taxes	13,984,119	13,421,664			13,984,119	13,421,664
Property taxes	38,738,232	36,768,899			38,738,232	36,768,899
Utility taxes	8,397,773	7,986,489			8,397,773	7,986,489
Other taxes	23,935,340	20,194,349			23,935,340	20,194,349
Investment income	1,547,399	1,710,681	380,859	343,325	1,928,258	2,054,006
Total Revenues	116,774,557	108,308,083	33,004,660	33,787,056	149,779,217	142,095,139

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Expenses						
General management and support	14,450,761	15,791,355			14,450,761	15,791,355
Public safety	31,167,640	39,237,180			31,167,640	39,237,180
Public works	14,224,855	13,065,137			14,224,855	13,065,137
Health and human resource development	5,843,522	5,370,262			5,843,522	5,370,262
Recreation and cultural opportunities	18,276,621	17,129,356			18,276,621	17,129,356
Housing and economic development	6,757,476	5,973,494			6,757,476	5,973,494
Interest	5,086,412	4,899,622			5,086,412	4,899,622
Water			8,175,691	8,992,102	8,175,691	8,992,102
Motor vehicle parking system			4,777,494	3,468,096	4,777,494	3,468,096
Sewer			8,781,361	8,964,469	8,781,361	8,964,469
Maple avenue garage			3,148,145	3,028,429	3,148,145	3,028,429
Total Expense	95,807,287	101,466,406	24,882,691	24,453,096	120,689,978	125,919,502
Increase in net assets before transfer	20,967,270	6,841,677	8,121,969	9,333,960	29,089,239	16,175,637
Transfers	-1,243,758	-4,335,194	1,243,758	4,335,194	0	0
Increase in net assets	19,723,512	2,506,483	9,365,727	13,669,154	29,089,239	16,175,637
Net Assets - Beginning	56,523,761	54,017,278	137,828,451	124,159,297	194,352,212	178,176,575
Net Assets - Ending	\$76,247,273	\$56,523,761	\$147,194,178	\$137,828,451	\$223,441,451	\$194,352,212

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 ending fund balances of \$108,643,107 as a year-end total, including \$20,140,089 unrestricted, indicating availability for continuing City service requirements. Reserved fund balances include: \$447,032 committed to liquidate encumbrances remaining from prior years, \$3,200,000 committed to Illinois Municipal Retirement Fund (IMRF) reserves.

The total ending fund balances of governmental funds show a decrease of \$2,580,826 from the prior year. The decrease is primarily the result of Sherman Garage construction and demolition activities.

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 increased by \$4,117,066. These increases are due to revenues significantly exceeding budgeted levels. The expenditures were slightly above budgeted levels and were maintained near budget due to monitoring of monthly budget reports and a concerted effort to reduce overtime expenditures. The revenue increase was due to record levels of real estate activity in Evanston which resulted in high real estate transfer tax revenues and increases in sales tax. State shared revenues, such as income taxes and use taxes, continued solid increases as the economy starts to recover. The City Council has been diligent in assuring that one-time non-recurring revenues are not inserted into the operating budget. Additionally, the increase in the General Fund cash balance to a level of 10% has been achieved during the last three years in spite of a poor economy during that period. This again was a policy objective set by the City Council that has been achieved during less than ideal economic conditions.

The Washington National Tax Increment District Fund has a fund balance of \$25,202,812.

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.

Major Proprietary Funds

The main proprietary funds operated by the City are the Water, Sewer and Parking Funds. The Water Fund remains stable without need for rate changes and is supported by external water sales to the Village of Skokie and the Northwest Water Commission. The Sewer Fund is in the final stages of a \$200 million plus sewer renovation program which is being funded by IEPA loans that are being paid off over twenty years with phased sewer rate increases which will be finalized in FY 2006. The only business fund that needs to address future financial issues is the Motor Vehicle Parking system which experienced a \$2,024,972 decrease in net assets this year. This is the third consecutive year the fund has experienced a decrease in net assets. The Parking Committee met and the Council adopted rate increases in meters, lots, parking taxes, and garage rates amounting to about \$1 million in additional revenues to the Parking Fund per year.

Internal Service Funds

The City's combined internal service funds' net assets were a surplus of \$216,477 as of February 28, 2005. At March 1, 2004, the combined funds had a deficit of \$17,537,766. Over \$12 million of this large increase in net assets related to one liability case verdict which was settled out of court in July 2005. The City has instituted new risk management practices and has developed a funding strategy to address the immediate liabilities and future reserve needs and funding requirements.

General Fund Budgetary Highlights

The original budgets for the General Fund and other funds did not have to be amended this year. Actual expenditures in the General Fund slightly exceeded budgeted levels.

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, 2005, was \$405,816,743. The total increase in this net investment was 9.0% for governmental and 2.0% for business-type activities. The overall increase was 5.0% for the City as a whole. Major capital asset events during the current fiscal year included continued construction of the downtown revitalization projects. 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 bonded debt outstanding of \$187,110,000. Of this amount, \$73,496,641 is funded directly from property taxes. The other major component is \$106,935,000 supported by pledged revenues generated primarily by the business-type activities of the City and the City's four tax increment financing (TIF) Districts. During the current year, the City issued \$13.355 million in fixed rate general obligation bonds for capital improvements and \$11.730 million in refunding 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 and VIMG-1 by Moody's Investor Rating Service and AAA by Fitch Ratings. Evanston City Water Fund revenue bonds are rated Aa1 and AA for uninsured issues. The Aaa and AAA ratings were confirmed during the year for the Series 2004 bond issue which was for capital improvements.

Economic Factors

The Evanston economy continues to hold firm in spite of a state economy that continues to lag. FY 2002 was the first year that state revenues actually decreased in almost 50 years and FY 2005 revenues were slightly up from FY 2004, according to Illinois State Comptroller Dan Hynes.

While the state's unemployment rate continues to be about 5.9%, Evanston's is closer to 5.0%. Both state and Evanston sales tax increased in FY 2005. The City's housing market continued to boom with the largest year ever in real estate transfer tax receipts of over \$4.2 million. For the fifth year in a row, the General Fund balance increased.

The City's population increased 1.37% on the 2000 census to 74,239 over the last decade. Increased multi-family development in the last three years indicates that number should continue to increase.

The Water Fund continues to generate \$7,411,417 in cash flows from operating activities due to the sale of water to the Village of Skokie and the villages in the Northwest Water Commission. Half of this is used to subsidize the General Fund and the remainder is used to finance capital improvements. The Sewer Fund is in the final stages of completing an over \$200 million sewer improvement program.

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's Finance Department at City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201 or access their website at www.cityofevanston.org.

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BASIC FINANCIAL STATEMENTS

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CITY OF EVANSTON, ILLINOIS

Statement of Net Assets

February 28, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 48,245,347	\$ 3,627,348	\$ 51,872,695
Investments	45,990,805	3,953,897	49,944,702
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	37,443,415	-	37,443,415
Accounts	-	4,531,987	4,531,987
Notes	5,450,629	-	5,450,629
Special assessments	649,243	-	649,243
Accrued interest	104,808	18,470	123,278
Other	2,373,574	11,052	2,384,626
Due from other governments	6,391,283	-	6,391,283
Internal balances	1,261,589	(1,261,589)	-
Inventories	254,434	612,043	866,477
Restricted assets			
Cash and equivalents and investments	-	23,739,988	23,739,988
Capital assets			
Capital assets not being depreciated	25,162,761	3,297,937	28,460,698
Construction in progress	9,284,228	19,902,342	29,186,570
Capital assets (net of accumulated depreciation)	106,512,836	241,656,639	348,169,475
Other assets	-	309,000	309,000
Total Assets	\$ 289,124,952	\$ 300,399,114	\$ 589,524,066

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Vouchers payable	\$ 4,535,159	\$ 517,423	\$ 5,052,582
Accrued payroll	986,106	76,562	1,062,668
Interest payable	5,713	55,953	61,666
Other payables	166,852	-	166,852
Due to other governments	54,839	-	54,839
Due to pension fund	1,445,371	-	1,445,371
Payable from restricted assets			
Vouchers payable	-	625,349	625,349
Interest payable	-	1,096,762	1,096,762
Unearned revenues	24,572,424	-	24,572,424
Noncurrent liabilities			
Payable from restricted assets - due within one year	-	7,584,490	7,584,490
Due within one year	75,389,138	19,058,286	94,447,424
Due in more than one year	105,722,077	124,190,111	229,912,188
Total Liabilities	212,877,679	153,204,936	366,082,615
Net Assets			
Investment in capital assets, net of related debt	426,491	114,442,311	114,868,802
Restricted			
Pensions - IMRF	3,200,000	-	3,200,000
Compensated absences	2,576,360	-	2,576,360
Culture and recreation	547,648	-	547,648
Debt service	25,310,099	11,274,326	36,584,425
Other	1,176,812	-	1,176,812
Unrestricted	43,009,863	21,477,541	64,487,404
Total Net Assets	\$ 76,247,273	\$ 147,194,178	\$ 223,441,451

CITY OF EVANSTON, ILLINOIS

Statement of Activities

Year ended February 28, 2005

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 14,450,761	\$ 13,262,430	\$ 141,488
Public safety	31,167,640	224,953	136,872
Public works	14,224,855	178,244	2,261,126
Health and human resource development	5,843,522	1,071,628	1,173,715
Recreation and cultural opportunities	18,276,621	3,730,839	-
Housing and economic development	6,757,476	7,778,399	-
Interest	5,086,412	-	-
Total governmental activities	95,807,287	26,246,493	3,713,201
Business-type activities:			
Water	8,175,691	13,186,845	-
Motor vehicle parking system	4,777,494	3,011,133	-
Sewer	8,781,361	14,913,396	-
Maple avenue garage fund	3,148,145	1,512,427	-
Total business-type activities	24,882,691	32,623,801	-
Total primary government	\$ 120,689,978	\$ 58,870,294	\$ 3,713,201

General revenues:
Property and other taxes
Sales tax
Gain on sale of capital assets
Miscellaneous
Investment income
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

The accompanying notes are an integral part of this statement.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ 152,000	\$ (894,843)	\$ -	\$ (894,843)
-	(30,805,815)	-	(30,805,815)
-	(11,785,485)	-	(11,785,485)
-	(3,598,179)	-	(3,598,179)
60,000	(14,485,782)	-	(14,485,782)
-	1,020,923	-	1,020,923
-	(5,086,412)	-	(5,086,412)
212,000	(65,635,593)	-	(65,635,593)
-	-	5,011,154	5,011,154
-	-	(1,766,361)	(1,766,361)
-	-	6,132,035	6,132,035
-	-	(1,635,718)	(1,635,718)
-	-	7,741,110	7,741,110
<u>\$ 212,000</u>	<u>(65,635,593)</u>	<u>7,741,110</u>	<u>(57,894,483)</u>
	79,714,394	-	79,714,394
	345,000	-	345,000
	53,605	-	53,605
	4,942,465	-	4,942,465
	1,547,399	380,859	1,928,258
	(1,243,758)	1,243,758	-
	85,359,105	1,624,617	86,983,722
	19,723,512	9,365,727	29,089,239
	56,523,761	137,828,451	194,352,212
\$	76,247,273	\$ 147,194,178	\$ 223,441,451

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet
February 28, 2005

Assets	General	Washington National Tax Increment District	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 9,012,168	\$ 2,161,510	\$ 36,849,192	\$ 48,022,870
Investments	2,990,268	24,758,388	11,198,627	38,947,283
Receivables				
Property taxes (net of allowance)	14,213,232	-	23,230,183	37,443,415
Notes	-	-	5,450,629	5,450,629
Special assessments	-	-	649,243	649,243
Accrued interest	1,375	61,719	41,714	104,808
Other	2,152,622	-	192,960	2,345,582
Due from other governments	5,854,693	-	536,590	6,391,283
Due from other funds	2,407,301	-	4,306,048	6,713,349
Total Assets	\$ 36,631,659	\$ 26,981,617	\$ 82,455,186	\$ 146,068,462
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 1,821,377	\$ 1,722,632	\$ 805,913	\$ 4,349,922
Accrued payroll	952,730	-	10,805	963,535
Compensated absences payable	452,081	-	-	452,081
Other	167,243	-	(391)	166,852
Due to other governments	25,575	-	4,525	30,100
Due to other funds	566,032	56,173	6,268,236	6,890,441
Unearned revenues	9,489,038	-	15,083,386	24,572,424
Total Liabilities	13,474,076	1,778,805	22,172,474	37,425,355
Fund Balances				
Reserved	7,947,852	-	30,760,728	38,708,580
Unreserved				
Capital Project	318,496	25,202,812	24,273,130	49,794,438
Special Revenue Funds	-	-	5,248,854	5,248,854
General Fund	14,891,235	-	-	14,891,235
Total Fund Balances	23,157,583	25,202,812	60,282,712	108,643,107
Total Liabilities and Fund Balances	\$ 36,631,659	\$ 26,981,617	\$ 82,455,186	

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.	134,800,020
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.	(167,412,331)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.	216,477
Net assets of governmental activities	\$ 76,247,273

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, 2005

	General	Washington National Tax Increment District	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 38,779,313	\$ -	\$ 27,964,419	\$ 66,743,732
Licenses and permits	6,773,407	-	-	6,773,407
Special assessments	-	-	365,554	365,554
Intergovernmental	14,732,805	-	6,885,157	21,617,962
Charges for services	6,052,956	-	-	6,052,956
Fines and forfeits	3,999,105	-	-	3,999,105
Investment income	192,461	530,341	817,396	1,540,198
Miscellaneous	8,102,267	-	1,349,283	9,451,550
Total Revenues	78,632,314	530,341	37,381,809	116,544,464
Expenditures				
Current				
General management and support	12,397,917	235,423	2,032,166	14,665,506
Public safety	28,730,903	-	7,591,720	36,322,623
Public works	12,070,461	-	-	12,070,461
Health and human resource development	5,200,662	-	600,000	5,800,662
Recreation and cultural opportunities	15,389,468	-	104,000	15,493,468
Housing and economic development	2,928,285	-	3,788,946	6,717,231
Pensions	1,371,992	-	-	1,371,992
Debt service				
Principal	-	-	7,885,000	7,885,000
Interest	-	-	5,027,536	5,027,536
Fiscal agent fees	-	-	359,136	359,136
Capital outlay	-	9,252,576	8,955,548	18,208,124
Total Expenditures	78,089,688	9,487,999	36,344,052	123,921,739
Excess (Deficiency) of Revenues Over (Under) Expenditures	542,626	(8,957,658)	1,037,757	(7,377,275)
Other Financing Sources (Uses)				
Transfers in	4,264,000	-	1,756,393	6,020,393
Transfers out	(689,560)	-	(14,372,091)	(15,061,651)
Issuance of debt	-	-	25,723,735	25,723,735
Escrow funding	-	-	(11,886,028)	(11,886,028)
Total Other Financing Sources (Uses)	3,574,440	-	1,222,009	4,796,449
Net Change in Fund Balances	4,117,066	(8,957,658)	2,259,766	(2,580,826)
Fund Balances -Beginning of Year	19,040,517	34,160,470	58,022,946	111,223,933
Fund Balances - End of Year	\$ 23,157,583	\$ 25,202,812	\$ 60,282,712	\$ 108,643,107

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, 2005

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

Net change in fund balances - total governmental funds	\$	(2,580,826)
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.		11,819,194
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.		18,970,000
Issuance of 2004 Bonds provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Governmental funds also report the effect of bonds premiums, discounts and similar items when debt is first issued.		(25,723,735)
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.		(515,364)
Internal service funds are reported separately in the fund financial statements.		<u>17,754,243</u>
Change in net assets of governmental activities	\$	<u><u>19,723,512</u></u>

The accompanying notes are an integral part of this statement.

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CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Net Assets
February 28, 2005

Assets	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Maple Avenue Garage	Motor Vehicle Parking System (non-major)	Total	
Current Assets						
Cash and equivalents	\$ 136,795	\$ -	\$ 780,447	\$ 2,710,106	\$ 3,627,348	\$ 222,477
Investments	-	-	3,953,897	-	3,953,897	7,043,522
Receivables						-
Accounts - billed	1,068,680	265,433	-	-	1,334,113	-
Accounts - unbilled	919,650	2,278,224	-	-	3,197,874	-
Accrued interest	-	18,470	-	-	18,470	-
Other	-	-	-	11,052	11,052	27,992
Due from other funds	319,710	4,669	46,103	85,538	456,020	244
Inventories	479,464	132,579	-	-	612,043	254,434
Total Current Assets	2,924,299	2,699,375	4,780,447	2,806,696	13,210,817	7,548,669
Noncurrent Assets						
Restricted cash and equivalents and investments	10,850,215	12,889,773	-	-	23,739,988	-
Total Restricted Assets	10,850,215	12,889,773	-	-	23,739,988	-
Capital Assets						
Land	555,415	-	-	2,742,522	3,297,937	-
Construction in progress	1,996,767	17,854,575	51,000	-	19,902,342	-
Capital assets being depreciated	54,465,590	189,969,257	27,128,673	8,506,436	280,069,956	18,209,749
Less accumulated depreciation	(12,905,428)	(20,160,584)	(2,862,617)	(2,484,688)	(38,413,317)	(12,049,944)
Total Capital Assets	44,112,344	187,663,248	24,317,056	8,764,270	264,856,918	6,159,805
Other Assets						
Receivables						
Notes	-	-	-	309,000	309,000	-
Total Assets	\$ 57,886,858	\$ 203,252,396	\$29,097,503	\$ 11,879,966	\$302,116,723	\$ 13,708,474

The accompanying notes are an integral part of this statement.

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Maple Avenue Garage	Motor Vehicle Parking System (non-major)	Totals	
Liabilities						
Current Liabilities (Payable from Current Assets)						
Vouchers payable	\$ 360,319	\$ 33,347	\$ 57,390	\$ 66,367	\$ 517,423	\$ 185,237
Accrued payroll	48,816	14,893	-	12,853	76,562	22,571
Interest payable	-	-	-	55,953	55,953	5,713
Compensated absences payable	311,322	71,449	-	71,467	454,238	100,019
General obligation bonds payable	-	-	16,900,000	545,000	17,445,000	450,000
Unamortized bond expenses and discount	-	-	(35,958)	-	(35,958)	-
Claims payable	-	-	-	-	-	9,731,084
Due to other government	-	-	-	-	-	24,739
Due to other funds	1,308,102	253,945	129,870	25,692	1,717,609	6,934
Total Payable from Current Assets	2,028,559	373,634	17,051,302	777,332	20,230,827	10,526,297
Current Liabilities (Payable from Restricted Assets)						
Vouchers payable	10,629	614,720	-	-	625,349	-
Interest payable	29,559	1,067,203	-	-	1,096,762	-
Notes payable - Sewer IEPA Loans	-	5,515,323	-	-	5,515,323	-
General obligation bonds payable	-	1,925,000	-	-	1,925,000	-
Revenue bonds payable	144,167	-	-	-	144,167	-
Total Payable from Restricted Assets	184,355	9,122,246	-	-	9,306,601	-
Long-Term Liabilities						
Notes payable - Sewer IEPA Loans	-	96,684,688	-	-	96,684,688	-
General obligation bonds payable	-	20,570,000	-	3,715,000	24,285,000	-
Revenue bonds payable	4,430,833	-	-	-	4,430,833	-
Unamortized bond expenses and discount	16,662	(32,066)	-	-	(15,404)	-
Claims payable	-	-	-	-	-	2,965,700
Total Long-Term Liabilities	4,447,495	117,222,622	-	3,715,000	125,385,117	2,965,700
Total Liabilities	6,660,409	126,718,502	17,051,302	4,492,332	154,922,545	13,491,997
Net Assets						
Invested in capital assets, net of related debt	39,520,682	63,000,303	7,417,056	4,504,270	114,442,311	5,709,805
Restricted for debt service	11,274,326	-	-	-	11,274,326	-
Unrestricted	431,441	13,533,591	4,629,145	2,883,364	21,477,541	(5,493,328)
Total net assets	\$ 51,226,449	\$ 76,533,894	\$12,046,201	\$ 7,387,634	\$147,194,178	\$ 216,477

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year ended February 28, 2005

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Maple Avenue Garage Fund	Motor Vehicle Parking System (non-major)	Total	
Operating Revenues						
Charges for services	\$ 12,739,153	\$ 14,914,790	\$ 1,510,411	\$ 3,001,338	\$ 32,165,692	\$ 6,584,000
Miscellaneous	447,692	(1,394)	2,016	9,795	458,109	93,746
Total Operating Revenues	13,186,845	14,913,396	1,512,427	3,011,133	32,623,801	6,677,746
Operating Expenses Excluding Depreciation						
Administration	698,958	-	-	1,322,753	2,021,711	-
Operations	5,696,273	1,969,842	1,870,336	1,563,964	11,100,415	(4,160,893)
Total Operating Expenses Excluding Depreciation	6,395,231	1,969,842	1,870,336	2,886,717	13,122,126	(4,160,893)
Operating Income (Loss) Before Depreciation	6,791,614	12,943,554	(357,909)	124,416	19,501,675	10,838,639
Depreciation	1,296,208	2,607,333	685,553	262,305	4,851,399	1,455,720
Operating Income (Loss)	5,495,406	10,336,221	(1,043,462)	(137,889)	14,650,276	9,382,919
Nonoperating Revenues (Expenses)						
Investment income	151,797	132,840	4,833	91,389	380,859	15,718
Other nonoperating revenues	-	-	-	-	-	5,695
Interest expense	(201,705)	(3,919,997)	(574,589)	(324,737)	(5,021,028)	(58,876)
Bond expenses and amortization of discount	(3,654)	(7,276)	(17,667)	-	(28,597)	(1,186)
Gain (loss) on disposition of assets	(2,643)	(663)	-	(1,303,735)	(1,307,041)	59,973
Total Nonoperating Revenues (Expenses)	(56,205)	(3,795,096)	(587,423)	(1,537,083)	(5,975,807)	21,324
Income (Loss) Before Transfers	5,439,201	6,541,125	(1,630,885)	(1,674,972)	8,674,469	9,404,243
Transfers In (Out)						
Downtown TIF Debt Service Fund	-	-	4,000,000	-	4,000,000	-
Insurance Fund	(4,000,000)	(4,000,000)	-	-	(8,000,000)	-
Fleet Fund	-	-	-	(350,000)	(350,000)	-
Water Fund	(1,308,102)	-	-	-	(1,308,102)	-
Depreciation Improvement & Extension	1,308,102	-	-	-	1,308,102	-
General Obligation Debt Service Fund	(1,308,102)	-	-	-	(1,308,102)	-
Capital Improvement Fund	4,000,000	4,000,000	-	-	8,000,000	-
Water Fund	-	-	-	-	-	4,000,000
Parking Fund	-	-	-	-	-	350,000
Sewer Fund	-	-	-	-	-	4,000,000
Economic Development Fund	-	-	650,000	-	650,000	-
General Fund	(2,615,200)	-	314,560	-	(2,300,640)	-
Change in Net Assets	1,515,899	6,541,125	3,333,675	(2,024,972)	9,365,727	17,754,243
Total Net Assets (Deficit) - Beginning of Year	49,710,550	69,992,769	8,712,526	9,412,606	137,828,451	(17,537,766)
Total Net Assets - End of Year	\$ 51,226,449	\$ 76,533,894	\$ 12,046,201	\$ 7,387,634	\$147,194,178	\$ 216,477

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows
Year ended February 28, 2005

