

**CITY OF EVANSTON, ILLINOIS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**FEBRUARY 28, 2007**

**Prepared by Finance Department**

**Matthew A. Grady III**  
**Finance Director and Comptroller**

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# CITY OF EVANSTON, ILLINOIS

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## INTRODUCTORY SECTION

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**CITY OF EVANSTON, ILLINOIS**

Principal Officials

February 28, 2007

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**LEGISLATIVE**

**CITY COUNCIL**

Lorraine H. Morton, Mayor

Cheryl Wollin  
Lionel Jean-Baptiste  
Melissa A. Wynne  
Steven J. Bernstein

Delores A. Holmes  
Edmund B. Moran, Jr.  
Elizabeth B. Tisdahl  
Ann Rainey  
Anjana Hansen

**EXECUTIVE**

Julia A. Carroll, City Manager

**FINANCE DEPARTMENT**

Matthew A. Grady III, Finance Director and Comptroller

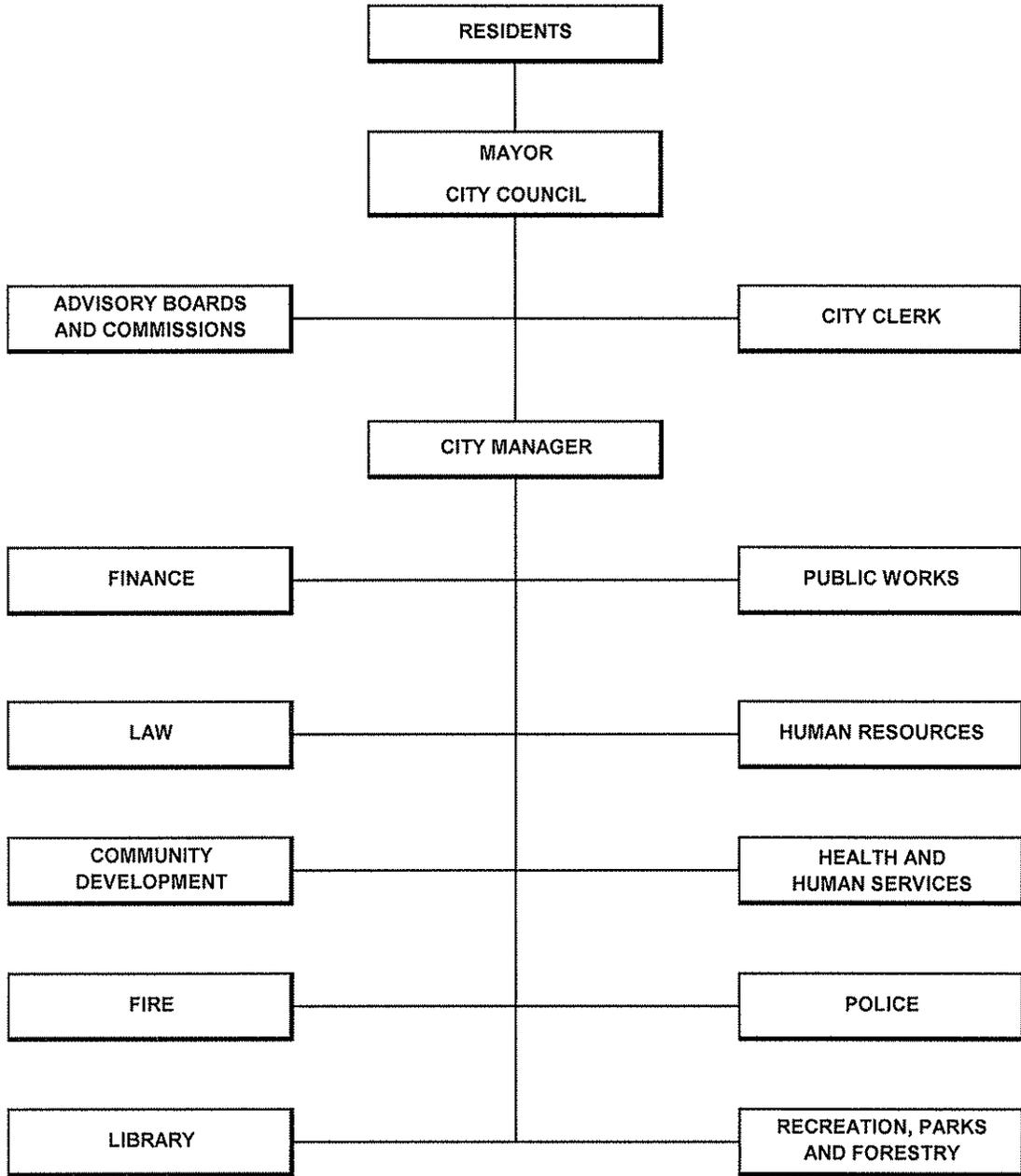
Steven Drazner, Assistant Finance Director

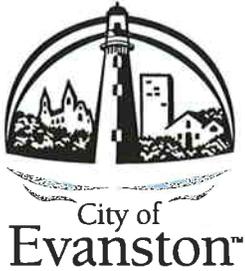
Patricia P. Ford, Payroll Manager

Jewell Jackson, Purchasing Manager

Kevin Lookis, Revenue Manager

**CITY OF EVANSTON  
ORGANIZATION CHART  
EFFECTIVE AS OF AUGUST 27, 2007**





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Evanston, Illinois 60201-2798  
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August 27, 2007

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, 2007 is hereby submitted. The CAFR is prepared by the City's Finance Department in accordance with the financial reporting principles and standards of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Evanston. 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. 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 Town of Evanston. The 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 Virchow Krause, 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, 2007, 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, 2007, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

**The City:** The City of Evanston constitutes many communities, perspectives, and qualities: it is a suburb, an urban center, a university town, and lake-front community; it has leafy neighborhoods and lake-front mansions; it has apartment, condominium, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, but neighborhood commercial centers are also strong and 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 to Chicago, and only 13 miles by rapid transit, commuter rail, expressway, or parkway from downtown Chicago. It also borders the north shore communities of Skokie and Wilmette.

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

Evanston is the home of Northwestern University, so named as it was established to serve the Northwest Territory. The University first platted the village which surrounded it. The State Legislature named the Village "Evanston" in honor of Dr. John Evans, the then president of the University's Board.