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Maple Avenue Garage Fund	Motor Vehicle Parking System (non-major)	Total	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 13,029,069	\$ 15,115,962	\$ 1,512,427	\$ 3,123,333	32,780,791	\$ 6,668,013
Receipts from interfund services provided	(453,667)	(4,669)	138,005	(77,129)	(397,460)	2,090,516
Payments to suppliers	(5,741,123)	(3,009,163)	(1,917,969)	(1,561,847)	(12,230,102)	(8,825,500)
Payments to employees	(730,964)	2,594	-	(1,322,707)	(2,051,077)	(2,482,980)
Payments for interfund services provided	1,308,102	-	(271,527)	(53,468)	983,107	(38,703)
Net Cash Provided by (Used for) Operating Activities	7,411,417	12,104,724	(539,064)	108,182	19,085,259	(2,588,654)
Cash Flows from Noncapital Financing Activities						
Operating transfers (out)						
Downtown TIF Debt Service Fund	-	-	4,000,000	-	4,000,000	-
Insurance Fund	(4,000,000)	(4,000,000)	-	-	(8,000,000)	-
Fleet Fund	-	-	-	(350,000)	(350,000)	-
Water Fund	(1,308,102)	-	-	-	(1,308,102)	-
Depreciation Improvement & Extension	1,308,102	-	-	-	1,308,102	-
General Obligation Debt Service Fund	(1,308,102)	-	-	-	(1,308,102)	-
Capital Improvement Fund	4,000,000	4,000,000	-	-	8,000,000	-
Water Fund	-	-	-	-	-	4,000,000
Parking Fund	-	-	-	-	-	350,000
Sewer Fund	-	-	-	-	-	4,000,000
Economic Development Fund	-	-	650,000	-	650,000	-
General Fund	(2,615,200)	-	314,560	-	(2,300,640)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(3,923,302)	-	4,964,560	(350,000)	691,258	8,350,000
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	-	-	-	-	-	281,858
Acquisition and construction of capital assets	(3,331,997)	(10,216,164)	-	-	(13,548,161)	(1,958,941)
Principal paid on revenue bonds	(805,000)	-	-	-	(805,000)	-
Interest paid on revenue bonds	(206,575)	-	-	-	(206,575)	-
Principal paid on general obligation bonds	-	(1,810,000)	(3,200,000)	(510,000)	(5,520,000)	(915,000)
Interest paid on general obligation bonds	-	(1,383,467)	(574,589)	(324,737)	(2,282,793)	(70,885)
Principal paid on IEPA loans	-	(5,354,606)	-	-	(5,354,606)	-
Interest paid on IEPA loans	-	(2,536,530)	-	-	(2,536,530)	-
Proceeds from IEPA loans	-	7,901,213	-	-	7,901,213	-
Net Cash (Used for) Capital and Related Financing Activities	(4,343,572)	(13,399,554)	(3,774,589)	(834,737)	(22,352,452)	(2,662,968)
Cash Flows from Investing Activities						
Proceeds from sales and maturities of investments	-	-	-	408,308	408,308	4,000,000
Purchase of investment	-	-	-	-	-	(7,515,580)
Interest income	151,797	132,840	4,833	91,389	380,859	15,718
Net Cash Provided by Investing Activities	151,797	132,840	4,833	499,697	789,167	(3,499,862)
Net Increase (Decrease) in Cash and Equivalents	(703,660)	(1,161,990)	655,740	(576,858)	(1,786,768)	(401,484)
Cash and Equivalents						
Beginning of year	11,690,670	14,051,763	4,078,604	3,286,964	33,108,001	623,961
End of year	\$ 10,987,010	\$ 12,889,773	\$ 4,734,344	\$ 2,710,106	\$ 31,321,233	\$ 222,477
Reconciliation						
Cash and equivalents						
Unrestricted	\$ 136,795	\$ -	\$ 4,734,344	\$ 2,710,106	\$ 7,581,245	\$ 222,477
Restricted	10,850,215	12,889,773	-	-	23,739,988	-
	\$ 10,987,010	\$ 12,889,773	\$ 4,734,344	\$ 2,710,106	\$ 31,321,233	\$ 222,477

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued
 Year ended February 28, 2005

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Maple Avenue Garage Fund	Motor Vehicle Parking System (non-major)	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 5,495,406	\$ 10,336,221	\$ (1,043,462)	\$ (137,889)	\$ 14,650,276	\$ 9,382,919
Depreciation	1,296,208	2,607,333	685,553	262,305	4,851,399	1,455,720
Changes in assets and liabilities						
Other receivables	1,360	160,785	-	(8,751)	153,394	(9,733)
Accounts receivable	(159,136)	-	-	-	(159,136)	-
Interfund receivable	(453,667)	(4,669)	138,005	(77,129)	(397,460)	2,090,516
Inventories	(18,080)	(21,956)	-	-	(40,036)	35,746
Accrued interest receivable	-	41,781	-	120,951	162,732	-
Compensated absences	(6,689)	(319)	-	(1,085)	(8,093)	487
Accrued payroll	(25,317)	2,913	-	1,131	(21,273)	3,432
Interfund payable	1,308,102	-	(271,527)	(53,468)	983,107	(38,703)
Interfund payable (restricted)	-	139,191	-	-	139,191	-
Vouchers payable	83,784	5,541	(47,633)	8,720	50,412	18,121
Vouchers payable (restricted)	(110,554)	(1,090,047)	-	-	(1,200,601)	-
Interest payable	-	(72,050)	-	(6,603)	(78,653)	-
Claims payable	-	-	-	-	-	(15,468,868)
Due to other governments	-	-	-	-	-	(58,291)
Net Cash Provided by (Used for) Operating Activities	\$ 7,411,417	\$ 12,104,724	\$ (539,064)	\$ 108,182	\$ 19,085,259	\$ (2,588,654)

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds

Statement of Net Assets February 28, 2005

	Pension Trust Funds	Special Assessment Agency Fund
Assets		
Cash and short-term investments	\$ 7,378,310	\$ 21,053
Receivables		
Accrued interest	248,812	-
Due from other funds	3,392,217	20
Total Receivables	3,641,029	20
Investments, at fair value		
U.S. Government obligations	37,189,079	-
Common stock	5,072,541	-
Mutual funds	42,283,807	-
Total Investments	84,545,427	-
Total Assets	95,564,766	21,073
Liabilities		
Vouchers payable	20,564	-
Due to special assessment bondholders	-	21,073
Due to other funds	1,946,866	-
Total Liabilities	1,967,430	21,073
Net assets held in trust	\$ 93,597,336	\$ -

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, 2005

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 6,615,612
Plan members	<u>1,675,028</u>
Total contributions	<u>8,290,640</u>
Investment income	
Net appreciation in fair value of investments	1,278,904
Interest	<u>2,189,465</u>
Total investment income	3,468,369
Less investment expense	<u>238,002</u>
Net investment income	<u>3,230,367</u>
Total additions	<u>11,521,007</u>
Deductions	
Benefits	8,722,677
Refunds of contributions	124,768
Administrative expense	<u>67,648</u>
Total deductions	<u>8,915,093</u>
Net increase	2,605,914
Net assets held in trust for pension benefits	
Beginning of year	<u>90,991,422</u>
End of year	<u>\$ 93,597,336</u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

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CITY OF EVANSTON, ILLINOIS

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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. Fiscal year 2003 was the first year in which the City implemented GASB Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34)* and Statement No. 37 - *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the City's comprehensive annual financial report (CAFR).

Also implemented in fiscal year 2003, the City adopted the provisions of GASB Statement No. 38 - *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

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, 2004. This report is the most recent one available.

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 three joint ventures, which are reported as nonequity governmental joint ventures and are described in Footnote 15. The joint ventures are: City of Evanston and Northwestern University Research Park; Solid Waste Agency of Northern Cook County (SWANCC); and Evanston Housing Corporation.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

C. Fund Accounting

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

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

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 fixed 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Fund Accounting – Continued

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

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

Taxes	Fines
Property	Traffic fines
Sales (Home Rule)	
Utility	Intergovernmental
	Motor fuel tax allotments
	Grants
	Supplemental Security Income reimbursements
Licenses	Income taxes
	Sales taxes
Franchise fees	
Charges for services	Investment income
	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 *Washington National Tax Increment District Fund* accounts for the costs of redevelopment of this special taxing district. Financing is provided from the general obligation bonds and note proceeds.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The City reports the following major proprietary funds:

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

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

The *Maple Avenue Garage Fund* accounts for the provision of the public parking facility on Maple Avenue. 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 data processing and fleet management 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.

Agency funds account for the cash received from property owners on capital improvement special assessments. Such amounts collected will be forwarded to bondholders. The City is not obligated in any manner for this debt and is only acting as agent for the property owners.

The City's enterprise funds apply all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, 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

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. In subsequent periods, when 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, and insurance contracts with maturities greater than three months. 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 are 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

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 using the straight-line method over the following estimated useful lives:

Description	Years
Buildings and improvements	10-50
Office equipment and furniture	5-15
Machinery and equipment	5-15
Infrastructure	30-100
Library collections	7

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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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:

Lien Date	January 1 of Levy Year
Levy Date	December of Levy Year
First Installment Due Date (one-half of prior bill)	March 1 of Year following Levy Year
Second Installment Due Date (balance of total bill)	August or September of Year following Levy Year

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Property Taxes - Continued

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, 2004 and February 28, 2005 and all property tax collections received within 60 days after the end of the fiscal year.

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 2003 property tax levy that will not be collected within 60 days of the Township's March 31, 2004 year-end. A 2% 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 operating 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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 contribution payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$167,412,331 difference are as follows:

General obligation bonds payable	\$ 143,005,000
Special service district bonds payable	3,590,000
Bonds premium liability	2,946,732
Compensated absences payable	6,487,770
Pension contributions payable	<u>11,382,829</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ <u><u>167,412,331</u></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 \$11,819,194 difference are as follows:

Capital outlay	\$ 17,570,697
Depreciation expense	<u>(5,751,503)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>11,819,194</u></u>

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

**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 \$18,970,000 difference are as follows:

Principal repayments:

General obligation debt	\$ 18,730,000
SSD#5 Bond refunded	<u>240,000</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities:	\$ <u><u>18,970,000</u></u>
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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 (\$515,364) difference are as follows:

Compensated absences	\$ (413,020)
Notes payable	333,334
Amortization income	230,055
Pension contributions	<u>(665,733)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>(515,364)</u></u>
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4. Another element of that reconciliation states that "Issuance of 2004 Bonds provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds." The details of this \$25,723,735 difference are as follows:

2004 Bond Series	\$ 13,355,000
2004 B Bond Series	11,730,000
Bonds premium liability	<u>638,735</u>

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

**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

Net adjustment to decrease net changes in fund balances –
total governmental funds to arrive at changes in net assets of
governmental activities \$ 25,723,735

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. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following March 1. 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. The budget was not amended during the 2004/05 fiscal year.
5. Budgets are legally adopted on a basis consistent with GAAP except that (1) property taxes are budgeted as revenue in the year they are levied, (2) debt service payments are budgeted upon tax levy for such purposes, (3) encumbrances are recorded as the equivalent of expenditures for budget purposes, and (4) interest earned on escrow accounts is budgeted as revenue in the year of debt repayment rather than when earned. 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.

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information - Continued

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 on June 25, 2002. 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, Neighborhood Improvement, HOME, Community Development Loan

Capital Projects

Library, Capital Improvements, Central Business Tax Increment District, Special Assessment

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.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities under GAAP.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information - Continued

Adjustments necessary to convert City revenues and expenditures for the year ended February 28, 2005 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	\$ 78,632,314
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>789,131</u>
Budgetary Basis Revenues	<u><u>\$ 79,421,445</u></u>
Expenditures	
GAAP basis revenues as reported in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 78,089,688
Increase (decrease) due to Encumbrances - March 1, 2004	(698,796)
Encumbrances - February 28, 2005	<u>447,032</u>
Budgetary Basis Expenditures	<u><u>\$ 77,837,924</u></u>

B. DEFICIT FUND EQUITY

The Insurance Fund had a retained earnings deficit of \$5,485,244 as of February 28, 2005. The City plans to use current resources and possible debt proceeds to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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, agencies, and instrumentalities of the United States, commercial paper issued by corporations organized in the United States with assets exceeding \$500,000,000, savings accounts and certificates of deposit issued by financial institutions insured by the Federal Deposit Insurance Corporation, repurchase agreements, short-term discount obligations of the Federal National Mortgage Association, dividend or share accounts of a credit union which accounts are insured, money market mutual funds with portfolios limited to securities guaranteed by the United States, and the Illinois Funds.

The Illinois Funds is a state-operated money market fund that is AAA rated by Standard & Poors rating Agency and consists of government securities that are invested for 60 days or less. The fair value of Illinois Funds is the same as the ownership interest in the fund. Illinois Funds is sponsored by the State Treasurer in accordance with state law.

In addition, the Firefighters and Police Pension Funds may invest in various equity accounts up to a limit of 35% of the aggregate book value of the funds' assets. Also, 10% more may be invested in separate accounts of insurance companies.

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

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Deposits

City

Deposits consist of deposits in interest-bearing and noninterest-bearing checking accounts and certificates of deposit. At February 28, 2005, the carrying amount of the City's deposits, including cash on hand of \$41,277 was \$12,871,357. The financial institutions balances totaled \$14,372,131 and are categorized by level of risk as follows:

Category 1

Deposits insured or collateralized with securities
held by the City or by its agent in the City's name \$ 14,372,131

Category 2

Deposits collateralized with securities held by the pledging financial
institution's trust department or agent in the City's name -

Category 3

Deposits uncollateralized and uninsured -

Total City Deposits \$ 14,372,131

Township

At March 31, 2004, the carrying amount of the Township's deposits was \$150,305. The financial institutions' balances totaled \$155,609 and are categorized by level of risk as follows:

Category 1

Deposits insured or collateralized with securities
held by the Township or by its agent in the Township's name \$ 115,572

Category 2

Deposits collateralized with securities held by the pledging financial
institution's trust department or agent in the Township's name -

Category 3

Deposits uncollateralized and uninsured 40,037

Total Township Deposits \$ 155,609

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Deposits - Continued

Entity Total

At February 28, 2005, the carrying amount of deposits, including cash on hand of \$41,277 was \$13,021,662. The financial institutions' balances totaled \$14,527,740 and are categorized by level of risk as follows:

Category 1		
Deposits insured or collateralized with securities held by the City or by its agent in the City's name	\$	14,487,703
Category 2		
Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name		-
Category 3		
Deposits uncollateralized and uninsured		<u>40,037</u>
Total Deposits	\$	<u><u>14,527,740</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

D. Investments

The City's investments at February 28, 2005 are categorized as follows to give an indication of the level of risk assumed by the City at year-end.

Category One - Investments that are insured or registered or securities held by the City or its agent in the City's name.

Category Two - Uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category Three - Uninsured or unregistered investments for which the securities are held by the counterparty in its trust department or agent, but not in the City's name.

City	Category			Total Carrying/ Fair Value
	One	Two	Three	
U.S. Government Securities*	\$ 90,797,066	\$ -	\$ -	\$ 90,797,066
Corporate Bonds	230,292	-	-	230,292
Common Stock	5,072,541	-	-	5,072,541
Not subject to risk categories				
+Illinois Funds				29,943,849
^ Government Money Market Funds	-	-	-	29,202,630
^ Government Mutual Funds	-	-	-	48,821,349
	\$ <u>\$96,099,899</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>204,067,727</u>

*\$37,189,079 owned by pension trust funds.

+ The fair value of the position in the external investment pool is the same as the value of the pool shares and these investments are not subject to risk categorization and conform to the Illinois Public Funds Act. The fund is managed by the financial institution in which it is held.

^ These investments are not subject to risk categories. The investment objective is to maintain a net asset value of \$1.00 per share on a continuous basis. The fund will comply with SEC rules applicable to all money market

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

funds.

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

D. Investments - Continued

Township

	<u>Total Carrying/ Fair Value</u>
Illinois Funds—not subject to risk	\$ <u><u>412,786</u></u>

Entity Total

	<u>Category</u>			<u>Total Carrying/ Fair Value</u>
	<u>One</u>	<u>Two</u>	<u>Three</u>	
U.S. Government Securities	\$ 90,797,066	\$ -	\$ -	\$ 90,797,066
Corporate Bonds	230,292	-	-	230,292
Common Stock	5,072,541	-	-	5,072,541
Not subject to risk categories				
+Illinois Funds				30,356,635
^Government Money				
Market Funds	-	-	-	29,202,630
^Government Mutual				
Funds	-	-	-	48,821,349
	<u>\$ 96,099,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,480,513</u>

+ The fair value of the position in the external investment pool is the same as the value of the pool shares and these investments are not subject to risk categorization and conform to the Illinois Public Funds Act. The fund is managed by the financial institution in which it is held.

^ These investments are not subject to risk categories. The investment objective is to maintain a net asset value of \$1.00 per share on a continuous basis. The fund will comply with SEC rules applicable to all money market funds.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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 fiduciary funds is reconciled to the preceding deposit and investment disclosures (Notes 4C and 4D) as follows:

Unrestricted cash and equivalents	\$ 51,872,695
Unrestricted investments	49,944,702
Restricted cash and equivalents and investments	<u>23,739,988</u>
Total Cash and Investments – Primary Government	125,557,385
Fiduciary funds cash and equivalents	7,399,363
Fiduciary funds investments	<u>84,545,427</u>
Total Cash and Investments	\$ <u>217,502,175</u>
Carrying amount of deposits – from Note 4 C	\$ 13,021,662
Investments – from Note 4 D	<u>204,480,513</u>
Total	\$ <u><u>217,502,175</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 5. RECEIVABLES

A. Summary of Receivables

Receivables as of year - end for the government’s individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Washington National TIF District	Water	Sewer	Maple Avenue Garage	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 14,497,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,694,787	\$ 38,192,284
Accounts	-	-	1,988,330	2,543,657	-	-	-	4,531,987
Notes	-	-	-	-	-	-	5,450,629	5,450,629
Special assessments	-	-	-	-	-	-	649,243	649,243
Accrued interest	1,375	61,719	-	18,470	-	-	290,526	372,090
Other	2,152,622	-	-	-	-	11,052	220,952	2,384,626
Gross receivables	16,651,494	61,719	1,988,330	2,562,127	-	11,052	30,306,137	51,580,859
Less: allowance for uncollectibles	284,265	-	-	-	-	-	464,604	748,869
Net total receivables	\$ 16,367,229	\$ 61,719	\$ 1,988,330	\$ 2,562,127	\$ -	\$ 11,052	\$ 29,841,533	50,831,990
Less Fiduciary Fund Accrued Interest Included in Nonmajor and Other Funds								(248,812)
Net total receivables - Statement of Net Assets								\$ 50,583,178

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%	\$ 4,648,623	\$ 1,401,196	\$ 654,690	\$ 5,395,129

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 6. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the year ended February 28, 2005 was as follows:

	Balance March 1, 2004			
	As Restated	Additions	Deletions	End of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,556,620	\$ -	\$ -	\$ 6,556,620
Right of way	18,606,141	-	-	18,606,141
Construction in progress	3,563,951	9,284,227	3,563,950	9,284,228
Total capital assets, not being depreciated	28,726,712	9,284,227	3,563,950	34,446,989
Capital assets, being depreciated:				
Buildings and improvements	76,477,157	400,740	-	76,877,897
Office equipment and furniture	5,696,745	4,932,751	-	10,629,496
Machinery and equipment	18,089,098	1,963,061	1,139,287	18,912,872
Infrastructure	73,165,617	5,855,557	214,776	78,806,398
Library collections	9,354,086	657,252	82,157	9,929,181
Capitalized leases	1,190,567	-	-	1,190,567
Total capital assets being depreciated	183,973,270	13,809,361	1,436,220	196,346,411
Less accumulated depreciation for:				
Buildings and improvements	20,258,772	1,743,780	-	22,002,552
Office equipment and furniture	3,998,521	901,118	-	4,899,639
Machinery and equipment	11,937,840	1,532,312	923,098	12,547,054
Infrastructure	40,555,007	1,646,768	214,776	41,986,999
Library collections	5,905,676	1,383,245	82,157	7,206,764
Capitalized leases	1,190,567	-	-	1,190,567
Total accumulated depreciation	83,846,383	7,207,223	1,220,031	89,833,575
Total capital net assets being depreciated, net	100,126,887	6,602,138	216,189	106,512,836
Governmental activities capital assets, net	\$ 128,853,599	\$ 15,886,365	\$ 3,780,139	\$ 140,959,825

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning of Year	Additions	Deletions	End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,297,937	\$ -	\$ -	\$ 3,297,937
Construction in progress	13,146,339	13,565,595	6,809,592	19,902,342
Total capital assets, not being depreciated	<u>16,444,276</u>	<u>13,565,595</u>	<u>6,809,592</u>	<u>23,200,279</u>
Capital assets, being depreciated:				
Land improvements	3,390,945	-	4,273	3,386,672
Buildings and improvements	35,309,503	-	3,880,731	31,428,772
Leasehold improvements	302,752	-	-	302,752
Plant	29,293,745	359,893	67,404	29,586,234
Transmission and distribution system	22,751,004	1,523,616	45,000	24,229,620
Sewer system and underground lines	183,856,301	4,862,849	-	188,719,150
Equipment	2,015,840	45,800	93,735	1,967,905
Parking meters	448,851	-	-	448,851
Total capital assets being depreciated	<u>277,368,941</u>	<u>6,792,158</u>	<u>4,091,143</u>	<u>280,069,956</u>
Less accumulated depreciation for:				
Land improvements	543,677	80,962	4,274	620,365
Buildings and improvements	5,914,011	820,622	2,576,996	4,157,637
Leasehold improvements	237,714	15,853	-	253,567
Plant	8,089,111	689,724	67,404	8,711,431
Transmission and distribution system	3,127,151	573,266	45,000	3,655,417
Sewer system and underground lines	16,902,202	2,486,769	-	19,388,971
Equipment	1,283,274	157,540	90,428	1,350,386
Parking meters	248,880	26,663	-	275,543
Total accumulated depreciation	<u>36,346,020</u>	<u>4,851,399</u>	<u>2,784,102</u>	<u>38,413,317</u>
Total capital net assets being depreciated, net	<u>241,022,921</u>	<u>1,940,759</u>	<u>1,307,041</u>	<u>241,656,639</u>
Business-type activities capital assets, net	<u>\$ 257,467,197</u>	<u>\$ 15,506,354</u>	<u>\$ 8,116,633</u>	<u>\$ 264,856,918</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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	\$ 2,396,840
Public safety	447,125
Public works	1,830,704
Recreation and cultural opportunities	<u>2,532,554</u>
Total depreciation expense – governmental activities	\$ <u>7,207,223</u>

Business – type activities:

Water	\$ 1,296,208
Sewer	2,607,333
Maple Avenue Garage	685,553
Motor Vehicle Parking	<u>262,305</u>
Total depreciation expense – business – type activities	\$ <u>4,851,399</u>

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at February 28, 2005, is as follows:

Capital Improvement Fund	\$ 588,718
Water Fund	824,837
Sewer Fund	<u>3,327,855</u>
Total Construction Commitments	\$ <u>4,741,410</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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, 2005 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
General Fund		
Emergency Telephone System	\$ 86	-
Economic Development	2,817	-
HOME	113,100	-
Motor Fuel Tax	-	331,372
Fleet Service	4,799	-
Insurance	2,135	-
Community Development Block Grant	2,641	-
Community Development Loan	-	200
Washington National Tax Increment District	58,900	-
Central Business Tax Increment District	50,260	-
General Obligation Debt	1,255,378	-
Central Business Tax Increment District	208	-
Capital Improvements	-	194,991
Maple Avenue Garage	44,332	-
Motor Vehicle Parking System	25,448	-
Water	-	34,800
Sewer	-	4,669
Firefighters Pension	392,402	-
Police Pension	454,795	-
Total General Fund	2,407,301	566,032
Special Revenue Funds		
Economic Development		
General	-	2,817
Special Service District No. 5	-	24,789
Community Development Block Grant	-	5,000
Total Economic Development	-	32,606
Emergency Telephone System		
General	-	86
Neighborhood Improvement		
Capital Improvements	-	500,000
Special Service District No. 4		
Special Service District No. 5	-	921
Water	-	30,965
Total Special Service District No. 4	-	31,886