There are 8,000 undergraduate students on the Northwestern campus in Evanston. About 4,000 students live in university housing; another 900 live in fraternities and sororities and remaining 3,100 live off campuses. They also have about 3,400 graduate students of which 600 live in two graduate student-housing complexes and approximately 2,800 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 ten 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, refuse 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 by December 31<sup>st</sup> 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 (four Saturday morning public hearings were held prior to adoption of the 2007/08 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 2007/2008, the City projects that 46.12% (\$86.8 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, and the Sewer 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. For every 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 Council unanimously approved the Evanston Strategic Plan on March 27, 2006 with a May 1, 2006 implementation date. Thirteen goals were developed that support the community's values. Some of the notable successes over the past year are detailed below.

The Community Development department completed a survey of new downtown residents.

A Historic Resources Survey of 150 buildings was completed by Community Development.

A Business Retention Program was implemented by the City Manager and Community Development staff. Twenty-one business and commercial sites were visited.

Information Systems began implementation of a computerized tracking system of all development projects. This will allow the tracking of Community Development projects from inception (i.e. zoning analysis or planned developments) through permitting, inspections, occupancy certificates and document storage of records (Accela Software Solution). Expected completion date is December 31, 2007.

A comprehensive inclusionary and affordable housing policy was approved by the City Council. To date 36 households have been assisted.

The Sherman Plaza redevelopment project has 160,000 square feet of new retail, 90% of which had already been leased. The City owns the attached 1,600 space parking garage which opened in July, 2006. Condo occupancy as of August 2007 is at 98%.

The City of Evanston's Finance Department refunded bonds on December 19, 2006 for a total debt service savings of \$750,000 in the first of two transactions that will reduce City debt payouts by over \$1.2 million.

Parks/Forestry and Recreation received the following grants. From the Illinois Arts Council, Local Arts Agency Program grant and Community Arts Access grant; Summer Food Program grant from the U.S. Department of Agriculture, an Illinois Department of Commerce & Economic Opportunity grant to renovate basketball and tennis courts, an award from Illinois Transportation Enhancement Program for improvements of the lakefront bike path and a Community Development Block Grant for renovations of Smith Park.

Expanded online registration options in the Parks/Forestry and Recreation Department became available in August 2006. Feed back from residents has been overwhelmingly positive. Nearly 15%, high percentages for a first year, of registrations were completed online.

Parks/Forestry and Recreation experienced a total enrollment increase of 11% in its Special Recreation programs.

The Department of Health and Human Services began posting all restaurant inspections on line thru the City's website. Residents can now check out the latest inspection results for all of the community's food establishments. The website receives hundreds of hits a month.

As part of the City's Emergency Preparedness Plan, the Department of Health and Human Services created a Medical Reserve Corps (MRC). This group is comprised of medical professionals who work or reside in Evanston and are willing to assist the City in an emergency (accident, bioterrorist attack, outbreak of infectious disease).

As part of the City's green initiatives, The Health and Human Services Department sponsored a lawn mower and gas can turn in day. The residents who turned in these items received plastic gas cans and coupons redeemable for electric mowers. The city also hired a new Sustainability Coordinator paid for by a grant through IL Department of Commerce and Economic Opportunities for 2006-07

The upgrading of McCormick Boulevard was an example of sustainable practices. The conversion of the lanes to a new configuration reduces the impact on trees and increases the safety from opposing traffic. The recycling of the existing concrete base into subgrade aggregate material saved the City over \$250,000 in material and transportation costs.

The City is nearing the completion of the \$200 million Long Range Sewer Improvement Program. The improvements have included the installation of a new relief sewer system and substantial renovations to the existing combined sewer system. These major improvements to the sewer system are designed to eliminate basement sewer backups and mitigate the street flooding that has historically plagued the area. The final phase of construction is now underway with completion scheduled for 2009. Most of these improvements have been funded with low interest Illinois Environmental Protection Agency loans.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy:** At the local level we are experiencing a minor slow down in certain segments of the housing market, but retail sales are steady. Retail sales should remain strong with the opening of the shops of Sherman Plaza and the strength of our "big box" chains. Several of our major office and retail centers have either been sold or taken on new partners which indicate a strong interest in the Evanston market.

The City has a five-year Capital Improvements Program, with planned improvements of \$277,702,074 over five years.

**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. The City has also settled the majority of its largest outstanding lawsuits from previous years and liability estimates are currently very low.

**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

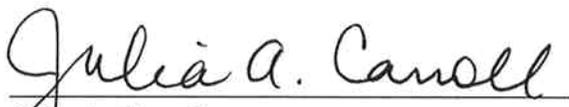
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended February 28, 2006. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

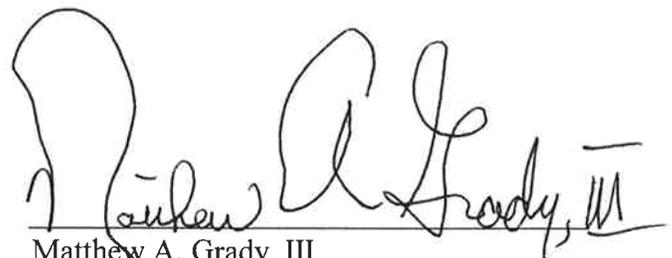
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated March 1, 2006. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

We acknowledge the contributions of Steven Drazner, the newly hired Assistant Finance Director and the excellent work of the Accounting Manager, Remy Navarrete, and the Accounting Division staff in preparing the financial statements. Appreciation is also extended to the entire staff of all accountants and fiscal staff within the City's Finance Department including the recently consolidated Budget Division and the Fiscal staff at each of our component units whose professionalism, dedication and efficiency contributed to the preparation of this report. Also thanks to the Mayor's Office and members of City Council for their interest and support in planning and conducting the City's financial affairs.

Respectfully submitted,

  
\_\_\_\_\_  
Julia A. Carroll  
City Manager

  
\_\_\_\_\_  
Matthew A. Grady, III  
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, 2006

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



President

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT  
ON THE FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the year ended February 28, 2007, which collectively comprise City of Evanston's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Evanston's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements the Township of Evanston, which represent 0.8 percent, 0.5 percent, and 1.0 percent, respectively, of the assets, net assets, and revenues of the governmental activities and 0.8 percent, 0.5 percent, and 1.8 percent, respectively, of the assets, fund balances, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Township of Evanston, is based on the report of other auditors.

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. The financial statements of the Township of Evanston were not audited in accordance with Government Auditing Standards. 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 and the report of other auditors provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 27, 2007 on our consideration of City of Evanston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

The management's discussion and analysis, the historical pension information and the budgetary comparison schedules as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Evanston's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other auditors previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Evanston's basic financial statements for the year ended February 28, 2006, which are not presented with the accompanying financial statements. In their report dated August 4, 2006, they expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Evanston, Illinois. In their opinion, the 2006 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended February 28, 2006, taken as a whole. The introductory section and statistical section 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.