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Special Revenue Funds - Continued		
Motor Fuel Tax		
General	\$ 331,372	\$ -
HOME		
General	-	113,100
Community Development Block Grant	-	12,710
Total HOME	-	125,810
Community Development Block Grant		
General	-	2,641
Community Development Loan	-	205,000
Economic Development	5,000	-
HOME	12,710	-
Capital Improvements	38,931	-
Total Community Development Block Grant	56,641	207,641
Community Development Loan		
Community Development Block Grant	205,000	-
General	200	-
Total Community Development Loan	205,200	-
Employer Pension Contribution		
Firefighters Pension	-	1,011,867
Police Pension	-	1,280,701
Total Employer Pension Contribution	-	2,292,568
Total Special Revenue Funds	593,213	3,190,597
Debt Service Funds		
General Obligation Debt		
General	-	1,255,378
Water	1,308,102	-
Washington National Tax Increment District		
General	-	58,900
Special Service District No. 5		
Economic Development	24,789	-
Special Service District No. 4	921	-
Total Special Service District No. 5	25,710	-
Total Debt Service Funds	1,333,812	1,364,538

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Capital Projects Funds		
Central Business Tax Increment District		
General	\$ -	\$ 208
Washington National Tax Increment District	10,070	-
Total Central Business Tax Increment District	10,070	208
Washington National Tax Increment District		
Maple Garage	-	46,103
Central Business Tax Increment District	-	10,070
Total Washington National Tax Increment District	-	56,173
Capital Improvements		
Special Assessment	1,500,000	-
Community Development Block Grant	-	38,931
Neighborhood Improvement	500,000	-
General	194,991	-
Total Capital Improvements	2,194,991	38,931
Special Assessment		
Capital Improvements	-	1,500,000
Total Capital Projects Funds	2,205,061	1,595,312
Enterprise Funds		
Water		
General	34,800	-
Special Service District No. 4	30,965	-
General Obligation Debt	-	1,308,102
Sewer	253,945	-
Total Water	319,710	1,308,102
Motor Vehicle Parking System		
General	-	25,448
Fleet	-	244
Maple Avenue Garage	85,538	-
Total Motor Vehicle Parking System	85,538	25,692
Sewer		
General	4,669	-
Water	-	253,945
Total Sewer	4,669	253,945

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Enterprise Funds - Continued		
Maple Avenue Garage		
General	\$ -	\$ 44,332
Motor Vehicle Parking System	-	85,538
Washington National Capital Project	46,103	-
Total Maple Avenue Garage	<u>46,103</u>	<u>129,870</u>
Total Enterprise Funds	<u>456,020</u>	<u>1,717,609</u>
Internal Service Funds		
Fleet Services		
General	-	4,799
Parking	244	-
Total Fleet Services	<u>244</u>	<u>4,799</u>
Insurance		
General	-	2,135
Total Internal Service Funds	<u>244</u>	<u>6,934</u>
Trust and Agency Funds		
Firefighters Pension		
General	-	392,402
Police Pension	-	1,099,649
Employer Pension Contribution	1,011,867	-
Total Firefighters Pension	<u>1,011,867</u>	<u>1,492,051</u>
Police Pension		
General	-	454,795
Special Assessment Agency	-	20
Firefighters Pension	1,099,649	-
Employer Pension Contribution	1,280,701	-
Total Police Pension	<u>2,380,350</u>	<u>454,815</u>
Special Assessment Agency		
Police Pension	20	-
Total Trust and Agency Funds	<u>3,392,237</u>	<u>1,946,866</u>
Total All Funds	10,387,888	10,387,888
Less amounts eliminated during GASB 34 implementation	(5,734,062)	(5,734,062)
-		
Less total Firefighters and Police Pension	<u>(3,392,237)</u>	<u>(3,392,237)</u>
Total Primary Government	<u>\$ 1,261,589</u>	<u>\$ 1,261,589</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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, 2005 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
General Fund		
Motor Fuel Tax	\$ 750,000	-
Mayor's Special Housing	30,900	-
Washington National Tax Increment District	133,900	-
Howard Hartrey Tax Increment District	125,000	-
Southwest Tax Increment District	20,600	-
General Obligation Debt	-	175,000
Central Business Tax Increment District	300,000	-
Capital Improvements	257,500	200,000
Special Assessment	30,900	-
Maple Avenue Garage	-	314,560
Water	2,615,200	-
Total General Fund	4,264,000	689,560
Special Revenue Funds		
Economic Development		
Maple Avenue Garage	-	650,000
Neighborhood Improvement		
Capital Improvements	-	500,000
Mayor's Special Housing		
General	-	30,900
CD Loan		
HOME	-	40,190
HOME		
Community Development Loan	40,190	-
Motor Fuel Tax		
General	-	750,000
Total Special Revenue Funds	40,190	1,971,090

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfer In	Transfer Out
Debt Service Funds		
General Obligation Debt		
General	175,000	-
Capital Improvements	354,791	-
Special Assessment	253,055	-
Water	1,308,102	-
Total General Obligation Debt	2,090,948	-
Cental Business Tax Increment District		
General	\$ -	\$ 300,000
Maple Avenue Garage	-	4,000,000
Washington National Tax Increment District	-	845,315
Total Cental Business Tax Increment District	-	5,145,315
Southwest Tax Increment District		
General	-	20,600
Howard Hartrey Tax Increment District		
General	-	125,000
Washington National Tax Increment District		
General	-	133,900
Cental Business Tax Increment District	845,315	-
Total Washington National Tax Increment District	845,315	133,900
Total Debt Service Funds	2,936,263	5,424,815
Capital Projects		
Capital Improvements		
Sewer	-	4,000,000
General Obligation Debt	-	354,791
Water	-	4,000,000
Neighborhood Improvement	500,000	-
General	-	57,500
Total Capital Improvements	500,000	8,412,291
Special Assessment		
General	-	30,900
General Obligation Debt	-	253,055
Total Special Assessment	-	283,955
Total Capital Projects Funds	500,000	8,696,246

Continued

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfer In	Transfer Out
Enterprise Funds		
Water		
General	\$ -	\$ 2,615,200
Capital Improvements	4,000,000	-
Insurance	-	4,000,000
General Obligation Debt	-	1,308,102
Total Water	<u>4,000,000</u>	<u>7,923,302</u>
Motor Vehicle Parking System		
Fleet	-	350,000
Sewer		
Capital Improvements	4,000,000	-
Insurance	-	4,000,000
Total Sewer	<u>4,000,000</u>	<u>4,000,000</u>
Maple Avenue Garage		
General	314,560	-
Economic Development	650,000	-
Cental Business Tax Increment District	4,000,000	-
Total Maple Avenue Garage	<u>4,964,560</u>	<u>-</u>
Total Enterprise Funds	<u>12,964,560</u>	<u>12,273,302</u>
Internal Service Funds		
Fleet		
Motor Vehicle Parking System	350,000	-
Insurance		
Water	4,000,000	-
Sewer	4,000,000	-
Total Insurance	<u>8,000,000</u>	<u>-</u>
Total Internal Service Funds	<u>8,350,000</u>	<u>-</u>
Total All Funds	29,055,013	29,055,013
Less amounts eliminated during GASB 34 implementation	<u>(27,811,255)</u>	<u>(27,811,255)</u>
Total Primary Government	<u>\$ 1,243,758</u>	<u>\$ 1,243,758</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 8. OPERATING LEASES

The City has various operating leases covering the rental of several digital office copiers from the Toshiba America Information Systems, Document Vision Technologies, and GE Capital. The copiers are located in the Evanston Civic Center, Library, Recreation facilities, Water Department, and the Evanston Police and Fire Station.

During the 2005 fiscal year, the City renewed and signed new lease agreements for copiers. The City renewed the leases for the existing 8 copiers and added 1 copier for the Library from GE Capital, with a 60 - month term starting February 2004 (monthly payment of \$1,789), 4 copiers for the Police Department from GE Capital with a 60 - month term starting February 2004 (monthly payment of \$1,930 and \$247), 1 copier for the Hearings Division from Document Vision Technologies with a 60 - month term starting June 2003 (not added in last year's CAFR) (monthly payment of \$190), 1 copier for the Budget Department from Document Vision Technologies with a 60 - month term starting April 2003 (not added in last year's CAFR) (monthly payment of \$490), 1 copier for the Water Department from Document Vision Technologies with a 36 - month term starting December 2004 (monthly payment of \$305), 3 copiers for Fleet Services from GE Capital with a 36 - month term starting March 2004 (monthly payment of \$600), 1 copier for the Chandler Center from GE Capital with a 60 - month term starting September 2004 (monthly payment of \$302), and 2 copiers for Parks/

Forestry and Recreation with a 60 - month term starting February 2004 (monthly payment of \$1,759).

Payments on existing leases include 9 copiers for the Civic Center (monthly payment of \$776), 3 copiers for Parks/Forestry & Recreation (monthly payment of \$2,626), 2 copiers each for the Police Department and Recreation (monthly payment of \$1,757), and 1 copier for the Fire Department (monthly payment of \$410)

The lease of 9 copiers for the Library (monthly payment of \$1,486) was terminated in February 2004 and replaced with new contract as indicated above, and 2 copiers for Parks/Forestry & Recreation with a monthly payment of \$1,062 was terminated in February 2004 replaced with new contract as indicated above.

Minimum annual lease payments are as follows:

Fiscal year ending 2006	\$ 158,179
Fiscal year ending 2007	158,179
Fiscal year ending 2008	140,020
Fiscal year ending 2009	74,744
Fiscal year ending 2010	3,157
	<u>\$ 534,279</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance March 1, 2004	Issued or Adjusted	Retired or Transferred to Debt Service Funds	Balance February 28, 2005	Due Within One Year
Governmental activities							
General obligation bonds/corporate purpose bonds							
Series 1995	5.20%-5.70%	12/1/2015	\$ 665,000	\$ -	\$ 665,000	\$ -	-
Series 1996	4.20%-5.70%	12/1/2016	2,020,000	-	980,000	1,040,000	1,040,000
Series 1997	5.00%-5.50%	12/1/2017	30,095,000	-	13,435,000	16,660,000	2,260,000
Series 1998	4.80%-4.875%	12/1/2018	8,860,000	-	560,000	8,300,000	600,000
Series 1999	4.25%-5.00%	12/1/2019	35,770,000	-	1,710,000	34,060,000	2,165,000
Series 2000	Variable Rate	12/1/2021	35,200,000	-	3,400,000	31,800,000	31,800,000
Series 2002A	Variable Rate	12/1/2018	29,500,000	-	-	29,500,000	29,500,000
Series 2002B	Variable Rate	12/1/2005	5,500,000	-	-	5,500,000	5,500,000
Series 2002C	5.00%-5.80%	1/1/2022	18,800,000	-	4,845,000	13,955,000	1,290,000
Series 2003	2.00%-5.00%	1/1/2010	12,845,000	-	2,560,000	10,285,000	2,540,000
Series 2003B	2.00%-5.25%	1/1/2023	11,485,000	-	415,000	11,070,000	80,000
Series 2004	2.00%-5.00%	12/1/2023	-	13,355,000	-	13,355,000	130,000
Series 2004B	2.00%-5.25%	12/1/2017	-	11,730,000	145,000	11,585,000	-
Total general obligation bonds/corporate purpose bonds			190,740,000	25,085,000	28,715,000	187,110,000	76,905,000
Less: Business-type activity bonds			(49,175,000)	-	(5,520,000)	(43,655,000)	(19,370,000)
Total governmental activity bonds			141,565,000	25,085,000	23,195,000	143,455,000	57,535,000
Unamortized bond expenses and discount			(1,186)	-	(1,186)	-	-
Special Service District #5							
Series 2002C rfndg 1996	5.00%-5.80%	1/1/2016		3,550,000	105,000	3,445,000	110,000
Bonds 1995	4.30 - 5.90%	12/1/2015	280,000	-	135,000	145,000	145,000
Total special service district # 5 bonds			280,000	3,550,000	240,000	3,590,000	255,000
Developer's agreement notes payable	6.10%	2/23/2005	333,334	-	333,334	-	-
Bonds premium liability			2,538,052	638,735	230,055	2,946,732	-
Pension contributions			10,717,096	665,733	-	11,382,829	7,315,954
Compensated absences payable- City			8,366,698	413,020	1,739,848	7,039,870	552,100
Claims payable			28,165,652	(9,284,855)	6,184,013	12,696,784	9,731,084
Governmental activity Long-term liabilities			\$ 191,964,646	\$ 21,067,633	\$ 31,921,064	\$ 181,111,215	\$ 75,389,138

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 9. LONG-TERM DEBT - Continued

A. Changes in Long-Term Debt - Continued

	Interest Rate	Final Maturity Date	Balance March 1, 2004	Issued or Adjusted	Retire or Transferred to Debt Service Funds	Balance February 28, 2005	Due Within One Year
Business-type Activities							
General obligation bonds/corporate purpose bonds							
Sewer			\$ 24,305,000	\$ -	\$ 1,810,000	\$ 22,495,000	\$ 1,925,000
Maple Avenue Garage			20,100,000	-	3,200,000	16,900,000	16,900,000
Parking System			4,770,000	-	510,000	4,260,000	545,000
Total general obligation bonds/corporate purpose bonds			49,175,000	-	5,520,000	43,655,000	19,370,000
Unamortized bond expenses and discount			(79,956)	-	(28,594)	(51,362)	-
Water Fund revenue bonds							
Series 1997	4.00-4.30%	1/1/2006	775,000	-	365,000	410,000	410,000
Series 1999	4.125-4.375%	1/1/2014	2,535,000	-	210,000	2,325,000	220,000
Series 2002	2.00-3.75%	1/1/2012	2,070,000	-	230,000	1,840,000	235,000
Total Water Fund revenue bonds			5,380,000	-	805,000	4,575,000	865,000
Sewer Fund – Illinois Environmental Protection Agency loans	2.535-3.59%	Various Through 11/26/2021	99,653,404	7,901,213	5,354,606	102,200,011	5,953,538
Compensated absences payable- City			462,331	62,342	70,435	454,238	454,238
Business-type activity long-term liabilities			\$ 154,590,779	\$ 7,963,555	\$ 11,721,447	\$ 150,832,887	\$ 26,642,776

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 9. LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable

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

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

In November 2001, the City entered into an interest rate swap agreement with Bank of America relating to the City's \$19,000,000 General Obligation (G.O.) Variable Rate Demand Bonds, Series 2000A and the \$10,400,000 Variable Rate Demand Bonds, Series 2000C with a fixed rate of 3.125% effective December 1, 2001 through November 30, 2005. During the current fiscal year, the City paid an additional \$507,712 due to the swap agreement. Additional payments for the remainder of the agreement are estimated at approximately \$153,000. In November 2002, the City entered into a rate cap agreement with JP Morgan Chase Bank relating to the City's \$35,000,000 G.O. Variable Rate Demand Bonds, Series 2002 A and B, with a cap rate of 4.75% effective December 1, 2002 through November 30.

On May 13, 2004, the City issued Series 2004 \$13,355,000 in General Obligation bonds at a net interest cost of 4.6291740%. The proceeds are being used to partially finance the City's Long - Range Capital Improvement Program and Special Assessment Alley program.

On July 27, 2004, the City issued Series 2004B \$11,730,000 in General Obligation bonds at a net interest cost of 3.739542%. The proceeds are being used to partially refund \$11,085,000 of the 1997 bonds.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending February 28	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	\$ 57,535,000	\$ 5,499,342	\$ 19,370,000	\$ 2,323,367
2007	6,765,000	3,706,794	2,635,000	1,445,218
2008	6,670,000	3,472,764	2,785,000	1,282,325
2009	5,415,000	3,216,629	2,980,000	1,109,885
2010	5,535,000	3,022,240	3,170,000	925,328
2011-2015	31,470,000	11,785,382	11,315,000	2,060,810
2016-2020	20,780,000	5,229,706	1,400,000	169,194
2021-2025	9,285,000	1,024,913	-	-
Total	\$ 143,455,000	\$ 36,957,770	\$ 43,655,000	\$ 9,316,126

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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.

Annual debt service requirements to maturity for special assessment bonds are as follow:

Year Ending <u>February 28</u>	Governmental Activities	
	Principal	Interest
2006	\$ 255,000	\$ 183,749
2007	265,000	170,563
2008	285,000	157,313
2009	295,000	143,063
2010	305,000	128,313
2011-2015	1,780,000	393,625
2016-2020	405,000	21,263
Total	<u>\$ 3,590,000</u>	<u>\$ 1,197,886</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 follow:

Year Ending <u>February 28</u>	Business-type Activities	
	Principal	Interest
2006	\$ 865,000	\$ 177,355
2007	470,000	145,088
2008	485,000	128,713
2009	510,000	110,913
2010	525,000	91,556
2011-2015	<u>1,720,000</u>	<u>159,988</u>
Total	<u>\$ 4,575,000</u>	<u>\$ 813,611</u>

E. Notes Payable - Sewer IEPA Loans

As of February 28, 2005, the City currently has 23 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 9. LONG-TERM DEBT - Continued

E. Notes Payable - Sewer IEPA Loans - Continued

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

Year Ending February 28	Business-type Activities	
	Principal	Interest
2006	\$ 5,953,538	\$ 2,743,747
2007	6,372,036	2,679,152
2008	6,560,609	2,490,494
2009	6,754,849	2,296,167
2010	6,954,928	2,095,999
2011-2015	35,520,979	7,314,190
2016-2020	24,747,261	2,844,832
2021-2025	9,100,614	519,262
2026-2030	235,197	3,022
Total	\$ <u>102,200,011</u>	\$ <u>22,986,865</u>

F. Prior Years' General Obligation Bond Defeasances

In 1999, the City defeased a portion of Series 1994, Series 1995, and Series 1996 Corporate Purpose bonds, by placing a portion of the proceeds of Series 1999 Bonds in an irrevocable trust to provide for the advance refunding of the callable portion of the bonds.

In 2004, the City defeased a portion of Series 1997 Corporate Purpose bonds, by placing a portion of the proceeds of Series 2004B 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, 2005, the following remaining outstanding balances are considered defeasec

<u>GO Series</u>	<u>Original Amount Defeasec</u>	<u>Outstanding Defeased Amounts</u>
1996	\$ 9,765,000	\$ 9,765,000
1997	11,085,000	#####

The outstanding balances of Series 1996 and 1997, not defeased at February 28, 2005, are recorded as a liability in the City’s financial statements. Those balances are as follows

<u>Series</u>	
1996	\$ 1,040,000
1997	16,660,000

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 9. LONG-TERM DEBT - Continued

G. Industrial Revenue Bonds

The City has, in the past, issued industrial revenue development bonds for the benefit of certain organizations. The City has no obligation for this debt. No liability for the bonds is recorded in the City's financial statements. The entire amount of all such obligations were paid off during the 2005 fiscal year.

NOTE 10. FUND EQUITY

A. Restrictions of Retained Earnings - 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 - 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 not 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 10. FUND EQUITY - Continued

B. Restrictions of Fund Equity

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

<u>City</u>	General Fund		
	Reserved for encumbrances	\$	447,032
	Reserved for Arts Council		34,375
	Reserved for private elm trees		81,002
	Reserved for Butterfield sculpture		31,833
	Reserved for scholarship contributions		35,453
	Reserved for public library acquisitions		205,535
	Reserved for recreation group activities		159,450
	Reserved for IMRF		3,200,000
	Reserved for Compensated absences		2,576,360
	Other reserves		<u>1,176,812</u>
	Total General Fund		<u>7,947,852</u>
	Special Revenue Funds		
	Reserved for notes receivable		<u>5,395,129</u>
	Debt Service Funds		
	Reserved for debt service		<u>25,310,099</u>
	Capital Project Funds		
	Reserved for notes receivable		<u>55,500</u>
	Total Reserved Fund Equity - Governmental Funds	\$	<u><u>38,708,580</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 10. FUND EQUITY - Continued

B. Restrictions of Fund Equity - Continued

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 38,327,422
Police Pension Fund Restriction for employee pension benefits	<u>55,269,914</u>
 Total Fiduciary Funds	 \$ <u><u>93,597,336</u></u>

C. Unrestricted Fund Equity - Designated

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

General Fund	
Capital projects to be financed in a future period	\$ <u>318,496</u>
 Special Revenue Funds	
Specific Capital Projects	
Motor Fuel Tax	2,399,777
Library	<u>2,261,939</u>
Total Special Revenue Funds	<u>4,661,716</u>
 Capital Projects Funds	
Specific capital projects	
Capital Improvements	14,347,402
Central Business Tax Increment District	4,215,648
Special Assessment	1,048,364
Washington National Tax Increment District	<u>25,202,812</u>
 Total Capital Projects Funds	 <u>44,814,226</u>
 Unrestricted Fund Equity - Designated	 \$ <u><u>49,794,438</u></u>

The Township has no designated unrestricted fund equity.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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 Central Business, Southwest, Washington National, and Howard Hartrey Tax Increment Districts; revenues from the Motor Vehicle Parking System Fund associated with the 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 January 13, 1997, the City Council adopted Ordinance No. 116-0-96 which extended the life of Special Service District No. 4 for a period of ten years from August 13, 1997. 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 Ordinance states that the annual property tax levy for the district shall be the lesser of an annual rate of .30% of the assessed value as equalized or \$250,000. The annual property tax levy for 2004 was \$250,000.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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 \$25,000 for each loss and each location. The City also maintains crime and fidelity insurance coverage with a \$10,000 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 \$350,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss.

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

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
March 01, 2003	\$ 1,696,712	\$ 21,242,999	\$ 22,939,711
New claims and/or estimate revisions	717,986	5,144,300	5,862,286
Claims payments	<u>(358,546)</u>	<u>(277,800)</u>	<u>(636,346)</u>
February 28, 2004	2,056,152	26,109,499	28,165,651
New claims and/or estimate revisions	1,136,548	(10,421,403)	(9,284,855)
Claims payments	<u>(498,416)</u>	<u>(5,685,596)</u>	<u>(6,184,012)</u>
February 28, 2005	\$ <u>2,694,284</u>	\$ <u>10,002,500</u>	\$ <u>12,696,784</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 13. SUBSEQUENT EVENTS

The City issued Series 2005 \$29,270,000 general obligation bonds in July 2005. The distribution of proceeds are as follows: \$13,060,000 for the Sherman Plaza garage, \$10,005,000 to partially finance the City's long - range capital improvement program, and \$6,205,000 to advance refund the City's outstanding General Obligation Corporate Purpose bonds, Series 1998.

NOTE 14. 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 15. JOINT VENTURES

A. Northwestern University

On January 28, 1985, the City adopted a Central Business Tax Increment City called the Downtown II Redevelopment Area, which consisted of 26 acres of contiguous land located in the northwestern portion of the central business City of the City. The City comprised eight blocks of land owned by private parties, Northwestern University, and the City at the date of adoption. The redevelopment plan was formulated in accordance with the Tax Increment City laws of the State of Illinois.

In 1986, the City Council adopted a Statement of Understanding between the City and Northwestern University (Northwestern) concerning the development of approximately 22 acres of the Downtown II City as a joint venture. By this agreement, the City and Northwestern agreed to develop a Research Park (Park) in the 22-acre area contiguous to and adjoining a new Basic Industry Research Lab (BIRL) operated by Northwestern.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 15. JOINT VENTURES – Continued

A. Northwestern University - Continued

The City and Northwestern formed a for-profit corporation known as TOPCORP to buy and hold land for park development. The City and Northwestern each acquired 50% of the stock and each was entitled to elect and replace three directors. At the same time Research Park, Inc. (RPI) was incorporated as a wholly owned subsidiary of TOPCORP. The mission of RPI was to promote and market the park land to private developers. In 1996, TOPCORP and RPI were merged and the resultant entity renamed Northwestern University/Evanston Research Park, Inc. All of the existing management and loan agreements were assumed by the new corporation.