*Virchow, Krause & Company, LLP*

Oak Brook, Illinois  
August 27, 2007



# MANAGEMENT'S DISCUSSION AND ANALYSIS

**FEBRUARY 28, 2007**

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

## **FINANCIAL HIGHLIGHTS**

- A. The City's net assets increased by \$13,730,744 (or 5.62%) from the prior fiscal year reported (FY 2006). The governmental net assets increased by \$5,334,267 (or 6.59% from FY 2006) and the business-type activities net assets increased by \$8,396,477 (or 5.15% from FY 2006).
- B. The governmental activities revenue increased by \$1,584,738 (or 1.25%) from the prior year. The expenditures increased by \$4,668,806 (or 3.97%).
- C. The business-type activities revenue decreased by \$1,890,235 (or 5.32%). The expenditures increased by \$1,872,931 (or 7.81%) from the prior year.
- D. The total cost of all City programs increased by \$6,541,727 or 4.62%.
- E. The City of Evanston issued new debt in the amount of \$24,720,000 during the current fiscal year. Of this amount, \$13,750,000 was used to partially refund previous issues and the balance used to fund various capital improvement projects.

## **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 the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

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

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

The government-wide financial statements are presented on pages 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 nonmajor funds is provided in the form of combining schedules in a later section of this report.

The City has three kinds of funds:

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

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

Budgetary comparison 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 such as the water utilities and the parking garages, are provided to customers external to the City organization. Internal service funds provide services and charge fees to customers within the City organization, such as equipment services (repair and maintenance of city vehicles) and the insurance fund. Because the City's internal service funds primarily serve governmental functions, they are included within the governmental activities of the government-wide financial statements.

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both 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 nonmajor 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 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 obligations to provide pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables, payables, transfers, and payments within the reporting entity. Required supplementary information can be found on pages 86 - 89 of this report.

Major funds and component units are reported in the basic financial statements, as discussed. Combining and individual statements and schedules for nonmajor and internal service funds are presented in a subsequent section of this report beginning on page 90. Additional information on capital assets and long-term debt can be found on page 48 and 59 respectively.

## Financial Analysis of the City as a Whole

The City's combined net assets increased by \$13,730,744 from FY 2006 - an increase from \$244,019,419 to \$257,750,163

### STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$127,933,655	\$132,931,957	\$36,047,607	\$39,038,968	\$163,981,262	\$171,970,925
Capital Assets	141,126,725	177,431,799	320,029,048	271,180,593	461,155,773	448,612,392
Total Assets	269,060,380	310,363,756	356,076,655	310,219,561	625,137,035	620,583,317
Long-Term Liabilities	128,384,631	132,862,214	156,668,520	119,708,579	285,053,151	252,570,793
Other Liabilities	54,337,685	96,497,745	27,996,036	27,495,360	82,333,721	123,993,105
Total Liabilities	182,722,316	229,359,959	184,664,556	147,203,939	367,386,872	376,563,898
Net Assets						
Investment in Capital assets, net of Debt	31,132,837	34,426,799	140,621,172	128,692,273	171,754,009	163,119,072
Restricted	27,444,436	33,745,651	9,373,730	10,449,106	36,818,166	44,194,757
Unrestricted	27,760,791	12,831,347	21,417,197	23,874,243	49,177,988	36,705,590
Total Net Assets	\$86,338,064	\$81,003,797	\$171,412,099	\$163,015,622	\$257,750,163	\$244,019,419

The City's total revenues decreased by \$305,497 or .2%. The City's total expenditures for all programs increased by \$6,541,727. Governmental activity total revenue increased slightly due to an increase in tax receipts and investment income over the prior year which was somewhat offset by a reduction in capital grant revenue. Expenditures in the governmental activities also increased from the prior year in a greater amount than the increase of revenues. Expenditure increases were primarily due to increased costs incurred by public works followed by increases from Departments Housing and Economic Development as well as interest expense. The revenue for business-type funds remained fairly constant from the prior year while the increase in expenditures was primarily due to the operations of the new Sherman garage fund.

**Governmental Funds:** The governmental activities experienced a net increase of \$5,334,267. This was mainly due to an increase in various tax revenues and investment income as well as a sharp decrease in transfers out to business-type activity Funds.

**Business Funds:** The business-type activity funds experienced an increase in net assets of \$8,396,477. While the overall increase in net assets for business-type funds continues as in previous years, the increase itself is nevertheless materially less than from the prior year. For the most part, expenditures in these funds remained constant from the prior year, excluding an increase due to the necessity of operating the new Sherman Garage. Revenues for these Funds, specifically the Water & Sewer Funds, decreased from the prior year, as did the amount transferred from the Governmental Funds. This decrease in revenues in the Water & Sewer Funds can best be attributed to the cooler and wetter than average summer season allowing for less water usage.

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	
	2007	2006	2007	2006	2007	2006
Revenue						
Program Revenues:						
Charges for services	\$26,762,844	\$27,663,692	\$32,288,616	\$34,626,625	\$59,051,460	\$62,290,317
Operating grants and contributions	3,678,555	3,440,889			3,678,555	3,440,889
Capital grants and contributions	185,076	1,126,610			185,076	1,126,610
General Revenues:						
Sales taxes	14,386,432	14,096,471			14,386,432	14,096,471
Property taxes	61,982,603	46,177,463			61,982,603	46,177,463
Utility taxes	8,108,008	8,858,217			8,108,008	8,858,217
Other taxes	9,179,229	22,090,240			9,179,229	22,090,240
Investment income	3,752,377	2,996,804	1,344,020	896,246	5,096,397	3,893,050
Total Revenue	128,035,124	126,450,386	33,632,636	35,522,871	161,667,760	161,973,257
Expenses						
General management and support	19,950,558	19,536,566			19,950,558	19,536,566
Public safety	46,368,286	45,950,611			46,368,286	45,950,611
Public works	16,504,737	14,631,723			16,504,737	14,631,723
Health and human resources development	6,107,514	4,781,198			6,107,514	4,781,198
Recreation and cultural opportunities	18,303,273	19,791,683			18,303,273	19,791,683
Housing and economic development	7,924,011	6,850,300			7,924,011	6,850,300
Interest	6,926,538	5,874,030			6,926,538	5,874,030
Water			8,778,360	8,759,592	8,778,360	8,759,592
Sewer			9,587,903	9,219,174	9,587,903	9,219,174
Sherman garage			1,613,186	0	1,613,186	0
Maple avenue garage			2,910,151	3,096,444	2,910,151	3,096,444
Motor vehicle parking system			2,962,499	2,903,968	2,962,499	2,903,968
Total Expense	122,084,917	117,416,111	25,852,099	23,979,178	147,937,016	141,395,289
Increase in net assets before transfer	5,950,207	9,034,275	7,780,537	11,543,693	13,730,744	20,577,968
Transfers	(615,940)	(4,277,751)	615,940	4,277,751		
Increase in net assets	5,334,267	4,756,524	8,396,477	15,821,444	13,730,744	20,577,968
Net Assets - Beginning	81,003,797	76,247,273	163,015,622	147,194,178	244,019,419	223,441,451
Net Assets - Ending	\$86,338,064	\$81,003,797	\$171,412,099	\$163,015,622	\$257,750,163	\$244,019,419

## **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 \$87,486,477 as a year-end total, including \$25,026,681 unrestricted, indicating availability for continuing City service requirements. Reserved fund balances in the General Fund total \$1,327,291 and Unreserved designated fund balances total \$5,426,091 including \$2,590,000 for IMRF, \$2,576,360 for Compensated absences and \$259,731 for Capital projects.