As of December 31, 2003, the decision has been made to dissolve the organization. The remaining assets of \$27,500 are to be divided among the interested parties. The City's Corporation Counsel plans to file necessary court documents to dissolve the organization. This is expected to be completed by December 31, 2005. There was no activity between December 31, 2002 and December 31, 2004, so there are no financial statements to report.

B. 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 Intergovernment Cooperation Act, 5 ILLCS 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

NOTE 15. JOINT VENTURES – Continued

B. 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, 2004:

Current assets	\$	7,843,368
Restricted assets		3,735,009
Property, plant, and equipment		15,011,522
Debt issuance costs, net		228,764
Total assets	\$	<u>26,818,663</u>
Current liabilities	\$	8,042,074
Long-term debt, net of unamortized discount		9,577,634
Invested in capital assets, net of related debt		1,793,888
Restricted for debt service, net of accrued interest		3,633,342
Unrestricted net assets		3,771,725
Total liabilities and fund equity	\$	<u>26,818,663</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2004:

Total revenues	\$	14,555,383
Total expenses		<u>(15,169,516)</u>
Net (loss)	\$	<u>(614,133)</u>

Complete financial statements for the agency can be obtained at 1616 East Golf Road, Des Plaines, IL 60016.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 15. JOINT VENTURES – Continued

C. 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 advanced funds to the Corporation under two secured promissory notes, one for \$500,000 and the other for \$214,287. The notes are payable on or before November 30, 2009 and April 30, 2030, respectively. 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, 2004 are summarized as follows:

Statement of Financial Position as of December 31, 2004:

Cash and cash equivalents	\$ 2,917,945
Mortgage loans receivable	170,609
Total assets	<u>3,088,554</u>
Payables and accrued expenses	24,554
Notes payable	3,064,000
Total liabilities	<u>3,088,554</u>
Net Assets	<u>\$ -</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 15. JOINT VENTURES – Continued

C. Evanston Housing Corporation - Continued

Statement of Activities for the Year Ended December 31, 2004:

Total revenues	\$	48,151
Total operating expenses		(48,151)
Excess of revenues over expenses	\$	<u><u>-</u></u>

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 16. 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, 2005	\$	<u><u>26,625,516</u></u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. 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.

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 for calendar years 2004 and 2003 were 3.97% and 1.74%, respectively, of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund - Continued

B. Funding Status and Progress

The City's total payroll for the calendar year ended December 31, 2004 was \$52,093,638. Of this amount, \$29,568,219 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2003 was \$345,639. Of this amount, \$345,639 in payroll earnings were reported to and covered by the IMRF plan.

C. Annual Pension Cost

For December 31, 2004, the City's annual pension cost of \$1,173,858 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% 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 11.6% 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. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2004 was 10 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

Three-Year Trend Information for IMRF - City

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/04	\$ 1,173,858	100%	-
12/31/03	508,785	100%	-
12/31/02	285,616	100%	-

For December 31, 2003, the Township’s annual pension cost of \$3,767 was equal to the Township’s required and actual contributions. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% 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 11.6% 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. The assumptions used for the 2003 actuarial valuation were based on the 1999-2001 experience study.

Three-Year Trend Information for IMRF - Township

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/03	\$ 3,767	100%	-
12/31/02	4,302	100%	-
12/31/01	7,491	100%	-

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS – Continued

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, 2005 was \$10,217,000 and \$7,376,000, respectively.

Participation in the plans at February 28, 2005 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	140	106
Active plan members	<u>158</u>	<u>110</u>
Total	<u><u>298</u></u>	<u><u>216</u></u>

Any police officer or firefighter who has creditable service of 20 years or more, has reached age 50, and is no longer in the service, is entitled to a yearly pension equal to one-half of the salary attached to the rank held for one year immediately prior to retirement 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% of such salary for each additional year of service over 20 years, up to 30 years, and 1% of such salary for each additional year of such service over 30 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>Firefighters'</u> <u>Pension Fund</u>	<u>Police</u> <u>Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	4.50%	4.50%
Attributable to inflation	4.00%	4.00%
Attributable to seniority/merit	0.50%	0.50%

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. 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 the service after accumulating at least eight years for a police officer and 10 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 for one year immediately prior to retirement or separation 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 in the period the contributions are due. Employer contributions to each plan are recognized when due from the Employer Pension Contribution Fund. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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.

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 are refunded if an employee leaves covered employment or dies before eight years of credited service in the case of police officers and 10 years in the case of firefighters.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

F. Contributions and Reserves – Continued

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 (March 1, 2004) and are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 4,274,043	\$ 3,041,911
Interest on net pension obligation	513,554	290,214
Adjustment to annual required contribution	<u>(426,379)</u>	<u>(240,951)</u>
Annual pension cost	4,361,218	3,091,174
Contributions made	<u>(3,878,455)</u>	<u>(2,908,004)</u>
Increase in net pension obligation	482,763	183,170
Net pension obligation at March 1, 2003	<u>6,847,380</u>	<u>3,869,516</u>
Net pension obligation at February 29, 2004	\$ <u><u>7,330,143</u></u>	\$ <u><u>4,052,686</u></u>

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

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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

H. Three-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	2/29/04	\$ 4,361,218	107.87 %	\$ 7,330,143
	2/28/03	3,595,566	99.02	6,847,380
	2/28/02	3,316,227	98.10	6,535,390
Firefighters'	2/29/04	\$ 3,091,174	106.37 %	\$ 4,052,686
	2/28/03	2,733,813	100.63	3,869,516
	2/28/02	2,404,827	99.04	3,555,970

The required supplementary information immediately follows the Notes to the Financial Statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 18. 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	\$ 4,309,419	\$ 3,068,891	\$ 7,378,310
Receivables			
Accrued interest	70,588	178,224	248,812
Due from other funds	<u>1,011,867</u>	<u>2,380,350</u>	<u>3,392,217</u>
	<u>1,082,455</u>	<u>2,558,574</u>	<u>3,641,029</u>
Investments, at fair value			
U.S. Government obligations	14,804,243	22,384,836	37,189,079
Common stock	5,072,541	-	5,072,541
Mutual funds	<u>14,568,300</u>	<u>27,715,507</u>	<u>42,283,807</u>
	<u>34,445,084</u>	<u>50,100,343</u>	<u>84,545,427</u>
	<u>39,836,958</u>	<u>55,727,808</u>	<u>95,564,766</u>
Liabilities			
Vouchers payable	17,485	3,079	20,564
Due to other funds	<u>1,492,051</u>	<u>454,815</u>	<u>1,946,866</u>
	<u>1,509,536</u>	<u>457,894</u>	<u>1,967,430</u>
Net assets held in trust for pension benefits	<u><u>\$ 38,327,422</u></u>	<u><u>\$ 55,269,914</u></u>	<u><u>\$ 93,597,336</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

J. Pensions - Detailed Statement of Changes in Net Assets

	Firefighters' Pension	Police Pension	Total Pension
	<u> </u>	<u> </u>	<u> </u>
Additions			
Contributions			
Employer	\$ 2,886,884	\$ 3,728,728	\$ 6,615,612
Plan members	676,177	998,851	1,675,028
	<u>3,563,061</u>	<u>4,727,579</u>	<u>8,290,640</u>
Investment income			
Net appreciation in fair value of investments	548,075	730,829	1,278,904
Interest	912,985	1,276,480	2,189,465
Total investment income	<u>1,461,060</u>	<u>2,007,309</u>	<u>3,468,369</u>
Less investment expense	128,377	109,625	238,002
Net investment income	<u>1,332,683</u>	<u>1,897,684</u>	<u>3,230,367</u>
	<u>4,895,744</u>	<u>6,625,263</u>	<u>11,521,007</u>
Deductions			
Benefits	3,571,167	5,151,510	8,722,677
Refunds of contributions	-	124,768	124,768
Administrative expense	25,910	41,738	67,648
Total deductions	<u>3,597,077</u>	<u>5,318,016</u>	<u>8,915,093</u>
Net increase	1,298,667	1,307,247	2,605,914
Net assets held in trust for pension benefits			
Beginning of year	37,028,755	53,962,667	90,991,422
End of year	<u>\$ 38,327,422</u>	<u>\$ 55,269,914</u>	<u>\$ 93,597,336</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, ILLINOIS

Firefighters' Pension Fund, Police Pension Fund, and Illinois Municipal Retirement Fund

Schedules of Funding Progress

Required Supplementary Information

February 28, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
Firefighters' Pension						
3/1/2004	\$ 37,420,932	\$ 75,342,794	37,921,862	49.67%	\$ 7,376,000	514.13%
3/1/2003	33,905,858	63,214,068	29,308,210	53.64%	7,493,000	391.14%
3/1/2002	34,837,194	58,982,455	24,145,261	59.06%	7,045,000	342.73%
3/1/2001	33,931,179	54,983,667	21,052,488	61.71%	6,468,000	325.49%
3/1/2000	33,150,978	51,480,156	18,329,178	64.40%	6,020,000	304.47%
3/1/1999	30,669,327	48,932,007	18,262,680	62.68%	5,720,000	319.28%
3/1/1998	28,716,954	45,707,591	16,990,637	62.83%	5,530,000	307.24%
3/1/1997	25,390,647	43,210,556	17,819,909	58.76%	5,409,000	329.45%
Police Pension						
3/1/2004	\$ 54,469,873	\$ 101,824,016	47,354,143	53.49%	\$ 10,217,000	463.48%
3/1/2003	48,533,981	98,307,729	49,773,748	49.37%	10,074,000	494.08%
3/1/2002	50,171,007	90,436,150	40,265,143	55.48%	9,945,000	404.88%
3/1/2001	49,077,641	85,727,076	36,649,435	57.25%	9,443,000	388.11%
3/1/2000	47,127,865	80,142,075	33,014,210	58.81%	9,005,000	366.62%
3/1/1999	43,874,772	73,577,492	29,702,720	59.63%	8,424,000	352.60%
3/1/1998	40,090,491	69,535,512	29,445,021	57.65%	8,184,000	359.79%
3/1/1997	35,592,043	65,972,531	30,380,488	53.95%	7,625,000	398.43%
Illinois Municipal Retirement Fund (City)						
12/31/2004	\$ 77,206,655	\$ 74,129,924	(3,076,731)	104.15%	\$ 29,568,219	-
12/31/2003	76,984,367	70,647,540	(6,336,827)	108.97%	29,240,514	-
12/31/2002	76,316,234	64,062,155	(12,254,079)	119.13%	26,693,089	-
12/31/2001	76,203,038	59,669,590	(16,533,448)	127.71%	25,433,926	-
12/31/2000	70,365,652	54,227,258	(16,138,394)	129.76%	23,806,923	-
12/31/1999	61,752,937	49,606,631	(12,146,306)	124.49%	22,472,238	-
12/31/1998	50,646,948	46,788,407	(3,858,541)	108.25%	21,639,257	-
12/31/1997	43,588,102	44,482,424	894,322	97.99%	20,561,629	4.35%
12/31/1996	38,803,600	41,412,067	2,608,467	93.70%	19,608,848	13.30%
12/31/1995	38,365,142	43,076,322	4,711,180	89.06%	18,797,530	25.06%
12/31/1994	32,660,180	42,190,567	9,530,387	77.41%	18,484,399	51.56%
Illinois Municipal Retirement Fund (Township)						
12/31/2003	\$ 585,069	\$ 429,243	(155,826)	136.30%	\$ 345,639	-
12/31/2002	810,301	512,878	(297,423)	157.99%	338,707	-
12/31/2001	817,333	565,556	(251,777)	144.52%	298,428	-
12/31/2000	851,413	529,330	(322,083)	160.85%	358,218	-
12/31/1999	894,898	684,060	(210,838)	130.82%	378,974	-
12/31/1998	715,669	559,842	(155,827)	127.83%	369,200	-
12/31/1997	747,332	682,880	(64,452)	109.44%	386,400	-
12/31/1996	622,085	587,853	(34,232)	105.82%	408,470	-
12/31/1995	546,997	484,603	(62,394)	112.88%	346,067	-
12/31/1994	434,467	358,078	(76,389)	121.33%	309,431	-
12/31/1993	374,609	285,803	(88,806)	131.07%	285,721	-

Information in this table has been presented for as many years as available.

CITY OF EVANSTON, ILLINOIS

Firefighters and Police Pension Funds

Schedules of Employer Contribution
Required Supplementary Information
February 28, 2005

Fiscal Year	Firefighters' Pension Fund		Police Pension Fund	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2004	\$ 3,041,911	N/A	\$ 4,274,043	N/A
2003	2,685,046	108.30%	3,505,934	110.63%
2002	2,355,236	102.75%	3,224,902	101.82%
2001	2,209,466	101.34%	2,990,038	101.12%
2000	2,145,764	101.42%	2,764,148	101.33%
1999	2,017,901	101.15%	2,707,362	101.14%
1998	2,025,630	101.07%	2,667,604	101.20%
1997	1,986,878	99.58%	2,526,744	99.92%
1996	2,197,623	100.69%	2,552,331	101.09%
1995	2,126,012	99.10%	2,469,918	101.56%
1994	1,963,252	100.86%	2,293,336	100.87%

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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Taxes	\$ 38,190,100	\$ 39,568,444	\$ 1,378,344
Licenses and permits	6,238,700	6,773,407	534,707
Intergovernmental	14,310,100	14,732,805	422,705
Charges for services	6,231,400	6,052,956	(178,444)
Fines	4,167,500	3,999,105	(168,395)
Investment income	200,000	192,461	(7,539)
Miscellaneous	4,623,200	8,102,267	3,479,067
Total Revenues	<u>73,961,000</u>	<u>79,421,445</u>	<u>5,460,445</u>
Expenditures			
General management and support	11,628,300	12,342,855	(714,555)
Public safety	27,814,800	28,704,144	(889,344)
Public works	11,325,000	11,909,910	(584,910)
Health and human resource development	5,344,800	5,196,804	147,996
Recreation and cultural opportunities	14,943,000	15,384,676	(441,676)
Housing and economic development	2,787,400	2,927,543	(140,143)
Pensions	4,006,700	1,371,992	2,634,708
Total Expenditures	<u>77,850,000</u>	<u>77,837,924</u>	<u>12,076</u>
(Deficiency) of Revenues (under) Expenditures	<u>(3,889,000)</u>	<u>1,583,521</u>	<u>5,472,521</u>
Other Financing Sources (Uses)			
Operating transfers in (out)			
Motor Fuel Tax Fund	750,000	750,000	-
Housing Fund	30,900	30,900	-
Downtown TIF Debt Service Fund	300,000	300,000	-
Washington National TIF Debt Service Fund	133,900	133,900	-
Southwest TIF II Debt Service Fund	125,000	125,000	-
Southwest TIF I Debt Service Fund	20,600	20,600	-
Maple Avenue Garage		(314,560)	(314,560)
Capital Improvement Fund	257,500	257,500	-
Special Assessment Capital Project Fund	30,900	30,900	-
Water Fund	2,615,200	2,615,200	-
Capital Improvement Fund	(200,000)	(200,000)	-
General Obligation Debt Service Fund	(175,000)	(175,000)	-
	<u>3,889,000</u>	<u>3,574,440</u>	<u>(314,560)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>5,157,961</u>	<u>\$ 5,157,961</u>
Fund Balance			
Beginning of year		<u>26,821,088</u>	
End of year		<u>\$ 31,979,049</u>	

CITY OF EVANSTON, ILLINOIS

Notes to the Required Supplementary Information

NOTE 1. FIREFIGHTERS' AND POLICE PENSION FUNDS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	Firefighters' Pension Fund	Police Pension Fund
Valuation date	March 1, 2004	March 1, 2004
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll, closed period	Level percentage of payroll, closed period
Remaining amortization period	30 years	30 years
Asset valuation method	Fair market value	Fair market value

NOTE 2. DIGEST OF CHANGES - IMRF

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

NOTE 3. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following City funds had an excess of actual budgetary expenditures over original and final budget for the year ended February 28, 2005:

Fund	Actual	Budget	Excess
Community Development Block Grant	\$ 2,725,859	\$ 2,549,932	\$ 175,927
Central Business Tax Increment District	1,241,669	729,500	512,169
Howard Hartrey Tax Increment District	883,620	875,713	7,907
Special Service District No. 5	481,669	152,686	328,983

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 - 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.

Mayor's Special 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.

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.

Employer Pension Contribution - 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.

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

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

Debt Service Funds

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

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

Central Business Tax Increment District - accumulated monies for the principal and interest payments on debt 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.

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.

Central Business Tax Increment District - to account for the purchase of land and other related costs of the research park. Financing is provided from general obligation bond and note proceeds.

Washington National Tax Increment District - to account for the design and building of a new Sherman Plaza garage financed primarily by general obligation bond proceeds.

Capital Improvements - to account for the City of Evanston capital improvement program. The program includes, but is not limited to, improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided principally by grants and general obligation bond proceeds.

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

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CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
February 28, 2005

	Special Revenue			
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library
Assets				
Cash and equivalents	\$ 1,904,230	\$ 944,335	\$ 2,380,359	\$ 58,276
Investments	-	-	-	2,200,731
Receivables				
Property taxes (net of allowance)				
Current year levy	-	-	-	-
Notes	-	-	-	-
Allowance	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	2,932
Other	-	20,925	139,999	-
Due from other governments	164,175	-	-	-
Due from other funds	331,372	-	-	-
	<hr/>			
Total Assets	<u>\$ 2,399,777</u>	<u>\$ 965,260</u>	<u>\$ 2,520,358</u>	<u>\$ 2,261,939</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ -	\$ 10,811	\$ 14,648	\$ -
Accrued payroll	-	2,110	5,319	-
Other	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	32,606	86	-
Unearned revenues	-	-	-	-
	<hr/>			
Total Liabilities	-	45,527	20,053	-
Fund Balances				
Reserved for notes receivable	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved				
Capital projects	2,399,777	-	-	2,261,939
Undesignated	-	919,733	2,500,305	-
	<hr/>			
Total Fund Balances	<u>2,399,777</u>	<u>919,733</u>	<u>2,500,305</u>	<u>2,261,939</u>
	<hr/>			
Total Liabilities and Fund Balances	<u>\$ 2,399,777</u>	<u>\$ 965,260</u>	<u>\$ 2,520,358</u>	<u>\$ 2,261,939</u>

Special Revenue

Neighborhood Improvement	Mayor's Special Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ 522,498	\$ 281,513	\$ 124,552	\$ 1,167	\$ 635,912	\$ 939	\$ -	\$ 6,853,781
-	-	-	-	-	-	-	2,200,731
-	-	-	-	-	247,205	6,589,799	6,837,004
-	1,413,766	2,499,526	12,799	1,469,038	-	-	5,395,129
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,932
-	-	-	-	-	-	-	160,924
-	-	55,537	316,878	-	-	-	536,590
-	-	-	56,641	205,200	-	-	593,213
\$ 522,498	\$ 1,695,279	\$ 2,679,615	\$ 387,485	\$ 2,310,150	\$ 248,144	\$ 6,589,799	\$ 22,580,304
\$ -	\$ 1,500	\$ 7,025	\$ 163,669	\$ 22,826	\$ -	\$ -	\$ 220,479
-	-	-	3,376	-	-	-	10,805
-	-	-	-	(391)	-	-	(391)
-	-	-	-	-	-	-	-
500,000	-	125,810	207,641	-	31,886	2,292,568	3,190,597
-	-	-	-	-	141,157	4,297,231	4,438,388
500,000	1,500	132,835	374,686	22,435	173,043	6,589,799	7,859,878
-	1,413,766	2,499,526	12,799	1,469,038	-	-	5,395,129
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,661,716
22,498	280,013	47,254	-	818,677	75,101	-	4,663,581
22,498	1,693,779	2,546,780	12,799	2,287,715	75,101	-	14,720,426
\$ 522,498	\$ 1,695,279	\$ 2,679,615	\$ 387,485	\$ 2,310,150	\$ 248,144	\$ 6,589,799	\$ 22,580,304

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
February 28, 2005

	Special Revenue			
	Town Fund	General Assistance	Total Township Funds	Total
Assets				
Cash and equivalents	\$ 198,838	\$ 364,253	\$ 563,091	\$ 7,416,872
Investments	-	-	-	2,200,731
Receivables				
Property taxes (net of allowance)				
Current year levy	215,030	560,513	775,543	7,612,547
Notes	-	-	-	5,395,129
Allowance	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	2,932
Other	-	31,736	31,736	192,660
Due from other governments	-	-	-	536,590
Due from other funds	173,962	-	173,962	767,175
Total Assets	\$ 587,830	\$ 956,502	\$ 1,544,332	\$ 24,124,636
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 25,276	\$ 47,538	\$ 72,814	\$ 293,293
Accrued payroll	-	-	-	10,805
Other	-	-	-	(391)
Due to other governments	-	4,525	4,525	4,525
Due to other funds	-	173,962	173,962	3,364,559
Unearned revenues	196,436	511,322	707,758	5,146,146
Total Liabilities	221,712	737,347	959,059	8,818,937
Fund Balances				
Reserved for notes receivable	-	-	-	5,395,129
Reserved for debt service	-	-	-	-
Unreserved				
Capital projects	-	-	-	4,661,716
Undesignated	366,118	219,155	585,273	5,248,854
Total Fund Balances	366,118	219,155	585,273	15,305,699
Total Liabilities and Fund Balances	\$ 587,830	\$ 956,502	\$ 1,544,332	\$ 24,124,636

Debt Service							
General Obligation Debt	Special Service District No.5	Central Business Tax Increment District	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Total	
\$ 962,089	\$ 23,156	\$ 7,604,587	\$ 590,086	\$ 1,765,233	\$ 5,055,513	\$ 16,000,664	
3,023,202	-	-	-	-	-	3,023,202	
7,431,205	427,951	4,998,705	577,515	1,199,891	982,369	15,617,636	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
4,583	-	-	-	-	-	4,583	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1,308,102	25,710	-	-	-	-	1,333,812	
\$ 12,729,181	\$ 476,817	\$ 12,603,292	\$ 1,167,601	\$ 2,965,124	\$ 6,037,882	\$ 35,979,897	
\$ 2,634	\$ -	\$ 5,976	\$ -	\$ -	\$ 8,653	\$ 17,263	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1,255,378	-	50,260	-	-	58,900	1,364,538	
4,792,810	242,155	2,753,141	307,571	691,665	500,655	9,287,997	
6,050,822	242,155	2,809,377	307,571	691,665	568,208	10,669,798	
-	-	-	-	-	-	-	
6,678,359	234,662	9,793,915	860,030	2,273,459	5,469,674	25,310,099	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
6,678,359	234,662	9,793,915	860,030	2,273,459	5,469,674	25,310,099	
\$ 12,729,181	\$ 476,817	\$ 12,603,292	\$ 1,167,601	\$ 2,965,124	\$ 6,037,882	\$ 35,979,897	

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
February 28, 2005

	Capital Projects				Total Nonmajor Governmental Funds
	Capital Improvements	Central Business Tax Increment District	Special Assessment	Total	
Assets					
Cash and equivalents	\$ 7,653,620	\$ 3,229,672	\$ 2,548,364	\$ 13,431,656	\$ 36,849,192
Investments	4,984,764	989,930	-	5,974,694	11,198,627
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	23,230,183
Notes	55,500	96,649	-	152,149	5,547,278
Allowance	-	(96,649)	-	(96,649)	(96,649)
Special assessments	-	-	649,243	649,243	649,243
Accrued interest	34,199	-	-	34,199	41,714
Other	300	-	-	300	192,960
Due from other governments	-	-	-	-	536,590
Due from other funds	2,194,991	10,070	-	2,205,061	4,306,048
Total Assets	\$ 14,923,374	\$ 4,229,672	\$ 3,197,607	\$ 22,350,653	\$ 82,455,186
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 481,541	\$ 13,816	\$ -	\$ 495,357	\$ 805,913
Accrued payroll	-	-	-	-	10,805
Other	-	-	-	-	(391)
Due to other governments	-	-	-	-	4,525
Due to other funds	38,931	208	1,500,000	1,539,139	6,268,236
Unearned revenues	-	-	649,243	649,243	15,083,386
Total Liabilities	520,472	14,024	2,149,243	2,683,739	22,172,474
Fund Balances					
Reserved for notes receivable	55,500	-	-	55,500	5,450,629
Reserved for debt service	-	-	-	-	25,310,099
Unreserved					
Capital projects	14,347,402	4,215,648	1,048,364	19,611,414	24,273,130
Undesignated	-	-	-	-	5,248,854
Total Fund Balances	14,402,902	4,215,648	1,048,364	19,666,914	60,282,712
Total Liabilities and Fund Balances	\$ 14,923,374	\$ 4,229,672	\$ 3,197,607	\$ 22,350,653	\$ 82,455,186

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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 - 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.