### ***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 \$1,361,611. Some revenues which came in greater than anticipated worth mentioning are real estate transfer tax, poured liquor tax, sales tax, state income tax, ambulance fees and various other charges for service fees. Revenue sources which missed expectations (budget) by a material amount include utility taxes, cigarette tax, various State/County grants, and fines.

### ***Combined Non-Major Governmental Funds***

Combined non-major fund balances totaled \$61,293,312, a decrease of \$9,510,509 from prior year of \$70,803,821. For comparison purposes, it is important to note that the Washington National TIF was included as a major fund in the prior year and a non-major fund this reporting year. Therefore, excluding the Washington National TIF, there was a decrease of \$2,367,414 from the prior year. The funds which contributed the greatest to the decrease in fund balances were the Motor Fuel Tax, Capital Improvement, Central Business Tax TIF, and Washington National TIF.

### ***Proprietary Funds***

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

The main proprietary funds operated by the City are the Water, Sewer, and Sherman Garage Funds, whereas the non-major proprietary funds include the Maple Garage and Parking Funds. The three major funds had a solid year financially with a total fund balance increase of \$4,338,536. Although fund balances in these major proprietary funds showed a healthy increase, it is important to keep in mind that these funds carry a heavy debt load and therefore, large debt payments will be required in the future. The non-major proprietary Maple Garage and Motor Vehicle Parking Funds also had increases in fund balance as well, but the primary reason for the increase in Maple Garage was from a interfund transfer in from the Central Business TIF Fund. While the Parking System Fund is largely self supporting, the Maple Garage may require future fund transfers in from the Central Business TIF Fund to cover near term debt payments.

### ***Internal Service Funds***

The City's combined internal service funds net assets were \$6,473,196 as of February 28, 2007. At March 1, 2006, the combined funds had a balance of \$2,853,763.

### ***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 were over budget primarily due to the Police and Fire Departments as well as Illinois Municipal Retirement Pension costs.

### ***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, 2007, was \$460,886,773. The total decrease in governmental funds capital assets was \$36,305,074 while there was an increase of \$48,579,455 for business-type activity capital assets. The overall percent increase in capital assets was 2.7% 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 \$187,745,000. The other major component of \$96,780,000 supported by pledged revenues generated primarily by the business-type activities of the City and City's five Tax Increment Financing (TIF) Districts. During the current year, the City issued \$24.72 million in fixed rate general obligation bonds for various City projects, including a partial refunding of series 2002C and 2003B bonds totaling \$13,750,000. 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 rating were confirmed during the year for the Series 2005 bond issue which was for capital improvements and construction of the Sherman Plaza garage project.

### ***Economic Factors***

Evanston is a diverse community consisting primarily of residential homes, several non profit organizations including a very well known private university, and many smaller scale retail shops/restaurants as well as some popular, big box retailers. Sales taxes, the best indicator of economic health, came in slightly over budget. Most other major revenues came in at or above budgeted levels, with telecommunications as an exception.

The unemployment rate in Evanston is consistent with that of surrounding communities and at or below the State average. The primary employers in the City include universities, several not-for-profit organizations, and numerous retail businesses and restaurants. Due to the high number of non profit organizations which make a large portion of Evanston's workforce, the overall state of the economy may play less of a role related to employment as compared to communities containing a larger number of for-profit businesses.

The Water & Sewer Funds generated a combined \$16,485,455 in cash from normal operating activities during the fiscal year. Although this may appear to be a sizable amount of cash, one must realize that these funds carry high debt levels and debt payments require use of most of this operating cash inflow. This debt was issued and necessary to fund for the completion of an overhaul of the City's sewer system.

### ***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 Finance Department at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201 or access the website at [www.cityofevanston.org](http://www.cityofevanston.org).

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## BASIC FINANCIAL STATEMENTS

**CITY OF EVANSTON, ILLINOIS**

Statement of Net Assets

February 28, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 58,336,470	\$ 5,927,736	\$ 64,264,206
Investments	12,160,809	3,153,635	15,314,444
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	41,918,202	-	41,918,202
Accounts	-	4,357,429	4,357,429
Loan	-	5,082,571	5,082,571
Notes	5,543,739	-	5,543,739
Special assessments	906,547	-	906,547
Accrued interest	141,040	157,934	298,974
Other	2,518,430	57,464	2,575,894
Due from other governments	6,077,256	-	6,077,256
Due from other agency	5,575	-	5,575
Internal balances	(29,372)	29,372	-
Inventories	354,959	899,576	1,254,535
Restricted assets			
Cash and equivalents and investments	-	16,381,890	16,381,890
Capital assets			
Capital assets not being depreciated	25,252,516	3,297,937	28,550,453
Construction in progress	1,586,104	6,241,742	7,827,846
Capital assets (net of accumulated depreciation)	114,288,105	310,220,369	424,508,474
Other assets	-	269,000	269,000
<b>Total Assets</b>	<b>269,060,380</b>	<b>356,076,655</b>	<b>625,137,035</b>

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Vouchers payable	\$ 4,455,567	\$ 971,678	\$ 5,427,245
Accrued payroll	1,549,376	117,059	1,666,435
Interest payable	-	41,324	41,324
Other payables	130,361	-	130,361
Due to other governments	441,099	-	441,099
Due to pension funds	2,821,242	-	2,821,242
Payable from restricted assets			
Vouchers payable	-	2,378,681	2,378,681
Interest payable	-	1,027,165	1,027,165
Unearned revenues	25,430,044	-	25,430,044
Noncurrent liabilities			
Payable from restricted assets - due within one year	-	8,855,296	8,855,296
Due within one year	23,339,186	45,652,648	68,991,834
Due in more than one year	124,555,441	125,620,705	250,176,146
<b>Total Liabilities</b>	<b>182,722,316</b>	<b>184,664,556</b>	<b>367,386,872</b>
Net Assets			
Investment in capital assets, net of related debt	31,132,837	140,621,172	171,754,009
Restricted			
Culture and recreation	991,431	-	991,431
Debt service	26,197,533	9,373,730	35,571,263
Other	255,472	-	255,472
Unrestricted	27,760,791	21,417,197	49,177,988
<b>Total Net Assets</b>	<b>\$ 86,338,064</b>	<b>\$ 171,412,099</b>	<b>\$ 257,750,163</b>

**CITY OF EVANSTON, ILLINOIS**

Statement of Activities

Year ended February 28, 2007

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Governmental activities:</b>			
General management and support	\$ 19,950,558	\$ 13,630,360	\$ 103,964
Public safety	46,368,286	353,682	91,572
Public works	16,504,737	170,254	2,232,092
Health and human resource development	6,107,514	1,259,298	1,215,897
Recreation and cultural opportunities	18,303,273	4,352,943	35,030
Housing and economic development	7,924,011	6,996,307	-
Interest	6,926,538	-	-
<b>Total governmental activities</b>	<b>122,084,917</b>	<b>26,762,844</b>	<b>3,678,555</b>
<b>Business-type activities:</b>			
Water	8,778,360	12,639,143	-
Sewer	9,587,903	14,394,268	-
Sherman garage	1,613,186	779,150	-
Maple avenue garage	2,910,151	1,417,468	-
Motor vehicle parking system	2,962,499	3,058,587	-
<b>Total business-type activities</b>	<b>25,852,099</b>	<b>32,288,616</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 147,937,016</b>	<b>\$ 59,051,460</b>	<b>\$ 3,678,555</b>

General revenues:  
 Property tax  
 Personal property replacement tax  
 Sales and home rule tax  
 Income tax  
 Utility 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.

				Net (Expense) Revenue and Changes in Net Assets	
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
\$ 163,957	\$ (6,052,277)	\$ -	\$ (6,052,277)		
-	(45,923,032)	-	(45,923,032)		
-	(14,102,391)	-	(14,102,391)		
21,119	(3,611,200)	-	(3,611,200)		
-	(13,915,300)	-	(13,915,300)		
-	(927,704)	-	(927,704)		
-	(6,926,538)	-	(6,926,538)		
185,076	(91,458,442)	-	(91,458,442)		
-	-	3,860,783	3,860,783		
-	-	4,806,365	4,806,365		
-	-	(834,036)	(834,036)		
-	-	(1,492,683)	(1,492,683)		
-	-	96,088	96,088		
-	-	6,436,517	6,436,517		
\$ 185,076	(91,458,442)	6,436,517	(85,021,925)		
	61,982,603	-	61,982,603		
	1,379,509	-	1,379,509		
	14,386,432	-	14,386,432		
	6,186,428	-	6,186,428		
	8,108,008	-	8,108,008		
	62,901	-	62,901		
	1,550,391	-	1,550,391		
	3,752,377	1,344,020	5,096,397		
	(615,940)	615,940	-		
	96,792,709	1,959,960	98,752,669		
	5,334,267	8,396,477	13,730,744		
	81,003,797	163,015,622	244,019,419		
\$	86,338,064	\$ 171,412,099	\$ 257,750,163		

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet  
February 28, 2007

Assets	General	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 15,861,003	\$ 42,110,619	\$ 57,971,622
Investments	1,000,000	6,332,934	7,332,934
Receivables			
Property taxes (net of allowance)	15,326,039	26,592,163	41,918,202
Notes (net of allowance)	-	5,543,739	5,543,739
Special assessments	-	906,547	906,547
Accrued interest	11,290	129,750	141,040
Other	2,105,915	349,014	2,454,929
Due from other governments	5,817,766	259,490	6,077,256
Due from other funds	97,762	99,542	197,304
<b>Total Assets</b>	<b>\$ 40,219,775</b>	<b>\$ 82,323,798</b>	<b>\$ 122,543,573</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Vouchers payable	\$ 2,762,061	\$ 1,484,310	\$ 4,246,371
Accrued payroll	1,504,581	16,106	1,520,687
Compensated absences payable	162,370	-	162,370
Other	127,220	3,141	130,361
Due to other governments	22,902	418,197	441,099
Due to other funds	10,285	3,115,879	3,126,164
Unearned revenues	9,437,191	15,992,853	25,430,044
<b>Total Liabilities</b>	<b>14,026,610</b>	<b>21,030,486</b>	<b>35,057,096</b>
<b>Fund Balances</b>			
Reserved	1,327,291	31,741,272	33,068,563
Unreserved designated	5,426,091	-	5,426,091
Unreserved			
Capital project funds	-	23,965,142	23,965,142
Special revenue funds	-	5,586,898	5,586,898
General fund	19,439,783	-	19,439,783
<b>Total Fund Balances</b>	<b>26,193,165</b>	<b>61,293,312</b>	<b>87,486,477</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 40,219,775</b>	<b>\$ 82,323,798</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	134,330,975
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.	(141,952,584)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.	6,473,196
<b>Net assets of governmental activities</b>	<b>\$ 86,338,064</b>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended February 28, 2007

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 42,264,921	\$ 34,871,526	\$ 77,136,447
Licenses and permits	8,060,996	-	8,060,996
Special assessments	-	565,204	565,204
Intergovernmental	16,338,153	5,063,835	21,401,988
Charges for services	7,167,364	-	7,167,364
Fines and forfeits	4,029,228	-	4,029,228
Investment income	777,165	2,917,869	3,695,034
Miscellaneous	4,949,769	627,800	5,577,569
<b>Total Revenues</b>	<b>83,587,596</b>	<b>44,046,234</b>	<b>127,633,830</b>
<b>Expenditures</b>			
<b>Current</b>			
General management and support	12,829,182	1,709,848	14,539,030
Public safety	30,272,639	9,416,912	39,689,551
Public works	12,436,547	1,845,900	14,282,447
Health and human resource development	5,049,621	800,000	5,849,621
Recreation and cultural opportunities	16,681,579	1,000	16,682,579
Housing and economic development	3,093,676	4,589,821	7,683,497
Pensions	5,645,241	-	5,645,241
<b>Debt service</b>			
Principal	-	11,530,000	11,530,000
Interest	-	6,926,538	6,926,538
Fiscal agent fees	-	516,861	516,861
Capital outlay	-	18,986,145	18,986,145
<b>Total Expenditures</b>	<b>86,008,485</b>	<b>56,323,025</b>	<b>142,331,510</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,420,889)</b>	<b>(12,276,791)</b>	<b>(14,697,680)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	4,257,500	2,071,308	6,328,808
Transfers out	(475,000)	(9,853,036)	(10,328,036)
Issuance of debt	-	24,720,000	24,720,000
Premiums and discounts	-	195,693	195,693
Escrow funding	-	(14,367,683)	(14,367,683)
<b>Total Other Financing Sources (Uses)</b>	<b>3,782,500</b>	<b>2,766,282</b>	<b>6,548,782</b>
<b>Net Change in Fund Balances</b>	<b>1,361,611</b>	<b>(9,510,509)</b>	<b>(8,148,898)</b>
<b>Fund Balances -Beginning of Year</b>	<b>24,831,554</b>	<b>70,803,821</b>	<b>95,635,375</b>
<b>Fund Balances - End of Year</b>	<b>\$ 26,193,165</b>	<b>\$ 61,293,312</b>	<b>\$ 87,486,477</b>

The accompanying notes are an integral part of this statement.