Mayor's Special 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.

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.

Employer Pension Contribution - 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.

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

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

Debt Service Funds

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

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

Central Business Tax Increment District - accumulated monies for the principal and interest payments on debt 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.

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.

Central Business Tax Increment District - to account for the purchase of land and other related costs of the research park. Financing is provided from general obligation bond and note proceeds.

Washington National Tax Increment District - to account for the design and building of a new Sherman Plaza garage financed primarily by general obligation bond proceeds.

Capital Improvements - to account for the City of Evanston capital improvement program. The program includes, but is not limited to, improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided principally by grants and general obligation bond proceeds.

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

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
February 28, 2005

	Special Revenue			
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library
Assets				
Cash and equivalents	\$ 1,904,230	\$ 944,335	\$ 2,380,359	\$ 58,276
Investments	-	-	-	2,200,731
Receivables				
Property taxes (net of allowance)				
Current year levy	-	-	-	-
Notes	-	-	-	-
Allowance	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	2,932
Other	-	20,925	139,999	-
Due from other governments	164,175	-	-	-
Due from other funds	331,372	-	-	-
	<hr/>			
Total Assets	<u>\$ 2,399,777</u>	<u>\$ 965,260</u>	<u>\$ 2,520,358</u>	<u>\$ 2,261,939</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ -	\$ 10,811	\$ 14,648	\$ -
Accrued payroll	-	2,110	5,319	-
Other	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	32,606	86	-
Unearned revenues	-	-	-	-
	<hr/>			
Total Liabilities	-	45,527	20,053	-
Fund Balances				
Reserved for notes receivable	-	-	-	-
Reserved for debt service	-	-	-	-
Unreserved				
Capital projects	2,399,777	-	-	2,261,939
Undesignated	-	919,733	2,500,305	-
	<hr/>			
Total Fund Balances	<u>2,399,777</u>	<u>919,733</u>	<u>2,500,305</u>	<u>2,261,939</u>
	<hr/>			
Total Liabilities and Fund Balances	<u>\$ 2,399,777</u>	<u>\$ 965,260</u>	<u>\$ 2,520,358</u>	<u>\$ 2,261,939</u>

Special Revenue

Neighborhood Improvement	Mayor's Special Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ 522,498	\$ 281,513	\$ 124,552	\$ 1,167	\$ 635,912	\$ 939	\$ -	\$ 6,853,781
-	-	-	-	-	-	-	2,200,731
-	-	-	-	-	247,205	6,589,799	6,837,004
-	1,413,766	2,499,526	12,799	1,469,038	-	-	5,395,129
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,932
-	-	-	-	-	-	-	160,924
-	-	55,537	316,878	-	-	-	536,590
-	-	-	56,641	205,200	-	-	593,213
\$ 522,498	\$ 1,695,279	\$ 2,679,615	\$ 387,485	\$ 2,310,150	\$ 248,144	\$ 6,589,799	\$ 22,580,304
\$ -	\$ 1,500	\$ 7,025	\$ 163,669	\$ 22,826	\$ -	\$ -	\$ 220,479
-	-	-	3,376	-	-	-	10,805
-	-	-	-	(391)	-	-	(391)
-	-	-	-	-	-	-	-
500,000	-	125,810	207,641	-	31,886	2,292,568	3,190,597
-	-	-	-	-	141,157	4,297,231	4,438,388
500,000	1,500	132,835	374,686	22,435	173,043	6,589,799	7,859,878
-	1,413,766	2,499,526	12,799	1,469,038	-	-	5,395,129
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,661,716
22,498	280,013	47,254	-	818,677	75,101	-	4,663,581
22,498	1,693,779	2,546,780	12,799	2,287,715	75,101	-	14,720,426
\$ 522,498	\$ 1,695,279	\$ 2,679,615	\$ 387,485	\$ 2,310,150	\$ 248,144	\$ 6,589,799	\$ 22,580,304

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
February 28, 2005

	Special Revenue			
	Town Fund	General Assistance	Total Township Funds	Total
Assets				
Cash and equivalents	\$ 198,838	\$ 364,253	\$ 563,091	\$ 7,416,872
Investments	-	-	-	2,200,731
Receivables				
Property taxes (net of allowance)				
Current year levy	215,030	560,513	775,543	7,612,547
Notes	-	-	-	5,395,129
Allowance	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	2,932
Other	-	31,736	31,736	192,660
Due from other governments	-	-	-	536,590
Due from other funds	173,962	-	173,962	767,175
Total Assets	\$ 587,830	\$ 956,502	\$ 1,544,332	\$ 24,124,636
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 25,276	\$ 47,538	\$ 72,814	\$ 293,293
Accrued payroll	-	-	-	10,805
Other	-	-	-	(391)
Due to other governments	-	4,525	4,525	4,525
Due to other funds	-	173,962	173,962	3,364,559
Unearned revenues	196,436	511,322	707,758	5,146,146
Total Liabilities	221,712	737,347	959,059	8,818,937
Fund Balances				
Reserved for notes receivable	-	-	-	5,395,129
Reserved for debt service	-	-	-	-
Unreserved				
Capital projects	-	-	-	4,661,716
Undesignated	366,118	219,155	585,273	5,248,854
Total Fund Balances	366,118	219,155	585,273	15,305,699
Total Liabilities and Fund Balances	\$ 587,830	\$ 956,502	\$ 1,544,332	\$ 24,124,636

Debt Service							
General Obligation Debt	Special Service District No.5	Central Business Tax Increment District	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Total	
\$ 962,089	\$ 23,156	\$ 7,604,587	\$ 590,086	\$ 1,765,233	\$ 5,055,513	\$ 16,000,664	
3,023,202	-	-	-	-	-	3,023,202	
7,431,205	427,951	4,998,705	577,515	1,199,891	982,369	15,617,636	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
4,583	-	-	-	-	-	4,583	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1,308,102	25,710	-	-	-	-	1,333,812	
\$ 12,729,181	\$ 476,817	\$ 12,603,292	\$ 1,167,601	\$ 2,965,124	\$ 6,037,882	\$ 35,979,897	
\$ 2,634	\$ -	\$ 5,976	\$ -	\$ -	\$ 8,653	\$ 17,263	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1,255,378	-	50,260	-	-	58,900	1,364,538	
4,792,810	242,155	2,753,141	307,571	691,665	500,655	9,287,997	
6,050,822	242,155	2,809,377	307,571	691,665	568,208	10,669,798	
-	-	-	-	-	-	-	
6,678,359	234,662	9,793,915	860,030	2,273,459	5,469,674	25,310,099	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
6,678,359	234,662	9,793,915	860,030	2,273,459	5,469,674	25,310,099	
\$ 12,729,181	\$ 476,817	\$ 12,603,292	\$ 1,167,601	\$ 2,965,124	\$ 6,037,882	\$ 35,979,897	

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
February 28, 2005

	Capital Projects				Total Nonmajor Governmental Funds
	Capital Improvements	Central Business Tax Increment District	Special Assessment	Total	
Assets					
Cash and equivalents	\$ 7,653,620	\$ 3,229,672	\$ 2,548,364	\$ 13,431,656	\$ 36,849,192
Investments	4,984,764	989,930	-	5,974,694	11,198,627
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	23,230,183
Notes	55,500	96,649	-	152,149	5,547,278
Allowance	-	(96,649)	-	(96,649)	(96,649)
Special assessments	-	-	649,243	649,243	649,243
Accrued interest	34,199	-	-	34,199	41,714
Other	300	-	-	300	192,960
Due from other governments	-	-	-	-	536,590
Due from other funds	2,194,991	10,070	-	2,205,061	4,306,048
Total Assets	\$ 14,923,374	\$ 4,229,672	\$ 3,197,607	\$ 22,350,653	\$ 82,455,186
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 481,541	\$ 13,816	\$ -	\$ 495,357	\$ 805,913
Accrued payroll	-	-	-	-	10,805
Other	-	-	-	-	(391)
Due to other governments	-	-	-	-	4,525
Due to other funds	38,931	208	1,500,000	1,539,139	6,268,236
Unearned revenues	-	-	649,243	649,243	15,083,386
Total Liabilities	520,472	14,024	2,149,243	2,683,739	22,172,474
Fund Balances					
Reserved for notes receivable	55,500	-	-	55,500	5,450,629
Reserved for debt service	-	-	-	-	25,310,099
Unreserved					
Capital projects	14,347,402	4,215,648	1,048,364	19,611,414	24,273,130
Undesignated	-	-	-	-	5,248,854
Total Fund Balances	14,402,902	4,215,648	1,048,364	19,666,914	60,282,712
Total Liabilities and Fund Balances	\$ 14,923,374	\$ 4,229,672	\$ 3,197,607	\$ 22,350,653	\$ 82,455,186

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year ended February 28, 2005

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library	Neighborhood Improvement
Revenues					
Taxes	\$ -	\$ 1,128,065	\$ 1,178,702	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	2,128,017	-	-	-	-
Investment income	33,481	46	90	114,288	-
Earnfare	-	-	-	-	-
SSI reimbursement	-	-	-	-	-
Emergency assistance reimbursement	-	-	-	-	-
Miscellaneous	-	-	-	38,859	20
Total Revenues	2,161,498	1,128,111	1,178,792	153,147	20,020
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	976,107	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	104,000	-
Housing and economic development	-	721,172	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Capital outlay	1,609,364	-	-	-	-
Total Expenditures	1,609,364	721,172	976,107	104,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	552,134	406,939	202,685	49,147	20,020
Other Financing Sources (Uses)					
Proceeds from sale of bonds	-	-	-	-	-
Escrow funding	-	-	-	-	-
Transfers in (out)					
General Fund	(750,000)	-	-	-	-
CD Loan Fund	-	-	-	-	-
Home Fund	-	-	-	-	-
Town Fund	-	-	-	-	-
General Assistance Fund	-	-	-	-	-
General Obligation Debt Service Fund	-	-	-	-	-
Neighborhood Improvement	-	-	-	-	-
Washington National Tax Increment District	-	-	-	-	-
Central Business Tax Increment District	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	(500,000)
Special Assessment Capital Project	-	-	-	-	-
Sewer Fund	-	-	-	-	-
Water Fund	-	-	-	-	-
Maple Avenue Garage Fund	-	(650,000)	-	-	-
Total Other Financing Sources (Uses)	(750,000)	(650,000)	-	-	(500,000)
Net Change in Fund Balances	(197,866)	(243,061)	202,685	49,147	(479,980)
Fund Balances -Beginning of Year	2,597,643	1,162,794	2,297,620	2,212,792	502,478
Fund Balances - End of Year	\$ 2,399,777	\$ 919,733	\$ 2,500,305	\$ 2,261,939	\$ 22,498

Special Revenue						
Mayor's Special Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ 262,254	\$ 6,615,613	\$ 9,204,634
-	-	-	-	-	-	-
-	1,117,494	2,718,716	822,850	-	-	6,787,077
5,994	21,457	-	17,531	79	-	192,966
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,969	1,037	7,143	-	-	-	54,028
12,963	1,139,988	2,725,859	840,381	262,333	6,615,613	16,238,705
-	-	-	-	-	-	-
-	-	-	-	-	6,615,613	7,591,720
-	-	-	-	-	-	-
-	-	-	-	-	-	104,000
10,780	56,434	2,725,859	29,701	245,000	-	3,788,946
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,609,364
10,780	56,434	2,725,859	29,701	245,000	6,615,613	13,094,030
2,183	1,083,554	-	810,680	17,333	-	3,144,675
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(30,900)	-	-	-	-	-	(780,900)
-	40,190	-	-	-	-	40,190
-	-	-	(40,190)	-	-	(40,190)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(500,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(650,000)
(30,900)	40,190	-	(40,190)	-	-	(1,930,900)
(28,717)	1,123,744	-	770,490	17,333	-	1,213,775
1,722,496	1,423,036	12,799	1,517,225	57,768	-	13,506,651
\$ 1,693,779	\$ 2,546,780	\$ 12,799	\$ 2,287,715	\$ 75,101	\$ -	\$ 14,720,426

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Continued
Year ended February 28, 2005

	Special Revenue				Debt Service		
	Town Fund	General Assistance	Total Township Funds	Total	General Obligation Debt	Special Service District No.5	Central Business Tax Increment District
Revenues							
Taxes	\$ 297,939	\$ 803,482	\$ 1,101,421	\$ 10,306,055	\$ 7,914,889	\$ 448,977	\$ 6,425,495
Special assessments	-	-	-	-	-	-	-
Intergovernmental	38,080	-	38,080	6,825,157	-	-	-
Investment income	1,475	1,070	2,545	195,511	170,309	260	63,591
Earnfare	-	3,385	3,385	3,385	-	-	-
SSI reimbursement	-	25,784	25,784	25,784	-	-	-
Emergency assistance reimbursement	-	74,239	74,239	74,239	-	-	-
Miscellaneous	-	-	-	54,028	-	-	-
Total Revenues	337,494	907,960	1,245,454	17,484,159	8,085,198	449,237	6,489,086
Expenditures							
Current							
General management and support	192,086	1,037,830	1,229,916	1,229,916	259	42,920	354,646
Public safety	-	-	-	7,591,720	-	-	-
Health and human resource development	-	-	-	-	-	-	200,000
Recreation and cultural opportunities	-	-	-	104,000	-	-	-
Housing and economic development	-	-	-	3,788,946	-	-	-
Debt service							
Principal	-	-	-	-	6,665,000	240,000	280,000
Interest	-	-	-	-	3,414,884	196,153	370,415
Fiscal agent fees	-	-	-	-	191,314	-	35,608
Capital outlay	-	-	-	1,609,364	-	-	-
Total Expenditures	192,086	1,037,830	1,229,916	14,323,946	10,271,457	479,073	1,240,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,408	(129,870)	15,538	3,160,213	(2,186,259)	(29,836)	5,248,417
Other Financing Sources (Uses)							
Proceeds from sale of bonds	-	-	-	-	12,067,261	-	-
Escrow funding	-	-	-	-	(11,886,028)	-	-
Transfers in (out)							
General Fund	-	-	-	(780,900)	175,000	-	(300,000)
CD Loan Fund	-	-	-	40,190	-	-	-
Home Fund	-	-	-	(40,190)	-	-	-
Town Fund	-	117,833	117,833	117,833	-	-	-
General Assistance Fund	(117,833)	-	(117,833)	(117,833)	-	-	-
General Obligation Debt Service Fund	-	-	-	-	-	-	-
Neighborhood Improvement	-	-	-	-	-	-	-
Washington National Tax Increment District	-	-	-	-	-	-	(845,315)
Central Business Tax Increment District	-	-	-	-	-	-	-
Capital Improvements Fund	-	-	-	(500,000)	354,791	-	-
Special Assessment Capital Project	-	-	-	-	253,055	-	-
Sewer Fund	-	-	-	-	-	-	-
Water Fund	-	-	-	-	1,308,102	-	-
Maple Avenue Garage Fund	-	-	-	(650,000)	-	-	(4,000,000)
Total Other Financing Sources (Uses)	(117,833)	117,833	-	(1,930,900)	2,272,181	-	(5,145,315)
Net Change in Fund Balances	27,575	(12,037)	15,538	1,229,313	85,922	(29,836)	103,102
Fund Balances -Beginning of Year	338,543	231,192	569,735	14,076,386	6,592,437	264,498	9,690,813
Fund Balances - End of Year	\$ 366,118	\$ 219,155	\$ 585,273	\$ 15,305,699	\$ 6,678,359	\$ 234,662	\$ 9,793,915

Debt Service				Capital Projects				Total Nonmajor Governmental Funds
Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Total	Capital Improvements	Central Business Tax Increment District	Special Assessment	Total	
\$ 634,240	\$ 1,123,713	\$ 1,111,050	\$ 17,658,364	\$ -	\$ -	\$ -	\$ -	\$ 27,964,419
-	-	-	-	-	-	365,554	365,554	365,554
-	-	-	-	60,000	-	-	60,000	6,885,157
9,953	51,315	18,067	313,495	245,551	7,372	55,467	308,390	817,396
-	-	-	-	-	-	-	-	3,385
-	-	-	-	-	-	-	-	25,784
-	-	-	-	-	-	-	-	74,239
-	-	-	-	224,547	967,300	-	1,191,847	1,245,875
644,193	1,175,028	1,129,117	17,971,859	530,098	974,672	421,021	1,925,791	37,381,809
-	-	1,658	399,483	87,664	313,032	2,071	402,767	2,032,166
-	-	-	-	-	-	-	-	7,591,720
-	200,000	200,000	600,000	-	-	-	-	600,000
-	-	-	-	-	-	-	-	104,000
-	-	-	-	-	-	-	-	3,788,946
195,000	375,000	130,000	7,885,000	-	-	-	-	7,885,000
72,150	307,620	666,314	5,027,536	-	-	-	-	5,027,536
-	-	132,214	359,136	-	-	-	-	359,136
-	-	-	-	7,277,698	68,486	-	7,346,184	8,955,548
267,150	882,620	1,130,186	14,271,155	7,365,362	381,518	2,071	7,748,951	36,344,052
377,043	292,408	(1,069)	3,700,704	(6,835,264)	593,154	418,950	(5,823,160)	1,037,757
-	-	-	12,067,261	13,656,474	-	-	13,656,474	25,723,735
-	-	-	(11,886,028)	-	-	-	-	(11,886,028)
(20,600)	(125,000)	(133,900)	(404,500)	(57,500)	-	(30,900)	(88,400)	(1,273,800)
-	-	-	-	-	-	-	-	40,190
-	-	-	-	-	-	-	-	(40,190)
-	-	-	-	-	-	-	-	117,833
-	-	-	-	-	-	-	-	(117,833)
-	-	-	-	(354,791)	-	(253,055)	(607,846)	(607,846)
-	-	-	-	500,000	-	-	500,000	500,000
-	-	-	(845,315)	-	-	-	-	(845,315)
-	-	845,315	845,315	-	-	-	-	845,315
-	-	-	354,791	-	-	-	-	(145,209)
-	-	-	253,055	-	-	-	-	253,055
-	-	-	-	(4,000,000)	-	-	(4,000,000)	(4,000,000)
-	-	-	1,308,102	(4,000,000)	-	-	(4,000,000)	(2,691,898)
-	-	-	(4,000,000)	-	-	-	-	(4,650,000)
(20,600)	(125,000)	711,415	(2,307,319)	5,744,183	-	(283,955)	5,460,228	1,222,009
356,443	167,408	710,346	1,393,385	(1,091,081)	593,154	134,995	(362,932)	2,259,766
503,587	2,106,051	4,759,328	23,916,714	15,493,983	3,622,494	913,369	20,029,846	58,022,946
\$ 860,030	\$ 2,273,459	\$ 5,469,674	\$ 25,310,099	\$ 14,402,902	\$ 4,215,648	\$ 1,048,364	\$ 19,666,914	\$ 60,282,712

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 15,783,600	\$ 15,783,600	\$ -
Prior year levy	25,000	(145,021)	(170,021)
Total Property Taxes	15,808,600	15,638,579	(170,021)
Personal Property Replacement Tax	392,500	634,907	242,407
Other Taxes			
Auto rental	34,000	32,543	(1,457)
Sales - home rule	5,500,000	5,594,134	94,134
Utility	8,200,000	8,397,773	197,773
State use	660,000	759,931	99,931
Athletic contest	500,000	505,983	5,983
Foreign fire insurance	50,000	-	(50,000)
Cigarette	300,000	228,473	(71,527)
Evanston motor fuel	320,000	272,029	(47,971)
Real estate transfer	3,500,000	4,245,478	745,478
Poured liquor	1,425,000	1,656,076	231,076
Amusement	-	5,260	5,260
Parking	1,500,000	1,597,278	97,278
Total Other Taxes	21,989,000	23,294,958	1,305,958
Total Taxes	38,190,100	39,568,444	1,378,344

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle licenses	\$ 2,000,000	\$ 2,219,131	\$ 219,131
Business licenses	90,000	82,099	(7,901)
Long-term care licenses	112,400	119,100	6,700
Rooming house licenses	170,000	157,956	(12,044)
Pet licenses	40,000	41,324	1,324
Bicycle licenses	100	5	(95)
Farmers' market licenses	27,700	25,500	(2,200)
Contractors' licenses	80,000	75,375	(4,625)
Other licenses	-	960	960
Building permits	1,900,000	1,908,112	8,112
Plumbing permits	150,000	138,025	(11,975)
Electrical permits	160,000	166,985	6,985
Elevator permits	55,000	18,990	(36,010)
Signs and awning permits	10,000	12,449	2,449
Combustion equipment permits	150,000	246,072	96,072
Commercial driveway permits	500	120	(380)
Other permits	220,000	360,953	140,953
Liquor licenses	275,000	305,332	30,332
Fire alarm permit fees	-	(1,035)	(1,035)
Cable franchise fee	525,000	603,122	78,122
Nicor franchise fee	50,000	66,046	16,046
Northwestern/Centel easement	40,000	47,000	7,000
Residents' parking permits	130,000	123,345	(6,655)
Visitor's parking permits	-	14,107	14,107
Sign license fee	32,000	31,534	(466)
Alarm panel franchise fee	20,000	10,800	(9,200)
Plat approval and sign appeal fees	1,000	-	(1,000)
	6,238,700	6,773,407	534,707
Total Licenses and Permits	6,238,700	6,773,407	534,707

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Health Department SEED Grant	\$ -	\$ 319,609	\$ 319,609
Preventive health block grant	56,600	69,397	12,797
Fire department training grant	600	2,456	1,856
Illinois state health department basic services grant	71,000	47,229	(23,771)
Bio - terrorism grant	90,000	-	(90,000)
Family planning grant	54,500	52,626	(1,874)
Hearing and vision grant	6,400	100	(6,300)
ICJIA grant - community service	15,000	-	(15,000)
ICJIA grant - victim	60,000	-	(60,000)
Other federal aid	-	(42,439)	(42,439)
Violent crime victim assistance grant	20,000	25,000	5,000
Federal police grant	105,000	90,325	(14,675)
Civil defense grants	20,000	19,091	(909)
Retailer and service occupation tax	8,200,000	8,389,985	189,985
State income tax	4,300,000	4,899,124	599,124
State highway maintenance	100,000	133,109	33,109
District 65 dental	-	1,500	1,500
Commission on Aging grant	19,000	30,775	11,775
Other state / county grants	400,000	261,574	(138,426)
Police training grant	8,000	-	(8,000)
Dental sealants grant	-	2,819	2,819
Lead grant	4,000	1,305	(2,695)
Federal grant / Aid	-	3,965	3,965
Illinois Tobacco Free Community	25,000	12,285	(12,715)
Summer food inspections	-	400	400
Kid care agreement	10,500	9,550	(950)
HUD emergency shelter grant	80,000	95,148	15,148
Leadbase paint control grant	373,000	29,163	(343,837)
Genetic education grant	10,200	17,850	7,650
Tanning parlor inspection	-	150	150
Prostate cancer awareness	-	7,028	7,028
Family case management grant	266,300	211,870	(54,430)
Infant immunization grant	-	2,500	2,500
Teen parent service program	15,000	34,236	19,236
Vector prevention grant	-	5,000	5,000
Access to care	-	75	75
Total Intergovernmental - Revenue from Other Agencies	14,310,100	14,732,805	422,705