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## 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, 2007

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

Net change in fund balances - total governmental funds	\$ (8,148,898)
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.	12,472,985
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.	25,280,000
Issuance of 2006 and 2006B 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.	(24,915,693)
Governmental funds expend current financial resources in the acquisition of capital assets. A portion of an asset and related debt was transferred to a proprietary fund. The net effect of this transfer of assets was a decrease of governmental activities.	(1,221,112)
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.	(1,752,448)
Internal service funds are reported separately in the fund financial statements.	<u>3,619,433</u>
Change in net assets of governmental activities	<u>\$ 5,334,267</u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Net Assets  
February 28, 2007

Assets	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Sherman Garage	Nonmajor Proprietary Funds	Total	
<b>Current Assets</b>						
Cash and equivalents	\$ 103,565	\$ -	\$ 1,809,935	\$ 4,014,236	\$ 5,927,736	\$ 364,848
Investments	-	-	-	3,153,635	3,153,635	4,827,875
Restricted cash and equivalents and investments	179,521	6,594,984	-	-	6,774,505	-
Receivables						
Accounts - billed	1,067,139	200,269	-	-	1,267,408	-
Accounts - unbilled	875,241	2,214,780	-	-	3,090,021	-
Loan	-	-	5,082,571	-	5,082,571	-
Accrued interest	137,998	-	-	19,936	157,934	-
Other	55,862	150	4	1,448	57,464	63,501
Due from other funds	15,208	87,025	80	5,500	107,813	105,000
Inventories	544,075	355,501	-	-	899,576	354,959
<b>Total Current Assets</b>	<b>2,978,609</b>	<b>9,452,709</b>	<b>6,892,590</b>	<b>7,194,755</b>	<b>26,518,663</b>	<b>5,716,183</b>
<b>Noncurrent Assets</b>						
Restricted cash and equivalents and investments	9,607,385	-	-	-	9,607,385	-
<b>Capital Assets</b>						
Land	555,415	-	-	2,742,522	3,297,937	-
Construction in progress	455,211	5,786,531	-	-	6,241,742	-
Capital assets being depreciated	62,907,213	219,401,123	40,926,869	35,884,254	359,119,459	19,877,815
Less accumulated depreciation	(15,453,066)	(25,641,527)	(765,276)	(7,039,221)	(48,899,090)	(13,082,065)
<b>Total Capital Assets</b>	<b>48,464,773</b>	<b>199,546,127</b>	<b>40,161,593</b>	<b>31,587,555</b>	<b>319,760,048</b>	<b>6,795,750</b>
<b>Other Assets</b>						
Receivables						
Notes	-	-	-	269,000	269,000	-
<b>Total Noncurrent Assets</b>	<b>58,072,158</b>	<b>199,546,127</b>	<b>40,161,593</b>	<b>31,856,555</b>	<b>329,636,433</b>	<b>6,795,750</b>
<b>Total Assets</b>	<b>61,050,767</b>	<b>208,998,836</b>	<b>47,054,183</b>	<b>39,051,310</b>	<b>356,155,096</b>	<b>12,511,933</b>

The accompanying notes are an integral part of this statement.

Liabilities	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Sherman Garage	Nonmajor Proprietary Funds	Totals	
<b>Current Liabilities</b>						
Vouchers payable	\$ 361,865	\$ 295,758	\$ 141,563	\$ 172,492	\$ 971,678	\$ 209,196
Vouchers payable - restricted	77,235	2,301,446	-	-	2,378,681	-
Accrued payroll	73,235	23,143	-	20,681	117,059	28,689
Interest payable	-	-	-	41,324	41,324	-
Interest payable - restricted	21,453	1,005,712	-	-	1,027,165	-
Revenue bonds payable	404,167	-	-	-	404,167	-
Revenue bonds payable - restricted	80,833	-	-	-	80,833	-
Compensated absences payable	431,005	83,468	-	71,133	585,606	83,473
General obligation bonds payable	-	-	35,810,000	8,530,000	44,340,000	-
General obligation bonds payable - restricted	-	2,155,000	-	-	2,155,000	-
Unamortized bond expenses and discount	-	-	-	(10,376)	(10,376)	-
Claims payable	-	-	-	-	-	821,700
Notes payable - Sewer IEPA Loans - restricted	-	6,942,338	-	-	6,942,338	-
Due to other funds	41,935	15,208	485	20,813	78,441	21,179
<b>Total Current Liabilities</b>	<b>1,491,728</b>	<b>12,822,073</b>	<b>35,952,048</b>	<b>8,846,067</b>	<b>59,111,916</b>	<b>1,164,237</b>
<b>Long-Term Liabilities</b>						
Notes payable - Sewer IEPA Loans	-	92,548,583	-	-	92,548,583	-
General obligation bonds payable	-	16,365,000	11,465,000	2,500,000	30,330,000	-
Revenue bonds payable	2,755,000	-	-	-	2,755,000	-
Unamortized bond expenses and discount	16,935	(19,437)	-	-	(2,502)	-
Claims payable	-	-	-	-	-	4,874,500
<b>Total Long-Term Liabilities</b>	<b>2,771,935</b>	<b>108,894,146</b>	<b>11,465,000</b>	<b>2,500,000</b>	<b>125,631,081</b>	<b>4,874,500</b>
<b>Total Liabilities</b>	<b>4,263,663</b>	<b>121,716,219</b>	<b>47,417,048</b>	<b>11,346,067</b>	<b>184,742,997</b>	<b>6,038,737</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	45,612,005	81,554,643	(7,113,407)	20,567,931	140,621,172	6,795,750
Restricted for debt service	9,373,730	-	-	-	9,373,730	-
Unrestricted	1,801,369	5,727,974	6,750,542	7,137,312	21,417,197	(322,554)
<b>Total net assets</b>	<b>\$ 56,787,104</b>	<b>\$ 87,282,617</b>	<b>\$ (362,865)</b>	<b>\$ 27,705,243</b>	<b>\$ 171,412,099</b>	<b>\$ 6,473,196</b>

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CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Year ended February 28, 2007

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Sherman Garage	Nonmajor Proprietary Funds	Total	
Operating Revenues						
Charges for services	\$ 12,194,340	\$ 14,374,349	\$ 779,150	\$ 4,465,723	\$ 31,813,562	\$ 6,919,400
Miscellaneous	444,803	19,919	-	10,332	475,054	149,803
Total Operating Revenues	12,639,143	14,394,268	779,150	4,476,055	32,288,616	7,069,203
Operating Expenses Excluding Depreciation						
Administration	642,518	-	-	1,096,420	1,738,938	-
Operations	6,257,545	2,587,322	847,910	3,268,579	12,961,356	7,360,656
Total Operating Expenses Excluding Depreciation	6,900,063	2,587,322	847,910	4,364,999	14,700,294	7,360,656
Operating Income (Loss) Before Depreciation	5,739,080	11,806,946	(68,760)	111,056	17,588,322	(291,453)
Depreciation	1,384,583	2,834,158	765,276	857,575	5,841,592	1,553,190
Operating Income (Loss)	4,354,497	8,972,788	(834,036)	(746,519)	11,746,730	(1,844,643)
Nonoperating Revenues (Expenses)						
Investment income	557,799	474,454	9,231	302,536	1,344,020	57,343
Interest expense	(142,359)	(3,812,641)	-	(639,053)	(4,594,053)	-
Bond expenses and amortization of discount	1,129	(5,982)	-	(11,023)	(15,876)	-
Gain (loss) on disposition of assets	(4,684)	-	-	-	(4,684)	106,733
Total Nonoperating Revenues (Expenses)	411,885	(3,344,169)	9,231	(347,540)	(3,270,593)	164,076
Income (Loss) before transfers and contributions	4,766,382	5,628,619	(824,805)	(1,094,059)	8,476,137	(1,680,567)
Capital Contribution - Governmental Activities	-	-	1,221,112	-	1,221,112	-
Transfers In (Out)						
Central Business Tax Increment District Fund	-	-	-	4,502,000	4,502,000	-
Insurance Fund	(2,000,000)	(3,000,000)	-	-	(5,000,000)	-
Washington National Tax Increment District Fund	-	-	(759,172)	-	(759,172)	-
Capital Improvement Fund	2,000,000	-	-	-	2,000,000	-
Water Fund	-	-	-	-	-	2,000,000
Sewer Fund	-	-	-	-	-	3,000,000
Economic Development Fund	-	-	-	650,000	650,000	-
General Fund	(2,693,600)	-	-	-	(2,693,600)	300,000
Total Transfers In (Out)	(2,693,600)	(3,000,000)	(759,172)	5,152,000	(1,300,772)	5,300,000
Change in Net Assets	2,072,782	2,628,619	(362,865)	4,057,941	8,396,477	3,619,433
Total Net Assets - Beginning of Year	54,714,322	84,653,998	-	23,647,302	163,015,622	2,853,763
Total Net Assets - End of Year	\$ 56,787,104	\$ 87,282,617	\$ (362,865)	\$ 27,705,243	\$ 171,412,099	\$ 6,473,196

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows  
Year ended February 28, 2007

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Sherman Garage	Nonmajor Proprietary Funds	Total	
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 12,440,776	\$ 14,677,501	\$ 779,150	\$ 4,531,890	32,429,317	\$ 7,025,727
Receipts from interfund services provided	(1,862)	(290,188)	405	54,500	(237,145)	176,650
Payments to suppliers	(6,503,751)	(2,312,124)	(706,347)	(3,323,730)	(12,845,952)	(4,649,952)
Payments to employees	(586,754)	10,343	-	(1,130,107)	(1,706,518)	(1,692,547)
Payments for interfund services provided	-	-	-	7,705	7,705	(963,945)
Net Cash Provided by (Used for) Operating Activities	<u>5,348,409</u>	<u>12,085,532</u>	<u>73,208</u>	<u>140,258</u>	<u>17,647,407</u>	<u>(104,067)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers In (Out)						
Central Business Tax Increment District Fund	-	-	-	4,502,000	4,502,000	-
Insurance Fund	(2,000,000)	(3,000,000)	-	-	(5,000,000)	-
Washington National Tax Increment District Fund	-	-	(759,172)	-	(759,172)	-
Capital Improvement Fund	2,000,000	-	-	-	2,000,000	-
Water Fund	-	-	-	-	-	2,000,000
Sewer Fund	-	-	-	-	-	3,000,000
Economic Development Fund	-	-	-	650,000	650,000	-
General Fund	(2,693,600)	-	-	-	(2,693,600)	300,000
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(2,693,600)</u>	<u>(3,000,000)</u>	<u>(759,172)</u>	<u>5,152,000</u>	<u>(1,300,772)</u>	<u>5,300,000</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Sale of capital assets	-	-	-	-	-	129,798
Acquisition and construction of capital assets	(4,210,543)	(9,029,484)	2,486,668	(258,837)	(11,012,196)	(1,294,308)
Principal paid on revenue bonds	(470,000)	-	-	-	(470,000)	-
Interest paid on revenue bonds	(145,087)	-	-	-	(145,087)	-
Principal paid on general obligation bonds	-	(2,050,000)	-	(5,785,000)	(7,835,000)	-
Interest paid on general obligation bonds	-	(1,161,845)	-	(639,053)	(1,800,898)	-
Principal paid on IEPA loans	-	(6,408,292)	-	-	(6,408,292)	-
Interest paid on IEPA loans	-	(2,650,796)	-	-	(2,650,796)	-
Proceeds from IEPA loans	-	4,498,539	-	-	4,498,539	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,825,630)</u>	<u>(16,801,878)</u>	<u>2,486,668</u>	<u>(6,682,890)</u>	<u>(25,823,730)</u>	<u>(1,164,510)</u>
<b>Cash Flows from Investing Activities</b>						
Purchase of investments	-	-	-	-	-	(3,857,343)
Interest income	557,799	474,454	9,231	302,536	1,344,020	57,343
Net Cash Provided by Investing Activities	<u>557,799</u>	<u>474,454</u>	<u>9,231</u>	<u>302,536</u>	<u>1,344,020</u>	<u>(3,800,000)</u>
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<u>(1,613,022)</u>	<u>(7,241,892)</u>	<u>1,809,935</u>	<u>(1,088,096)</u>	<u>(8,133,075)</u>	<u>231,423</u>
<b>Cash and Equivalents</b>						
Beginning of year	11,503,493	13,836,876	-	8,255,967	33,596,336	133,425
End of year	<u>\$ 9,890,471</u>	<u>\$ 6,594,984</u>	<u>\$ 1,809,935</u>	<u>\$ 7,167,871</u>	<u>\$ 25,463,261</u>	<u>\$ 364,848</u>
<b>Reconciliation</b>						
Cash and equivalents						
Current Cash	\$ 103,565	\$ -	\$ 1,809,935	\$ 4,014,236	\$ 5,927,736	\$ 364,848
Restricted Current Cash	179,521	6,594,984	-	-	6,774,505	-
Unrestricted	-	-	-	3,153,635	3,153,635	-
Restricted Non Current Cash	9,607,385	-	-	-	9,607,385	-
	<u>\$ 9,890,471</u>	<u>\$ 6,594,984</u>	<u>\$ 1,809,935</u>	<u>\$ 7,167,871</u>	<u>\$ 25,463,261</u>	<u>\$ 364,848</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued  
Year ended February 28, 2007