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 4,103,000	\$ 3,727,244	\$ (375,756)
Recreation - charges	-	50	50
Recreation - unreconciled	-	3,545	3,545
Total Recreation	4,103,000	3,730,839	(372,161)
Library			
Film rentals	60,000	57,612	(2,388)
Books, lost and paid	21,000	22,879	1,879
Reserves	5,000	6,610	1,610
Miscellaneous revenues	3,500	2,517	(983)
Rental books	8,600	7,986	(614)
Non-resident cards	3,000	4,190	1,190
Copy machine charges	26,000	27,081	1,081
Library meeting room rentals	8,700	7,400	(1,300)
Rental income	26,100	26,100	-
State library per capita grant	83,500	92,762	9,262
CD-ROM software rentals	2,000	1,954	(46)
Total Library	247,400	257,091	9,691

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Charges for Services			
Other Service Charges			
Family planning clinic	\$ 2,000	709	\$ (1,291)
Dental clinic fees & check up fees	90,000	75,973	(14,027)
Venereal disease program - Skokie	2,250	1,500	(750)
Birth and death records	145,000	138,104	(6,896)
TB nursing services	12,000	12,000	-
Flue and pneumonia program	-	8,115	8,115
Health clinic fees - immunizations	5,000	3,178	(1,822)
Health clinic fees - sexually transmitted disease	1,200	-	(1,200)
Health clinic fees - TB	3,200	3,203	3
Health clinic fees - lab	16,200	8,182	(8,018)
Health clinic fees - food establishment	145,000	155,394	10,394
Health clinic fees - well child	250	-	(250)
Health clinic fees - school physicals	2,000	1,510	(490)
S.T.D.O. & S.T.D.E.	-	7,795	7,795
Dental check up	-	8,450	8,450
Emergency dental exam	-	155	155
X-Ray	-	35	35
Amalgam filling	-	345	345
Resin filling	-	4,210	4,210
Sedative filling	-	50	50
Extraction	-	255	255
Pulpotomy	-	985	985
Sealant office visit	-	869	869
Additional sealant	-	35	35
Temporary license fee	3,300	3,211	(89)
Food delivery vehicle	6,500	4,680	(1,820)
Scavenger truck	-	2,340	2,340
Beverage snack vending machine	33,000	38,501	5,501
Homeless health clinic	-	132	132
Tobacco license	12,000	13,408	1,408
Funeral director license	4,500	6,960	2,460
Temporary funeral direct license	-	6,359	6,359
Ambulance services	440,000	520,384	80,384
Towing charges	-	(9,555)	(9,555)
Weights and measures examination	1,000	1,080	80
Senior taxi coupon sales	68,000	80,289	12,289
Recycling - material sales	-	515	515
Background check daycare providers	-	(440)	(440)
Curb / sidewalk replacement fee	-	1,656	1,656
Police report fees	19,500	17,816	(1,684)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Fire report fees	\$ 100	\$ 3,111	\$ 3,011
Fire cost recovery charges	5,000	1,266	(3,734)
Fire building inspection	-	300	300
Other service charges	5,000	2,110	(2,890)
Condo conversion application	52,000	95,250	43,250
Zoning fees	40,000	56,791	16,791
Alarm panel subscription fees	100,000	33,895	(66,105)
Skokie animal boarding fees	1,000	320	(680)
Passport execution fees	13,000	5,948	(7,052)
Sanitation classes and charges	25,000	77,978	52,978
Wood recycling	-	12,995	12,995
Plan review	-	3,202	3,202
Recycling service charge and penalty	628,000	653,472	25,472
Total Other Service Charges	1,881,000	2,065,026	184,026
Total Charges for Services	6,231,400	6,052,956	(178,444)
Fines			
Ticket fines	3,500,000	3,146,566	(353,434)
Regular fines	175,000	287,212	112,212
Housing code violations	1,000	2,768	1,768
Building code violations	5,000	-	(5,000)
Permit penalty fees	5,000	23,980	18,980
Animal ordinance penalties	1,500	-	(1,500)
False alarm panel fines - fire	55,000	58,290	3,290
False alarm panel fines - police	75,000	100,510	25,510
Administrative adjudication	100,000	94,867	(5,133)
Library fines	165,000	170,662	5,662
Boot release fees	85,000	114,250	29,250
Total Fines	4,167,500	3,999,105	(168,395)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Investment Income	\$ 200,000	\$ 192,461	\$ (7,539)
Miscellaneous			
Charges to Other Funds			
Charges to Water for			
administrative expenses	1,080,600	1,080,600	-
Economic Development	365,900	365,900	-
Maple Garage	39,500	39,500	-
Emergency Telephone System	139,400	140,200	800
Community Development Block Grant	986,400	976,962	(9,438)
HOME	38,400	38,400	-
Sewer	614,700	614,700	-
Motor Vehicle Parking System	960,100	959,900	(200)
Fleet Services	123,200	123,200	-
Total Charges to Other Funds	4,348,200	4,339,362	(8,838)
Miscellaneous			
Other Revenues			
Payments in lieu of taxes	27,000	26,553	(447)
Sales and rentals of property	46,000	53,605	7,605
Compensation for damage to			
City property	40,000	45,489	5,489
Parking permits - Ryan Field	12,000	11,560	(440)
Miscellaneous	150,000	3,625,698	3,475,698
Total Other Revenues	275,000	3,762,905	3,487,905
Total Miscellaneous	4,623,200	8,102,267	3,479,067
Total Revenues	\$ 73,961,000	\$ 79,421,445	\$ 5,460,445

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
General Management and Support			
City Council	\$ 283,000	\$ 270,213	\$ 12,787
City Manager	2,843,300	2,589,243	254,057
City Clerk	205,400	202,872	2,528
Law Department	662,800	579,788	83,012
Human Resources	1,170,900	1,311,345	(140,445)
Finance	1,889,000	2,083,773	(194,773)
Facilities management	2,202,300	2,371,895	(169,595)
Miscellaneous operating requirements	2,371,600	2,933,726	(562,126)
Total General Management and Support	11,628,300	12,342,855	(714,555)
Public Safety			
Emergency services and disaster assistance	71,000	45,802	25,198
Police	17,658,300	18,076,386	(418,086)
Fire	10,085,500	10,581,956	(496,456)
Total Public Safety	27,814,800	28,704,144	(889,344)
Public Works			
Municipal service center	192,500	200,689	(8,189)
Public Works Director	268,000	250,568	17,432
City Engineer	1,097,700	1,207,098	(109,398)
Traffic Engineer	2,278,200	2,507,862	(229,662)
Streets	3,334,500	3,501,528	(167,028)
Sanitation	4,154,100	4,242,165	(88,065)
Total Public Works	11,325,000	11,909,910	(584,910)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Health and Human Resource Development			
Health and Human Services Director	\$ 357,000	\$ 283,307	\$ 73,693
Health Department	2,844,300	2,736,821	107,479
Emergency assistance services	267,600	300,094	(32,494)
Mental health and community purchased services	1,024,200	1,045,149	(20,949)
Commission on Aging	96,600	113,218	(16,618)
Subsidized Taxicab Program	212,400	240,233	(27,833)
Human Relations	542,700	477,982	64,718
Total Health and Human Resource Development	5,344,800	5,196,804	147,996
Recreation and Cultural Opportunities			
Library	4,057,900	4,359,186	(301,286)
Recreation	6,556,500	6,647,043	(90,543)
Parks and forestry	3,058,300	3,235,385	(177,085)
Ecology Center	381,700	400,767	(19,067)
Arts Council	888,600	742,295	146,305
Total Recreation and Cultural Opportunities	14,943,000	15,384,676	(441,676)
Housing and Economic Development			
Community Development administration	195,900	237,720	(41,820)
Planning and zoning	780,700	803,273	(22,573)
Housing rehabilitation and property standards	788,300	772,077	16,223
Building code compliance	1,022,500	1,114,473	(91,973)
Total Housing and Economic Development	2,787,400	2,927,543	(140,143)
Pensions			
Illinois Municipal Retirement Pension	4,006,700	1,371,992	2,634,708
Total Expenditures	\$ 77,850,000	\$ 77,837,924	\$ 12,076

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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 2,000,000	\$ 2,128,017	\$ 128,017
Interest	55,000	33,481	(21,519)
Total Revenues	2,055,000	2,161,498	106,498
Expenditures			
Public Works	2,100,000	1,609,364	490,636
Excess (Deficiency) of Revenues over (under) Expenditures	(45,000)	552,134	597,134
Other Financing (Uses)			
Operating transfers (out) General Fund	(750,000)	(750,000)	-
Deficiency of Revenues under Expenditures and Other Financing Uses	<u>\$ (795,000)</u>	(197,866)	<u>\$ (597,134)</u>
Fund Balances			
Beginning of year		<u>2,597,643</u>	
End of year		<u><u>\$ 2,399,777</u></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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Hotel taxes	\$ 675,000	\$ 816,600	\$ 141,600
Amusement taxes	300,000	311,465	11,465
Interest	2,000	46	(1,954)
Total Revenue	977,000	1,128,111	151,111
Expenditures			
Housing and economic development	749,000	721,172	27,828
Excess of Revenues over Expenditures	228,000	406,939	178,939
Other Financing Sources (Uses)			
Operating transfers in (out)			
Maple Avenue Garage Fund	(650,000)	(650,000)	-
Deficiency of Revenues under Expenditures and Other Financing Uses	<u>\$ (422,000)</u>	(243,061)	<u>\$ (178,939)</u>
Fund Balances			
Beginning of year		<u>1,162,794</u>	
End of year		<u>\$ 919,733</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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Enhanced 911 surcharge	\$ 1,277,200	\$ 1,178,702	\$ (98,498)
Interest	9,000	90	(8,910)
Total Revenue	1,286,200	1,178,792	(107,408)
Expenditures			
Public Safety	1,871,300	976,107	895,193
Excess (Deficiency) of Revenues over (under) Expenditures	(585,100)	202,685	787,785
Other Financing (Uses)			
Operating transfers (out) General Obligation Debt Service Fund	(212,000)	-	(212,000)
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Uses	<u>\$ (797,100)</u>	202,685	<u>\$ 575,785</u>
Fund Balance			
Beginning of year		<u>2,297,620</u>	
End of year		<u>\$ 2,500,305</u>	

CITY OF EVANSTON, ILLINOIS

Mayor's Special Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 5,994	\$ 5,994
Miscellaneous	7,000	6,969	(31)
Total Revenue	7,000	12,963	5,963
Expenditures			
Housing and economic development	239,100	10,780	228,320
Excess (Deficiency) of Revenues over (under) Expenditures	(232,100)	2,183	234,283
Other Financing (Uses)			
Operating transfers (out) General Fund	(30,900)	(30,900)	-
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Uses	<u>\$ (263,000)</u>	(28,717)	<u>\$ 234,283</u>
Fund Balance			
Beginning of year		<u>1,722,496</u>	
End of year		<u>\$ 1,693,779</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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,549,932	\$ 2,718,716	\$ 168,784
Miscellaneous	-	7,143	7,143
Total Revenues	2,549,932	2,725,859	175,927
Expenditures			
Housing and economic development	2,549,932	2,725,859	(175,927)
(Deficiency) of Revenues (under) Expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>12,799</u>	
End of year		<u>\$ 12,799</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 341,748	\$ 340,567	\$ 1,181
Fair Housing Assistance	80,984	78,984	2,000
Total Administration/Planning	422,732	419,551	3,181
Economic Development			
Ben & Jerry's	45,000	30,000	15,000
Neighborhood Façade Program	15,000	45,000	(30,000)
MBE/Small Business Assistance	96,268	96,264	4
Total Economic Development	156,268	171,264	(14,996)
Housing			
Housing Rehabilitation Administration	230,000	229,992	8
Adaptive Devices	15,000	7,588	7,412
Community Development Administration	100,000	99,996	4
Minor Repairs/Painting Assistance - E.N.A.W.	160,000	160,000	-
Demolition/Vacant Lot Cleanup Program	-	5,604	(5,604)
Civic Center Boiler	15,000	421	14,579
Housing Code Compliance	240,000	240,000	-
Total Housing	760,000	743,601	16,399

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Neighborhood Revitalization			
Target Area Tree	\$ 20,000	\$ 19,805	\$ 195
Accessible Curb Ramp Program	80,000	12,708	67,292
Street Light Upgrade	-	94,229	(94,229)
Curb/Sidewalk Replacement	65,000	80,498	(15,498)
Fleetwood Jourdain	-	155,987	(155,987)
Alley Paving - East Clyde	-	85,000	(85,000)
South Evanston Neighborhood Security	-	3,000	(3,000)
Black American Heritage and Tech Center	-	17,619	(17,619)
Alley Paving Program	110,527	123,945	(13,418)
Howard St. Enhancement (Outpost)	-	12,796	(12,796)
Masin Park	150,000	51,446	98,554
Beck Park Restoration	-	26,330	(26,330)
Handyman Assistance	15,000	9,822	5,178
Twiggs Park	-	12,494	(12,494)
School District 65-Oakton Playground	60,000	60,000	-
Toddler Town Day Care	10,000	10,000	-
Special Assesments / Aleey Paving	-	49,314	(49,314)
Reba Park	45,000	44,550	450
Fleetwood Jourdain-Community Center	110,155	-	110,155
Toddler Nursery-Infant Welfare	22,500	22,500	-
Video Monitor-Police	21,000	-	21,000
Child Care Center Building	20,000	20,000	-
Evanston Day Nursery	30,000	30,000	-
Family Focus Center Improvements	47,500	47,500	-
Graffiti Removal Program	29,845	29,364	481
Total Neighborhood Revitalization	836,527	1,018,907	(182,380)

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Public Services			
Adopt a Fancy Can	\$ 4,975	\$ 4,975	\$ -
Senior Crime Prevention	22,882	21,013	1,869
Girls Scouts Soy Latina	4,975	4,975	-
Evanston Community Defender	59,043	59,043	-
Evanston Legal Services CCLAF	9,947	9,947	-
Youth Job Center of Evanston	79,586	79,586	-
Summer Youth	59,690	59,690	-
EEAC Job Counselor	2,488	2,488	-
YWCA Shelter Project	35,813	35,813	-
Connections for Homeless -Entry Point	11,939	11,939	-
Melas at Home	9,947	9,947	-
North Shore Senior Center	24,870	24,870	-
First Base Homeless	4,975	4,975	-
Interfaith Predatory	4,975	4,975	-
Open Studio Art	5,968	5,968	-
Second Baptist-Yan	12,435	12,435	-
Interfaith Housing Program	14,922	14,922	-
Metropolitan Family Service	4,975	4,975	-
Total Public Services	374,405	372,536	1,869
Total Expenditures	\$ 2,549,932	\$ 2,725,859	\$ (175,927)

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, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 255,000	\$ 255,000	\$ -
Prior year levy	-	5,716	5,716
Interest	-	79	79
Total Revenues	255,000	260,795	5,795
Expenditures			
Housing and economic development	245,000	245,000	-
Excess of Revenues over Expenditures	<u>\$ 10,000</u>	15,795	<u>\$ 5,795</u>
Fund Balance			
Beginning of year		<u>200,463</u>	
End of year		<u>\$ 216,258</u>	

CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 325,000	\$ 297,939	\$ (27,061)
Interest income	4,200	1,475	(2,725)
Replacement tax	25,000	38,080	13,080
Total Revenues	354,200	337,494	(16,706)
Expenditures			
General management and support	210,247	192,086	18,161
Excess of Revenues over Expenditures	143,953	145,408	1,455
Other Financing (Uses)			
Operating transfers (out)			
General Assistance Fund	(115,000)	(117,833)	(2,833)
Excess of Revenues over Expenditures and Other Financing Uses	<u>\$ 28,953</u>	27,575	<u>\$ (1,378)</u>
Fund Balance			
Beginning of year		<u>338,543</u>	
End of year		<u>\$ 366,118</u>	

CITY OF EVANSTON, ILLINOIS

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year ended February 28, 2005

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 865,000	\$ 803,482	\$ (61,518)
Interest income	4,000	1,070	(2,930)
Earnfare	2,500	3,385	885
SSI reimbursement	(20,000)	25,784	45,784
Emergency assistance reimbursement	110,000	74,239	(35,761)
Total Revenues	961,500	907,960	(53,540)
Expenditures			
General management and support	1,103,599	1,037,830	(65,769)
(Deficiency) of Revenues (under) Expenditures	(142,099)	(129,870)	12,229
Other Financing Sources			
Transfers in			
Town Fund	115,000	117,833	2,833
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ (27,099)</u>	(12,037)	<u>\$ 15,062</u>
Fund Balance			
Beginning of year		<u>231,192</u>	
End of year		<u>\$ 219,155</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, 2005

	General Obligation Debt		Special Service District No. 5		Central Business Tax Increment District	
	Original and Final		Original and Final		Original and Final	
	Budget	Actual	Budget	Actual	Budget	Actual
Revenues						
Taxes						
Property taxes						
Current year levy, net	\$ 8,447,258	\$ 8,269,116	\$ 440,854	\$ 440,854	\$ 8,307,128	\$ 5,036,598
Prior year levy, net	-	407,913	-	18,486	-	2,386
Sales tax	-	-	-	-	250,000	250,000
Investment income	90,000	170,309	200	261	50,000	63,591
Miscellaneous	-	-	-	-	-	-
Total Revenues	8,537,258	8,847,338	441,054	459,601	8,607,128	5,352,575
Expenditures						
General management and support	-	259	-	42,920	-	354,646
Health and human resources development	-	-	-	-	-	200,000
Debt Service						
Principal	6,330,000	6,666,485	145,000	255,000	295,000	295,000
Interest	4,040,071	3,483,252	7,686	183,749	394,500	356,415
Fiscal agent fees	125,000	191,314	-	-	40,000	35,608
Total Expenditures	10,495,071	10,341,310	152,686	481,669	729,500	1,241,669
Excess (Deficiency) of Revenues over (under) Expenditures	(1,957,813)	(1,493,972)	288,368	(22,068)	7,877,628	4,110,906
Other Financing Sources (Uses)						
Operating transfers in (out)						
Bond Proceeds	-	12,067,261	-	-	-	-
Escrow Funding	-	(11,886,028)	-	-	-	-
General	126,840	175,000	-	-	(300,000)	(300,000)
Special Assessment						
Capital Projects	253,055	253,055	-	-	-	-
Water Fund	-	1,308,102	-	-	-	-
Washington National TIF DS	-	-	-	-	(845,315)	(845,315)
Maple Avenue Garage	-	-	-	-	(4,117,700)	(4,000,000)
Capital Improvement	-	354,791	-	-	-	-
Downtown TIF DS	-	-	-	-	-	-
Total	379,895	2,272,181	-	-	(5,263,015)	(5,145,315)
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$(1,577,918)</u>	778,209	<u>\$ 288,368</u>	(22,068)	<u>\$ 2,614,613</u>	(1,034,409)
Fund Balances						
Beginning of year		879,709		60,137		7,893,260
End of year		<u>\$ 1,657,918</u>		<u>\$ 38,069</u>		<u>\$ 6,858,851</u>

Southwest Tax Increment District		Howard Hartrey Tax Increment District		Washington National Tax Increment District		Totals	
Original and Final		Original and Final		Original and Final		Original and Final	
Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
\$ 583,995	\$ 577,515	\$ 1,168,810	\$ 1,199,891	\$ 981,199	\$ 999,838	\$ 19,929,244	\$ 16,523,812
-	50,377	-	-	-	14,915	-	494,077
-	-	-	-	75,000	75,000	325,000	325,000
10,000	9,953	50,000	51,315	10,000	18,067	210,200	313,496
-	-	-	-	-	-	-	-
593,995	637,845	1,218,810	1,251,206	1,066,199	1,107,820	20,464,444	17,656,385
-	-	-	-	41,916	1,658	41,916	399,483
600,000	-	-	200,000	-	200,000	600,000	600,000
225,000	225,000	490,000	395,000	140,000	140,000	7,625,000	7,976,485
58,150	58,500	385,713	288,620	1,280,740	700,739	6,166,860	5,071,275
-	-	-	-	74,725	132,214	239,725	359,136
883,150	283,500	875,713	883,620	1,537,381	1,174,611	14,673,501	14,406,379
(289,155)	354,345	343,097	367,586	(471,182)	(66,791)	5,790,943	3,250,006
-	-	-	-	-	-	-	12,067,261
-	-	-	-	-	-	-	(11,886,028)
(20,600)	(20,600)	(125,000)	(125,000)	(133,900)	(133,900)	(452,660)	(404,500)
-	-	-	-	-	-	253,055	253,055
-	-	-	-	-	-	-	1,308,102
-	-	-	-	-	-	(845,315)	(845,315)
-	-	-	-	-	-	(4,117,700)	(4,000,000)
-	-	-	-	-	-	-	354,791
-	-	-	-	845,315	845,315	845,315	845,315
(20,600)	(20,600)	(125,000)	(125,000)	711,415	711,415	(4,317,305)	(2,307,319)
<u>\$ (309,755)</u>	333,745	<u>\$ 218,097</u>	242,586	<u>\$ 240,233</u>	644,624	<u>\$ 1,473,638</u>	942,687
	<u>(27,159)</u>		<u>839,027</u>		<u>3,217,596</u>		<u>12,862,570</u>
	<u>\$ 306,586</u>		<u>\$ 1,081,613</u>		<u>\$ 3,862,220</u>		<u>\$ 13,805,257</u>

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PROPRIETARY FUND TYPES

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CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets
February 28, 2005

	Operation and Maintenance Account	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	
Assets					
Current Assets					
Cash and equivalents	\$ 136,795	\$ -	\$ -	\$ -	\$ 136,795
Receivables					
Accounts - billed	1,068,680	-	-	-	1,068,680
Accounts - unbilled	919,650	-	-	-	919,650
Due from other funds	320,607	-	-	(897)	319,710
Intrafund receivable	639,056	170,066	47	(809,169)	-
Inventory	479,464	-	-	-	479,464
Total Current Assets	3,564,252	170,066	47	(810,066)	2,924,299
Noncurrent Assets					
Restricted cash and equivalents and investments	568,356	1,452,586	2,969,092	5,860,181	10,850,215
Total Restricted Assets	568,356	1,452,586	2,969,092	5,860,181	10,850,215
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	-	-	-	1,996,767	1,996,767
Capital assets being depreciated	54,465,590	-	-	-	54,465,590
Less accumulated depreciation	(12,905,428)	-	-	-	(12,905,428)
Total Capital Assets	42,115,577	-	-	1,996,767	44,112,344
Total Assets	\$ 46,248,185	\$ 1,622,652	\$ 2,969,139	\$ 7,046,882	\$ 57,886,858

	Restricted Accounts				Totals
	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	
Liabilities and Net Assets					
Current Liabilities (Payable from Current Assets)					
Vouchers payable	\$ 180,327	\$ -	\$ -	\$ 179,992	\$ 360,319
Accrued payroll	48,816	-	-	-	48,816
Due to other funds	1,308,102	-	-	-	1,308,102
Compensated absences payable	311,322	-	-	-	311,322
Total Current Liabilities	1,848,567	-	-	179,992	2,028,559
Current Liabilities (Payable from Restricted Assets)					
Vouchers payable	-	-	-	10,629	10,629
Interest payable	-	29,559	-	-	29,559
Revenue bonds payable	-	144,167	-	-	144,167
Total Restricted Liabilities	-	173,726	-	10,629	184,355
Long-Term Liabilities					
Revenue bonds payable	4,430,833	-	-	-	4,430,833
Unamortized bond discount on bonds payable	16,662	-	-	-	16,662
Total Long-Term Liabilities	4,447,495	-	-	-	4,447,495
Total Liabilities	6,296,062	173,726	-	190,621	6,660,409
Net Assets					
Restricted for debt service	-	1,448,926	2,969,139	6,856,261	11,274,326
Unrestricted	39,952,123	-	-	-	39,952,123
Total Net Assets	39,952,123	1,448,926	2,969,139	6,856,261	51,226,449
Total Liabilities and Net Assets	\$ 46,248,185	\$ 1,622,652	\$ 2,969,139	\$ 7,046,882	\$ 57,886,858

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts
Year ended February 28, 2005

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
Increases				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ 1,020,400	\$ 145,800	\$ 2,993,600	\$ 4,159,800
Transfer from Capital Improvement	\$ -	\$ -	4,000,000	4,000,000
Investment earnings	15,443	34,406	52,561	102,410
Total Increases	1,035,843	180,206	7,046,161	8,262,210
Decreases				
Bond principal	815,000	-	-	815,000
Bond interest	201,705	-	-	201,705
Purchase of capital assets	-	-	1,669,122	1,669,122
Transfer to Insurance Fund	-	-	4,000,000	4,000,000
Payment of expense	2,850	-	3,279	6,129
Intrafund transfers to operation and maintenance	-	145,800	1,308,102	1,453,902
Total Decreases	1,019,555	145,800	6,980,503	8,145,858
Net Increase	16,288	34,406	65,658	116,352
Net Assets				
Beginning of year	1,432,638	2,934,733	6,790,603	11,157,974
End of year	\$ 1,448,926	\$ 2,969,139	\$ 6,856,261	\$ 11,274,326

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, 2005

(With Comparative Totals for the Year Ended February 29, 2004)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 13,199,800	\$ 12,739,153	\$ 12,992,143
Miscellaneous	214,100	447,692	486,236
Total Operating Revenues	13,413,900	13,186,845	13,478,379
Operating Expenses Excluding Depreciation			
Administration	636,500	698,958	765,262
Operations			
Pumping	1,868,800	1,745,290	1,699,664
Filtration	1,954,700	1,665,264	1,763,407
Meter maintenance	287,800	294,986	279,882
Distribution	1,154,100	1,110,097	1,098,151
Other	837,900	874,507	935,192
Total Operating Expenses Excluding Depreciation	6,739,800	6,389,102	6,541,558
Operating Income Before Depreciation	6,674,100	6,797,743	6,936,821
Depreciation	-	1,296,208	1,287,466
Operating Income	6,674,100	5,501,535	5,649,355
Nonoperating Revenues (Expenses)			
Investment income	65,000	49,387	39,005
Interest expense	-	(201,705)	(231,023)
Bond expenses and amortization of discount	-	(3,654)	(5,968)
Net book value of capital assets disposed	-	(2,643)	(6,205)
Total Nonoperating Revenues (Expenses)	65,000	(158,615)	(204,191)
Income Before Transfers	6,739,100	5,342,920	5,445,164
Transfers In (Out)			
Transfer In	-	1,308,102	618,336
Transfer Out	(2,615,200)	(3,923,302)	(3,265,106)
	(2,615,200)	(2,615,200)	(2,646,770)
Net Income	<u>\$ 4,123,900</u>	2,727,720	2,798,394
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		(1,328,173)	(1,943,047)
Increase in Unreserved Net Assets		1,399,547	855,347
Unreserved Net Assets			
Beginning of year		38,552,576	37,697,229
End of year		<u>\$ 39,952,123</u>	<u>\$ 38,552,576</u>

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

Year ended February 28, 2005

(With Comparative Totals for the Year Ended February 29, 2004)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 6,588,000	\$ 6,559,026	\$ 6,665,158
Skokie	3,183,600	2,802,720	2,959,732
Northwest Water Commission	3,428,200	3,377,407	3,367,253
Total Charges for Services	13,199,800	12,739,153	12,992,143
Miscellaneous			
Fees and outside work	45,000	85,788	73,740
Fees, merchandise and other	169,100	361,904	412,496
Total Miscellaneous	214,100	447,692	486,236
Total Operating Revenues	\$ 13,413,900	\$ 13,186,845	\$ 13,478,379

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

Schedule of Net Assets

February 28, 2005

Assets	Fleet Services	Insurance	Totals
Current Assets			
Cash and equivalents	\$ 36,705	\$ 185,772	\$ 222,477
Investment	-	7,043,522	7,043,522
Receivables - other	18,386	9,606	27,992
Due from other funds	244	-	244
Inventory	254,434	-	254,434
Total Unrestricted Current Assets	309,769	7,238,900	7,548,669
Capital Assets			
Cost	18,209,749	-	18,209,749
Accumulated depreciation	(12,049,944)	-	(12,049,944)
Total Capital Assets	6,159,805	-	6,159,805
Total Assets	6,469,574	7,238,900	13,708,474
Liabilities and Fund Equity			
Current Liabilities			
Vouchers payable	185,237	-	185,237
Accrued payroll	22,085	486	22,571
Interest payable	5,713	-	5,713
Compensated absences payable	100,019	-	100,019
General obligation bonds payable	450,000	-	450,000
Claims payable	-	9,731,084	9,731,084
Due to other government	-	24,739	24,739
Due to other funds	4,799	2,135	6,934
Total Current Liabilities	767,853	9,758,444	10,526,297
Long-Term Liabilities			
Claims payable	-	2,965,700	2,965,700
Total Liabilities	767,853	12,724,144	13,491,997
Net Assets (Deficit)			
Invested in capital assets, net of related debt	5,709,805	-	5,709,805
Unrestricted	(8,084)	(5,485,244)	(5,493,328)
Total net assets (deficit)	\$ 5,701,721	\$ (5,485,244)	\$ 216,477

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Schedule of Revenues, Expenses, and Changes in Net Assets
Year ended February 28, 2005

	Fleet Services	Insurance	Totals
Operating Revenues			
Charges for Services			
General Fund	\$ 4,047,100	\$ 1,900,000	\$ 5,947,100
Sewer Fund	235,800	-	235,800
Water Fund	301,900	-	301,900
Motor Vehicle Parking System Fund	99,200	-	99,200
Miscellaneous	93,440	306	93,746
Total Operating Revenues	<u>4,777,440</u>	<u>1,900,306</u>	<u>6,677,746</u>
Operating Expenses			
General support	456,861	-	456,861
Major maintenance	2,342,266	-	2,342,266
Vehicle body maintenance	294,582	-	294,582
General liability claims	-	(9,489,979)	(9,489,979)
Workers compensation claims	-	2,030,038	2,030,038
Other	192,602	12,737	205,339
Total Operating Expenses	<u>3,286,311</u>	<u>(7,447,204)</u>	<u>(4,160,893)</u>
Operating Income (Loss) Before Depreciation	1,491,129	9,347,510	10,838,639
Depreciation	<u>1,455,720</u>	<u>-</u>	<u>1,455,720</u>
Operating Income (Loss)	<u>35,409</u>	<u>9,347,510</u>	<u>9,382,919</u>
Nonoperating Revenues (Expenses)			
Investment income	38	15,680	15,718
Other nonoperating revenues	5,695	-	5,695
Interest expense	(58,876)	-	(58,876)
Amortization of bond discount	(1,186)	-	(1,186)
Gain (Loss) on disposition of assets	59,973	-	59,973
Total Nonoperating Revenues (Expenses)	<u>5,644</u>	<u>15,680</u>	<u>21,324</u>
Income (Loss) before Operating Transfers	41,053	9,363,190	9,404,243
Transfers In (Out)			
Water Fund	-	4,000,000	4,000,000
Sewer Fund	-	4,000,000	4,000,000
Parking Fund	350,000	-	350,000
Change in Net Assets	<u>391,053</u>	<u>17,363,190</u>	<u>17,754,243</u>
Total Net Assets (Deficit) - Beginning of Year	<u>5,310,668</u>	<u>(22,848,434)</u>	<u>(17,537,766)</u>
Total Net Assets (Deficit)- End of Year	<u>\$ 5,701,721</u>	<u>\$ (5,485,244)</u>	<u>\$ 216,477</u>

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Schedule of Cash Flows
Year ended February 28, 2005

	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 4,777,313	\$ 1,890,700	\$ 6,668,013
Receipts from interfund services provided	(244)	2,090,760	2,090,516
Payments to suppliers	(2,702,032)	(6,123,468)	(8,825,500)
Payments to employees	(453,428)	(2,029,552)	(2,482,980)
Payments for interfund services provided	(39,767)	1,064	(38,703)
Net Cash Provided By (Used For) Operating Activities	1,581,842	(4,170,496)	(2,588,654)
Cash Flows from Noncapital Financing Activities			
Operating transfers			
Water Fund	-	4,000,000	4,000,000
Sewer Fund	-	4,000,000	4,000,000
Parking Fund	350,000	-	350,000
Net Cash Provided by Noncapital Financing Activities	350,000	8,000,000	8,350,000
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	281,858	-	281,858
Acquisition and construction of capital assets	(1,958,941)	-	(1,958,941)
Principal paid on general obligation bonds	(915,000)	-	(915,000)
Interest paid on general obligation bonds	(70,885)	-	(70,885)
Net Cash (Used for) Capital and Related Financing Activities	(2,662,968)	-	(2,662,968)
Cash Flows from Investing Activities			
Proceeds from sales and maturities of investment	500,000	3,500,000	4,000,000
Purchase of investments	-	(7,515,580)	(7,515,580)
Interest income	38	15,680	15,718
Net Decrease in Cash and Equivalents	(231,088)	(170,396)	(401,484)
Cash and Equivalents			
Beginning of year	267,793	356,168	623,961
End of year	\$ 36,705	\$ 185,772	\$ 222,477

Continued

CITY OF EVANSTON, ILLINOIS

Combining Schedule of Cash Flows - Continued

Internal Service Funds
 Year ended February 28, 2005

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash			
Provided by (Used for) Operating Activities			
Operating Income	\$ 35,409	\$ 9,347,510	\$ 9,382,919
Adjustments to reconcile operating income to			
net cash provided by (used for) operating activities			
Depreciation	1,455,720	-	1,455,720
Changes in assets and liabilities			
Other receivables	(127)	(9,606)	(9,733)
Interfund receivable	(244)	2,090,760	2,090,516
Inventory	35,746	-	35,746
Compensated absences	487	-	487
Accrued payroll	2,946	486	3,432
Interfund payable	(39,767)	1,064	(38,703)
Vouchers payable	91,672	(73,551)	18,121
Claims payable	-	(15,468,868)	(15,468,868)
Due to other governments	-	(58,291)	(58,291)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 1,581,842</u>	<u>\$ (4,170,496)</u>	<u>\$ (2,588,654)</u>

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**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

CITY OF EVANSTON, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source
 Year ended February 28, 2005

	2005	2004
Governmental funds capital assets:		
Land	\$ 6,556,620	\$ 6,556,620
Right of way	18,606,141	18,606,141
Buildings and improvements	76,877,897	76,477,157
Office equipment and furniture	10,629,496	5,696,745
Machinery and equipment	703,123	699,003
Library collections	9,929,181	9,354,086
Capitalized leases	1,190,567	1,190,567
Infrastructure	78,806,398	73,165,617
Construction in progress	9,284,228	3,563,951
	<u>212,583,651</u>	<u>195,309,887</u>
Total governmental funds capital assets	\$ <u>212,583,651</u>	\$ <u>195,309,887</u>
Investments in governmental funds capital assets by source:		
Capital Project Funds	\$ 182,432,795	\$ 165,738,247
General and Special Revenue Funds	29,537,332	28,958,116
Gifts / Donation	613,524	613,524
	<u>212,583,651</u>	<u>195,309,887</u>
Total governmental funds capital assets	\$ <u>212,583,651</u>	\$ <u>195,309,887</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital asset balances of the internal service funds were \$18,209,749 at February 28, 2005 and \$17,390,095 at February 29, 2004.

CITY OF EVANSTON, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity
 Year ended February 28, 2005

FUNCTION AND ACTIVITY	<u>Land</u>	<u>Buildings and improvements</u>	<u>Office equipment and furniture</u>	<u>Machinery and equipment</u>
General management and support	\$ 5,194,320	\$ 5,565,293	\$ 9,337,545	\$ 180,312
Public safety	99,900	13,271,700	1,226,956	260,079
Public works	951,020	20,054,066	-	46,884
Recreation and cultural opportunities	<u>311,380</u>	<u>37,986,838</u>	<u>64,995</u>	<u>215,848</u>
Total capital assets	<u>\$ 6,556,620</u>	<u>\$ 76,877,897</u>	<u>\$ 10,629,496</u>	<u>\$ 703,123</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital asset balances of the internal service funds were \$18,209,749 at February 28, 2005 and \$17,390,095 at February 29, 2004.

<u>Library Collections</u>	<u>Right of Way</u>	<u>Capitalized leases</u>	<u>Infrastructure</u>	<u>Construction in progress</u>	<u>Total</u>
\$ -	\$ 18,606,141	\$ 706,974	\$ -	\$ -	\$ 39,590,585
-	-	70,719	-	-	14,929,354
-	-	-	73,983,125	9,284,228	104,319,323
<u>9,929,181</u>	<u>-</u>	<u>412,874</u>	<u>4,823,273</u>	<u>-</u>	<u>53,744,389</u>
<u>\$ 9,929,181</u>	<u>\$ 18,606,141</u>	<u>\$ 1,190,567</u>	<u>\$ 78,806,398</u>	<u>\$ 9,284,228</u>	<u>\$ 212,583,651</u>

CITY OF EVANSTON, ILLINOIS

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity
Year ended February 28, 2005

FUNCTION AND ACTIVITY	Capital assets March 1, 2004	Additions	Deletions	Capital assets February 28, 2005
General management and support	\$ 38,262,375	\$ 4,892,161	\$ (3,563,951)	\$ 39,590,585
Public safety	14,483,904	445,450	-	14,929,354
Public works	90,838,831	13,695,267	(214,775)	104,319,323
Recreation and cultural opportunities	<u>51,724,777</u>	<u>2,101,769</u>	<u>(82,157)</u>	<u>53,744,389</u>
Total capital assets	<u>\$ 195,309,887</u>	<u>\$ 21,134,647</u>	<u>\$ (3,860,883)</u>	<u>\$ 212,583,651</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital asset balances of the internal service funds were \$18,209,749 at February 28, 2005 and \$17,390,095 at February 29, 2004.

STATISTICAL SECTION (UNAUDITED)

CITY OF EVANSTON, ILLINOIS

Government-wide Expenses by Function

Year ended February 28, 2005

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Government Activities			
General management and support	\$ 14,273,641	\$ 15,791,355	\$ 14,450,761
Public safety	33,420,019	39,237,180	31,167,640
Public works	13,186,710	13,065,137	14,224,855
Health and human resource development	5,041,428	5,370,262	5,843,522
Recreation and cultural opportunities	16,247,049	17,129,356	18,276,621
Housing and economic development	5,817,651	5,973,494	6,757,476
Interest	<u>4,540,304</u>	<u>4,899,622</u>	<u>5,086,412</u>
Total governmental activities	<u>92,526,802</u>	<u>101,466,406</u>	<u>95,807,287</u>
Business-type Activities			
Water	11,407,511	8,992,102	8,175,691
Motor vehicle parking system	3,701,739	3,468,096	4,777,494
Sewer	8,543,719	8,964,469	8,781,361
Maple avenue garage fund	<u>2,678,894</u>	<u>3,028,429</u>	<u>3,148,145</u>
Total business-type activities	<u>26,331,863</u>	<u>24,453,096</u>	<u>24,882,691</u>
Total expenses	<u>\$ 118,858,665</u>	<u>\$ 125,919,502</u>	<u>\$ 120,689,978</u>

Source: City's Comprehensive Annual Financial Reports.

Note: The City implemented GASB-34 for the fiscal year ended February 28, 2003.

CITY OF EVANSTON, ILLINOIS

Government-wide Revenues

Year ended February 28, 2005

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Program revenues			
Charges for services	\$ 53,636,822	\$ 56,731,361	\$ 58,870,294
Operating grants and contributions	3,006,468	3,479,547	3,713,201
Capital grants and contributions	1,962,713	1,458,824	212,000
General revenues			
Property and replacement taxes	71,718,463	75,929,482	79,714,394
Sales tax	217,000	345,000	345,000
Motor fuel tax	2,116,330	-	- *
Special assessments	208,002	-	- *
Gain on sale of capital assets	174,825	93,223	53,605
Miscellaneous	2,131,077	2,003,696	4,942,465
Investment income	<u>1,698,323</u>	<u>2,054,006</u>	<u>1,928,258</u>
Total revenues	<u>\$ 136,870,023</u>	<u>\$ 142,095,139</u>	<u>\$ 149,779,217</u>

* Included in program revenues in 2004 and 2005

Source: City's Comprehensive Annual Financial Reports.

Note: The City implemented GASB-34 for the fiscal year ended February 28, 2003.

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CITY OF EVANSTON, ILLINOIS

General Governmental Revenues - By Source (City Funds) Last Ten Fiscal Years

	1996	1997	1998	1999
Taxes	\$ 44,435,251	\$ 47,377,295	\$ 49,253,561	\$ 51,219,538
Licenses and permits	3,318,511	3,935,179	4,394,035	4,186,623
Intergovernmental	4,960,463	4,420,780	5,773,857	5,593,385
Charges for services	4,631,830	4,012,343	4,030,003	4,997,650
Fines and forfeits	1,689,984	1,902,396	2,763,919	2,830,747
Investment income	709,267	803,826	930,876	832,176
Miscellaneous	3,004,735	3,305,452	3,642,998	3,586,765
	<u>\$ 62,750,041</u>	<u>\$ 65,757,271</u>	<u>\$ 70,789,249</u>	<u>\$ 73,246,884</u>

Note: Includes General, Special Revenue and Debt Service Funds

	2000	2001	2002	2003	2004	2005
\$	56,526,013	\$ 61,553,222	\$ 62,319,808	\$ 52,545,639	\$ 56,923,353	\$ 59,026,698
	5,333,590	6,436,357	7,404,986	6,459,186	6,699,058	6,773,407
	6,250,303	5,448,577	5,859,079	18,291,511	18,004,581	21,519,882
	4,859,680	5,491,544	5,514,980	6,261,930	5,996,802	6,052,956
	2,624,768	2,782,303	3,241,930	3,742,055	4,162,610	3,999,105
	1,178,473	1,909,097	1,442,953	690,001	953,816	698,922
	4,103,998	4,127,182	3,631,267	5,995,219	4,714,224	8,156,295
\$	80,876,825	\$ 87,748,282	\$ 89,415,004	\$ 93,985,541	\$ 97,454,444	\$ 106,227,265

CITY OF EVANSTON, ILLINOIS

General Governmental Expenditures - By Function/Program (City Funds) Last Ten Fiscal Years

	1996	1997	1998	1999
General management and support services	\$ 6,221,091	\$ 6,009,344	\$ 6,200,320	\$ 7,212,004
Public Safety	19,190,402	19,493,788	21,239,535	22,181,724
Public Works	9,196,628	9,771,057	9,615,973	10,434,066
Health and human resource development	3,364,856	3,632,846	3,991,174	4,211,702
Recreation and cultural opportunities	9,176,867	9,624,646	9,939,803	10,590,037
Housing and economic development	4,911,069	4,534,206	6,320,413	5,336,215
Pension / IMRF	3,748,991	3,865,286	3,811,861	3,938,842
Debt service	12,605,427	18,486,089	15,791,760	12,187,953
	<u>\$ 68,415,331</u>	<u>\$ 75,417,262</u>	<u>\$ 76,910,839</u>	<u>\$ 76,092,543</u>

Note: Includes General, Special Revenue and Debt Service Funds

	2000	2001	2002	2003	2004	2005
\$	8,260,083	\$ 8,909,240	\$ 11,965,898	\$ 11,293,648	\$ 11,815,342	\$ 13,156,536
	22,504,948	23,927,733	25,454,153	26,875,820	28,008,431	29,707,010
	12,677,399	12,211,887	11,655,007	10,847,474	11,118,899	12,070,461
	4,341,946	4,743,728	4,620,954	4,839,565	5,272,090	5,800,662
	11,729,639	12,107,322	13,028,036	13,422,959	14,251,886	15,493,468
	7,013,119	5,619,661	6,292,771	5,661,898	5,882,117	6,717,231
	3,858,622	3,926,955	4,090,630	4,209,396	2,687,984	1,371,992
	10,717,903	11,095,141	10,639,365	11,224,087	14,548,084	12,912,536
\$	81,103,659	\$ 82,541,667	\$ 87,746,814	\$ 88,374,847	\$ 93,584,833	\$ 97,229,896

CITY OF EVANSTON, ILLINOIS

Schedule of Insurance in Force

March 1, 2005

<u>Name of Company</u>	<u>Policy Number</u>	<u>Policy Dates</u>	<u>Type of Coverage</u>	<u>Details</u>
FM Global	FC359	3/01/05 - 3/01/06	All - Risk Property (includes business interruption, loss of rents, and fine arts)	Actual cash value per Statement of Values each loss/each location in excess of \$75,000 deductible
Hartford Insurance Co.	83MSRZ3857	3/01/05 - 3/01/06	Fine Arts - Noyes, Levy Center and Fleetwood/Jourdain Theaters	Per Statement of Values in excess of \$250 deductible limits of different levels at each property
Safety National Casualty Corp.	SP8724-IL	9/15/04 - 9/15/05	Excess Workers' Compensation	Specific excess coverage in excess of \$500,000 per occurrence
Western World Insurance	NPP939174	3/01/05 - 3/01/06	Ambulance/Paramedic Liability	\$1,000,000 per occurrence; \$1,000,000 aggregate
Illinois National Insurance Co.	76081596	3/01/05 - 3/01/06	Excess Liability	\$10,000,000 coverage in excess of \$2,000,000 per occurrence (first \$2,000,000 is City's portion)
Lexington Insurance Co.	6500801	3/01/05 - 3/01/06	Excess Liability	\$5,000,000 coverage in excess of \$10,000,000 per occurrence
National Union Fire Ins. Co. (AIG)	4906490	3/01/05 - 3/01/06	Crime Policy	Theft of cash in excess of \$25,000 deductible, to limit of \$2,000,000

CITY OF EVANSTON, ILLINOIS

Property Tax Rates
Last Ten Levy Years

Tax Levy Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Fund										
General Corporate	1.3672	1.1649	1.1161	1.0918	0.9801	1.0231	1.0872	0.8646	0.8554	0.8977
Debt Service	0.5740	0.5308	0.5417	0.5946	0.5443	0.5574	0.5743	0.4467	0.4404	0.4494
	1.9412	1.6957	1.6578	1.6864	1.5244	1.5805	1.6615	1.3113	1.2958	1.3471
Police Pension	0.2209	0.2111	0.2154	0.2138	0.2062	0.2021	0.2088	0.1819	0.1812	0.1981
Firefighters' Pension	0.1842	0.1774	0.1855	0.1681	0.1566	0.1505	0.1626	0.1348	0.1321	0.1520
Total All Funds	2.3463	2.0842	2.0587	2.0683	1.8872	1.9331	2.0329	1.6280	1.6091	1.6972
Actual Rate Extended	2.347	2.085	2.059	2.069	1.888	1.934	2.033	1.628	1.610	1.698

*2004 property tax rates were not available at publication of this report.

CITY OF EVANSTON, ILLINOIS

Property Tax Levies and Collections (City)
Last Ten Levy Years

(1) Tax Levy Year	(2) Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Levy	Outstanding and Delinquent Taxes	Outstanding and Delinquent Taxes as Percent of Current Levy
1995	\$ 23,757,143	\$ 23,627,365	99.45%	\$ 24,932	\$ 23,652,297	99.56%	\$ 104,846	0.44%
1996	23,757,143	23,390,347	98.46%	284,877	23,675,224	99.66%	81,919	0.34%
1997	23,757,144	23,234,806	97.80%	404,013	23,638,819	99.50%	118,325	0.50%
1998	23,757,032	23,223,913	97.76%	544,880	23,768,793	100.05%	(11,761)	-0.05%
1999	25,137,352	24,468,693	97.34%	425,270	24,893,963	99.03%	243,389	0.97%
2000	26,217,646	25,319,911	96.58%	421,153	25,741,064	98.18%	476,582	1.82%
2001	26,305,327	25,391,349	96.53%	442,216	25,833,565	98.21%	471,762	1.79%
2002	27,957,126	27,286,591	97.60%	254,154	27,540,745	98.51%	416,381	1.49%
2003	29,813,787	28,565,408	95.81%	365,801	28,931,209	97.04%	882,578	2.96%
2004	32,100,657	3,136,363	9.77%	-	3,136,363	9.77%	28,964,294	90.23%

Notes:

- (1) In Illinois, general property taxes are billed and payable in the first year following the levy year.
- (2) Does not include tax levy for Special Service District debt, Central Business Tax Increment District debt, Howard Hartrey Tax Increment District debt, Southwest Tax Increment District debt, or Washington National Tax Increment District debt.

CITY OF EVANSTON, ILLINOIS

Analysis of City Government Tax Levies
Last Ten Levy Years

Tax Levy Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Fund										
General Corporate	\$ 13,278,261	\$ 12,879,799	\$ 12,540,792	\$ 12,320,265	\$ 13,304,293	\$ 13,986,844	\$ 13,970,507	\$ 14,862,246	\$ 15,504,388	\$ 16,105,714
Debt Service	6,050,947	6,250,681	6,829,848	6,875,709	7,248,097	7,452,297	7,218,006	7,650,862	8,263,107	8,593,632
	19,329,208	19,130,480	19,370,640	19,195,974	20,552,390	21,439,141	21,188,513	22,513,108	23,767,495	24,699,346
Police Pension	2,405,808	2,486,082	2,455,583	2,592,476	2,627,920	2,686,300	2,939,263	3,147,859	3,420,846	4,171,429
Firefighters Pension	2,022,127	2,140,581	1,930,921	1,968,582	1,957,042	2,092,205	2,177,551	2,296,159	2,625,446	3,229,882
	<u>\$ 23,757,143</u>	<u>\$ 23,757,143</u>	<u>\$ 23,757,144</u>	<u>\$ 23,757,032</u>	<u>\$ 25,137,352</u>	<u>\$ 26,217,646</u>	<u>\$ 26,305,327</u>	<u>\$ 27,957,126</u>	<u>\$ 29,813,787</u>	<u>\$ 32,100,657</u>

Note:

Schedule does not include Central Business Tax Increment District debt, Howard Hartrey Tax Increment District debt, Southwest Tax Increment District debt, or Washington National Tax Increment District debt.

CITY OF EVANSTON, ILLINOIS

Property Tax Rates per \$100 - Direct and Overlapping Governments
Last Ten Levy Years

Tax Levy Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Government Unit										
City of Evanston	2.347	2.085	2.059	2.069	1.888	1.934	2.033	1.628	1.610	1.698
Consolidated Elections	-	-	-	0.027	-	0.023	-	0.032	-	0.029
Cook County	0.993	1.023	0.989	0.919	0.911	0.854	0.824	0.746	0.690	0.630
Cook County Forest Preserve District	0.073	0.072	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004
Metropolitan Water Reclamation District	0.495	0.495	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361
North Shore Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.011	0.011	0.010	0.009	0.009
Evanston Township	0.088	0.077	0.076	0.077	0.072	0.072	0.077	0.064	0.062	0.065
Community College 535	0.255	0.233	0.206	0.216	0.205	0.203	0.213	0.186	0.179	0.186
School District 202	3.202	2.946	2.992	3.107	2.905	2.865	2.977	2.469	2.349	2.444
School District 65	4.678	4.245	4.209	4.356	4.126	4.073	4.232	3.516	3.343	3.475
Total tax rate for property not in park district or special service district	12.150	11.195	11.116	11.315	10.642	10.532	10.859	9.126	8.680	8.960
Percent of total tax rate levied by City of Evanston	19.3%	18.6%	18.5%	18.3%	17.7%	18.4%	18.7%	17.8%	18.5%	19.0%

*2004 property tax rates were not available at publication of this report.

CITY OF EVANSTON, ILLINOIS

Equalized Assessed Valuation of Taxable Property Last Ten Levy Years

Tax Levy Year	Real Property	Railroad Property	Total Assessment	Equalization Factor
1994	1,012,476,073	111,936	1,012,588,009	2.1135
1995	1,139,714,098	153,640	1,139,867,738	2.1243
1996	1,153,575,794	356,179	1,153,931,973	2.1517
1997	1,148,286,831	317,786	1,148,604,617	2.1489
1998	1,256,699,519	296,665	1,256,996,184	2.1799
1999	1,300,085,710	286,492	1,300,372,202	2.2505
2000	1,286,161,490	298,315	1,286,459,805	2.2235
2001	1,615,527,795	311,382	1,615,839,177	2.3098
2002	1,737,175,732	368,172	1,737,543,904	2.4689
2003	1,726,750,429	397,456	1,727,147,885	2.4598

Notes:

- (1) Equalized assessed value is based on approximately 33% of estimated actual value.
- (2) Equalized assessed values do not include tax increment financing district incremental assessed values.
- (3) Equalized assessed values and equalization factor for the levy year 2004 were not available at publication of this report.

CITY OF EVANSTON, ILLINOIS

Special Assessment Billings and Collections
Last Ten Levy Years

Tax Levy Year	Total Current Installments	Total Collections Including Prepayments and Delinquent Collections	Total Outstanding Current, Delinquent, and Future Assessments
1996	\$ 134,181	\$ 114,550	\$ 377,696
1997	151,737	188,358	357,058
1998	195,698	227,311	582,145
1999	221,200	224,406	755,760
2000	202,662	275,867	742,605
2001	208,794	214,344	765,015
2002	224,764	258,313	737,273
2003	220,564	208,002	684,523
2004	207,711	216,740	1,014,798
2005	261,711	365,554	649,243

CITY OF EVANSTON, ILLINOIS

Ratio of Net General Obligation Bonded Debt to Equalized Assessed
Valuation and Net General Obligation Debt Per Capita (City)
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	Net Debt to Equalized Assessed Valuation	Net General Obligation Bonded Debt Per Capita
1996	73,233	1,139,867,738	\$ 120,403,037	\$ 4,124,072	\$ 61,595,000	\$ 54,683,965	4.80%	746.71
1997	73,233	1,153,931,973	123,574,951	4,199,858	62,575,000	56,800,093	4.92%	775.61
1998	73,233	1,148,604,617	128,908,875	4,039,098	62,085,000	62,784,777	5.47%	857.33
1999	73,233	1,256,996,184	130,976,752	4,178,055	68,025,000	58,773,697	4.68%	802.56
2000	73,233	1,300,372,202	128,981,760	4,182,913	64,175,000	60,623,847	4.66%	827.82
2001	74,239	1,286,459,805	156,955,729	4,562,562	91,710,000	60,683,167	4.72%	817.40
2002	74,239	1,615,839,177	147,832,588	5,193,168	86,835,000	55,804,420	3.45%	751.69
2003	74,239	1,710,663,113 (4)	194,086,731	6,942,441	123,720,000	63,424,290	3.71%	854.33
2004	74,239	1,737,543,904 (4)	191,073,334	6,592,437	114,445,000	70,035,897	4.03%	943.38
2005	74,239	1,727,147,885 (4)	187,110,000	6,678,359	106,935,000	73,496,641	4.26%	990.00

Notes:

- (1) Equalized assessed values do not include tax increment financing district incremental equalized assessed values.
- (2) Includes contracts payable from governmental funds. Excludes limited purpose special service district bonds and general obligation notes payable under line of credit with Northwestern University.
- (3) These amount include the general obligation bonds that are being repaid from the Sewer Fund, the Fleet Service Fund, the Motor Vehicle Parking System Fund, the Central Business Tax Increment District Fund, the Howard Hartrey Tax Increment Tax District Fund, the Southwest Tax Increment District Fund, the Washington Nat'l Tax Increment Tax District Fund, the Emergency Telephone System Fund, the Maple Street Parking Fund, recycling revenues of the General Fund, certain dedicated Water Fund revenues and property tax from the defunct Special Service District No. 5 Bonds is not being abated..
- (4) Equalized assessed values for fiscal year ending 2004 were not available at publication of this report; therefore, fiscal year ending 2003 values are used.

CITY OF EVANSTON, ILLINOIS

Schedule of Direct and Overlapping Debt (City)
February 28, 2005

	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 (2)	<u>\$ 73,496,641</u>	100.000%	<u>\$ 73,496,641</u>
Other bonded debt			
County of Cook	2,583,170,000 (3)	1.653%	42,693,975
Metropolitan Water Reclamation District	1,344,529,104 (4)	1.689%	22,711,786
High School District 202	15,300,978 (4)	89.919%	13,758,425
School District 65	49,425,000	89.919%	44,442,268
Skokie Park District	<u>11,620,000 (5)</u>	0.676%	<u>78,575</u>
Total Overlapping Debt	<u>4,004,045,082</u>		<u>123,685,030</u>
Total Direct and Overlapping Debt	<u><u>\$ 4,077,541,723</u></u>		<u><u>\$ 197,181,671</u></u>

Notes:

- (1) City of Evanston's share based upon 2001 real property valuations.
- (2) Excludes general obligation bonds reported in the enterprise and internal service funds, general obligation notes payable under line of credit with Northwestern University, and Special Service District No. 5 unlimited ad valorem tax bonds.
- (3) Includes Cook County Forest Preserve District debt.
- (4) Excludes General Obligation Notes issued in lieu of tax anticipation warrants and notes issued to provide interim construction financing.
- (5) Excludes \$28,884,163 General Obligation bonds issued pursuant to Section 15 of the Local Government Debt Reform Act ("Alternate Bonds").

CITY OF EVANSTON, ILLINOIS

Ratio of Annual Debt Service Expenditures for General Obligation Debt
to Total General Governmental Expenditures (City)
Last Ten Fiscal Years

Fiscal Year Ended	Principal	(1) Interest and Paying Agent Fees	(2) Total Debt Service	(3) Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 4,940,639	(3) \$ 3,963,212	\$ 8,903,851	\$ 68,415,331	13.01%
1997	5,203,536	(3) 4,194,072	9,397,608	75,417,262	12.46%
1998	5,933,536	(3) 3,960,368	9,893,904	(2) 76,910,839	12.86%
1999	5,580,868	(3) 4,490,869	10,071,737	76,092,543	13.24%
2000	6,008,333	4,262,359	10,270,692	(2) 81,103,659	12.66%
2001	6,140,000	4,512,807	10,652,807	82,541,667	12.91%
2002	6,105,000	4,092,174	10,197,174	87,746,814	11.62%
2003	6,465,000	4,713,831	11,178,831	88,374,847	12.65%
2004	9,165,000	5,010,117	14,175,117	93,584,833	15.15%
2005	7,645,000	4,831,383	12,476,383	97,229,896	12.83%

Notes:

- (1) Excludes interest paid by escrow agent.
- (2) Net of bond proceeds paid to escrow agent to advance refund general obligation bonds.
- (3) Excludes principal payments made upon maturity of certain Series 1993 Bond Anticipation Bonds.

CITY OF EVANSTON, ILLINOIS

Legal Debt Margin Information

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) If its population is more than 25,000 and less than 500,000, an aggregate of one percent;... Indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum ... shall not be included in the foregoing percentage amounts.”

To date, the General Assembly has not set debt limits for home rule municipalities.

The City Council’s currently approved budget policy includes the following provision:

The principal amount of general obligation debt, which is to be paid through property taxes, shall not at any one time exceed ninety-five million dollars (\$95,000,000).

As of February 28, 2005, the amount of direct debt of the City appearing in the direct and overlapping debt statistical table is \$73,496,641. This amount includes certain outstanding general obligation debt to be retired in future years with nonproperty tax revenue resources. Taking into account the nonproperty tax revenue, the outstanding debt is within the budget policy guidelines.

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year Ended	Gross Revenue	(1) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	(2) Interest	Total	
1996	\$ 12,128,099	\$ 4,984,307	\$ 7,143,792	\$ 1,382,500	\$ 1,170,384	\$ 2,552,884	2.80x
1997	12,134,432	5,128,622	7,005,810	1,485,833	1,067,950	2,553,783	2.74x
1998	12,113,182	5,669,524	6,443,658	1,613,334	941,293	2,554,627	2.52x
1999	13,192,965	5,416,366	7,776,599	1,907,500	639,234	2,546,734	3.05x
2000	13,709,645	5,602,297	8,107,348	2,170,000	666,466	2,836,466	2.86x
2001	13,509,413	5,430,908	8,078,505	2,245,000	589,559	2,834,559	2.85x
2002	13,005,269	5,670,480	7,334,789	2,325,000	494,210	2,819,210	2.60x
2003	13,687,288	9,347,238	4,340,050	2,200,000	343,795	2,543,795	1.71x
2004	13,583,515	7,056,290	6,527,225	805,000	235,913	1,040,913	6.27x
2005	13,338,642	6,395,231	6,943,411	805,000	206,575	1,011,575	6.86x

Notes:

- (1) Excludes depreciation and amortization.
- (2) Excludes interest paid by escrow agent.

CITY OF EVANSTON, ILLINOIS

Water Fund

Water Revenues by Area
Last Seven Fiscal Years

Schedule of Operating Revenues

Fiscal Year Ended	Evanston	Skokie	Northwest Water Commission	Total
1999	\$ 6,911,950	\$ 2,907,178	\$ 3,181,411	\$ 13,000,539
2000	6,774,380	2,908,102	3,367,773	13,050,255
2001	6,811,100	2,918,766	3,283,048	13,012,914
2002	6,606,091	2,859,685	3,247,291	12,713,067
2003	6,711,004	3,011,018	3,434,685	13,156,707
2004	6,665,158	2,959,732	3,367,253	12,992,143
2005	6,559,026	2,802,720	3,377,407	12,739,153

CITY OF EVANSTON, ILLINOIS

Water Fund

Water Pumpage by Area Last Seven Fiscal Years

Pumpage to Distribution System (Millions of Gallons)

Fiscal Year Ended	Evanston	Skokie	Northwest Water Commission	Total
1999	3,446.67	3,931.28	9,532.74	16,910.69
2000	3,717.30	3,891.25	9,830.50	17,439.05
2001	3,441.92	3,793.56	9,392.41	16,627.89
2002	3,443.72	3,643.84	9,119.18	16,206.74
2003	3,428.94	3,761.22	9,448.57	16,638.73
2004	3,448.09	3,624.90	9,079.86	16,152.85
2005	3,200.43	3,365.42	8,928.10	15,493.94

CITY OF EVANSTON, ILLINOIS

Water Fund
Ten Largest Water Customers

Ten Largest Water Customers (2004)

Rank	Name	Cubic Feet of Water Used
1	Northwestern University	42,339,900
2	Evanston Hospital	13,185,200
3	St. Francis Hospital	9,973,000
4	Presbyterian Homes	6,104,100
5	District 202, ETHS	3,494,200
6	North Shore Hotel	2,934,500
7	Albany House	2,658,700
8	District 65 Schools	1,911,800
9	Best Western Hotel	1,701,000
10	Wagner Health Center (Mather Pavillion)	1,460,500

CITY OF EVANSTON, ILLINOIS

Water Fund

Water Allocations and Use

Accounting Years Ending September 30

WATER ALLOCATIONS - - USERS OF EVANSTON WATER SYSTEM
(Million Gallons Per Day - - Accounting Years Ending September 30)

	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>
City of Evanston	9.941	10.070	10.199	10.328	10.453
Village of Skokie	10.950	11.073	11.196	11.319	11.433
Total Original Service Area	<u>20.891</u>	<u>21.143</u>	<u>21.395</u>	<u>21.647</u>	<u>21.886</u>
Village of Arlington Heights	9.667	9.809	9.951	10.093	10.244
Village of Palatine	8.009	8.645	9.281	9.917	10.598
Village of Buffalo Grove	4.922	5.489	6.079	6.098	6.180
Village of Wheeling	4.540	4.710	4.880	4.975	5.070
Total New Service Area (The Commission)	<u>27.138</u>	<u>28.653</u>	<u>30.191</u>	<u>31.083</u>	<u>32.092</u>
Combined Total	<u>48.029</u>	<u>49.796</u>	<u>51.586</u>	<u>52.730</u>	<u>53.978</u>

CITY OF EVANSTON, ILLINOIS

Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ended	(1) Population	(2) Per Capita Income	(3) Median Age	(4) Education Level in Years of Formal Schooling	(5) School Enrollment	(6) Unemployment Percentage
1996	73,233	\$ 27,356	31.9	13.6	9,533	3.80%
1997	73,233	28,117	31.9	13.6	9,556	3.90%
1998	73,233	28,740	31.9	13.6	9,764	3.70%
1999	73,233	29,372	31.9	13.6	9,433	3.60%
2000	73,233	30,068	31.9	13.6	10,068	3.50%
2001	74,239	30,068	31.9	13.6	9,999	4.20%
2002	74,239	33,645	32.5	13.6	10,889	5.00%
2003	74,239	36,296	32.5	13.6	9,766	5.40%
2004	74,239	36,296	32.5	13.6	9,849	5.00%
2005	74,239	37,384	32.5	13.6	9,740	5.00%

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census, 2000 census.
- (2) U.S. Department of Commerce, Bureau of the Census, based on adjustments through the Chicago Consumer
- (3) U.S. Department of Commerce, Bureau of the Census, 2000 census.
- (4) U.S. Department of Commerce, Bureau of the Census, 2000 census.
- (5) Evanston school boards - Districts #65 and #202 combined, based on enrollment figures as of September 30 of the previous year.
- (6) Illinois Department of Labor, Research Division. Figures are for Evanston only and represent average annual unemployment rate for previous calendar year.

CITY OF EVANSTON, ILLINOIS

Construction Value and Property Value Last Ten Fiscal Years

Fiscal Year Ended	(1) Construction Value	(2) Property Value
1996	\$ 41,911,303	3,419,000,000
1997	106,310,738	3,462,000,000
1998	107,237,350	3,446,000,000
1999	98,163,935	3,771,000,000
2000	176,684,000	3,901,000,000
2001	193,951,036	3,901,000,000
2002	269,726,073	3,998,000,000
2003	132,905,871	4,848,000,000
2004	124,772,892	5,200,000,000
2005	237,211,198	5,181,000,000

Data Sources

- (1) City of Evanston building department
- (2) Estimated actual value.

CITY OF EVANSTON, ILLINOIS

Principal Taxpayers
Ten Largest Taxpayers

Taxpayers	Type of Business	(1) Equalized Assessed Valuation	Percentage of Total Assessed Valuation
Golub & Company	Bank One/Office Building	\$ 21,567,189	1.26%
Rotary International	Office building - 18 story	16,757,724	0.98%
REP CBRE	Office building - Church & Davis	15,849,992	0.93%
Evanston NW Healthcare	Chicago Ave. Condo Building	14,570,008	0.85%
Church Street Plaza	Shopping Center	12,754,867	0.75%
Evanston Plaza Freed	Shopping Center	11,696,568	0.68%
Albertson's (Jewel & Osco)	Grocery & Drug Stores	11,566,292	0.68%
Church & Chicago LTD. Partnership	Chicago Avenue Condo Building	11,502,824	0.67%
Evanston Hotel	Hotel	10,814,757	0.63%
Lynn Minnici	1800 Sherman/Office Building	10,778,529	0.63%
Total Ten Largest Taxpayers		<u>\$ 137,858,750</u>	<u>7.93%</u>

Note:

(1) January 1, 2003 - Levy year 2003 for 2004 tax billing purposes. Levy year 2002 equalized assessed valuation, including tax increment financing district incremental values, was \$1,837,727,164

CITY OF EVANSTON, ILLINOIS

Miscellaneous Statistics
February 28, 2005

Date of Incorporation	1863
Form of Government	Council - Manager
Geographic Location	On Lake Michigan Immediately north of Chicago
Area	8.513 Square Miles
Population	
1900	19,259
1910	24,978
1920	37,234
1930	63,338
1940	65,389
1950	73,461
1955	74,959
1960	79,283
1970	80,113
1980	73,706
1990	73,233
2000	74,239
Number of Housing Units (2000 Census)	30,817
Per Capita Income	\$37,384
Annual Gross Retail Sales 2004/05	\$871,318,597
Municipal Services and Facilities	
Number of Full-Time Employees	790
Miles of Streets	137
Miles of Alleys	70
Miles of Sewers	150
Number of Street Lights	5,448
Value of Construction Authorized in 2004/2005	\$237,211,198

Continued

CITY OF EVANSTON, ILLINOIS

Miscellaneous Statistics - Continued
February 28, 2005

Fire Protection	
Number of Firefighters	110
Number of Other Employees	2
Number of Stations	5
Number of Fire Hydrants	1,200
I.S.O. Rating	Class 3
Police Protection	
Number of Police Officers	158
Number of School Crossing Guards	45
Number of Parking Enforcement Officers	16
Number of Other Employees	49
Library Services	
Number of Branch Libraries	2
Number of Books and Other Materials	545,670
Number of Registered Borrowers	40,770
Loan of Library Materials - 2004/2005	880,561
Recreation Facilities	
Number of Parks and Playgrounds	80
Park Area in Acres	289.6
Number of Beaches	5
Municipal Parking Utility	
Number of Parking Meters on Streets	1,619
Number of Parking Lots	44
Capacity of Parking Lots	3,404
Metered Spaces	730
Space Rentals and Free Spaces	2,615
Capacity of Parking Garages	2,000
Municipal Water Utility	
Population Serviced	
Northwest Water Commission	221,364
Evanston	74,360
Skokie	63,633
Filtration Plant Rated Daily Capacity (gallons)	108,000,000
Rated Daily Pumping Capacity (gallons)	147,000,000
Average Daily Pumpage (gallons) 2004/2005	42,605,000
Maximum Daily Pumpage (gallons) 2004/2005	60,395,000
Miles of Water Mains	159.290

TAX INCREMENT FINANCING DISTRICT
REQUIREMENTS

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Lorraine H. Morton, Mayor and
Members of the City Council
Evanston, Illinois

We have examined management's assertion included in its representation letter dated August 12, 2005, that the City of Evanston, Illinois complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) for the year ended February 28, 2005. As discussed in the representation letter, the City of Evanston, Illinois' management is responsible for compliance with those requirements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the City of Evanston, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Evanston, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois complied with the aforementioned requirements for the year ended February 28, 2005, is fairly stated in all material respects.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

MILLER, COOPER & CO., LTD

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Northbrook, Illinois
August 12, 2005