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Sherman Garage	Nonmajor Proprietary Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 4,354,497	\$ 8,972,788	\$ (834,036)	\$ (746,519)	\$ 11,746,730	\$ (1,844,643)
Depreciation	1,384,583	2,834,158	765,276	857,575	5,841,592	1,553,190
Changes in assets and liabilities						
Other receivables	(35,374)	-	-	10,238	(25,136)	(43,476)
Accounts receivable	(24,995)	218,332	-	40,000	233,337	-
Interfund receivable	(1,862)	(290,188)	405	54,500	(237,145)	176,650
Inventories	(16,913)	(222,489)	-	-	(239,402)	(73,982)
Accrued interest receivable	(137,998)	64,901	-	5,597	(67,500)	-
Compensated absences	43,105	4,337	-	(35,510)	11,932	(19,102)
Accrued payroll	12,659	6,006	-	1,823	20,488	4,352
Interfund payable	-	-	-	7,705	7,705	(963,945)
Vouchers payable	70,322	66,538	141,563	(47,576)	230,847	(55,197)
Vouchers payable (restricted)	(299,615)	514,476	-	-	214,861	-
Interest payable (restricted)	-	(83,327)	-	(7,575)	(90,902)	-
Claims payable	-	-	-	-	-	1,162,086
Net Cash Provided by (Used for) Operating Activities	\$ 5,348,409	\$ 12,085,532	\$ 73,208	\$ 140,258	\$ 17,647,407	\$ (104,067)

Note: Non Cash Capital Asset Acquisition

Sherman Garage Fund incurred a non cash transaction transfer of net capital assets of \$40,926,869 and related debt of \$47,275,000 from the governmental activities of the City and the recognition of the loan receivable related to the sale of transferred property in the amount of \$5,082,575.

The accompanying notes are an integral part of this statement.

# CITY OF EVANSTON, ILLINOIS

## Fiduciary Funds

### Statement of Net Assets February 28, 2007

	Pension Trust Funds	Special Assessment Agency Fund
<b>Assets</b>		
Cash and short-term investments	\$ 7,328,516	\$ 21,073
<b>Receivables</b>		
Accrued interest	458,368	
Due from other funds	2,821,242	
Total Receivables	3,279,610	-
<b>Investments, at fair value</b>		
U.S. Government obligations	50,119,192	
Common stock	11,651,855	
Mutual funds	33,250,396	
Total Investments	95,021,443	-
Total Assets	105,629,569	21,073
<b>Liabilities</b>		
Vouchers payable	6,462	
Due to special assessment bondholders	-	21,073
Total Liabilities	6,462	21,073
Net assets held in trust	\$ 105,623,107	\$ -

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, 2007

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 8,102,605
Plan members	1,940,581
Total contributions	<u>10,043,186</u>
Investment income	
Net appreciation in fair value of investments	4,256,212
Interest	<u>3,313,160</u>
Total investment income	7,569,372
Less investment expense	<u>314,607</u>
Net investment income	<u>7,254,765</u>
Total additions	<u>17,297,951</u>
Deductions	
Benefits	10,571,217
Refunds of contributions	102,448
Administrative expense	<u>55,459</u>
Total deductions	<u>10,729,124</u>
Net increase	6,568,827
Net assets held in trust for pension benefits	
Beginning of year	<u>99,054,280</u>
End of year	<u>\$ 105,623,107</u>

The accompanying notes are an integral part of this statement.

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# CITY OF EVANSTON, ILLINOIS

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# 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**

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#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

##### **A. Reporting Entity**

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

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

##### **Blended Component Unit:**

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

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

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

##### A. Reporting Entity - Continued

The Township is included in the Reporting Entity due to its financial accountability because the Township Board of Trustees are the same individuals as the City Council members. The Township has a March 31 fiscal year-end. Amounts included in this report are as of and for the year ended March 31, 2006. 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.

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

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

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

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

##### B. Government-wide and Fund Financial Statements - Continued

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

##### C. Fund Accounting

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

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

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

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

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

**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**

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

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

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
Personal property	Motor fuel tax allotments
	Grants
	Supplemental Security Income reimbursements
Licenses	Income taxes
	Sales taxes
	Use tax
Franchise fees	
Charges for services	Investment income
	Recycling program fees and sales

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

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

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.

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.

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 *Sherman Garage Fund* accounts for the provision of the public and residential parking facility on Sherman 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 fleet management and insurance services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

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

*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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

##### **E. Cash and Equivalents**

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

##### **F. Investments**

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

##### **G. Inventories**

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.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

---

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

**H. Capital Assets - Continued**

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

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

**I. Compensated Absences**

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

**J. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, 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.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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

**K. Self-Insurance**

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

**L. Property Taxes**

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

The property tax calendar for Cook County is as follows:

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

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, 2006 and February 28, 2007 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 2005 property tax levy that will not be collected within 60 days of the Township's March 31, 2006 year-end. A 5% allowance for loss is reflected in the Township financial statements.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

---

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

**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 contributions payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$141,952,584 difference are as follows:

General obligation bonds payable	\$ 110,920,000
Special service district bonds payable	3,070,000
Bonds premium liability	4,527,694
Compensated absences payable	9,814,590
Pension contributions payable	<u>13,620,300</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net assets – governmental activities.	\$ <u><u>141,952,584</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 \$12,472,985 difference are as follows:

Capital outlay	\$ 18,332,983
Depreciation expense	<u>(5,859,998)</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>12,472,985</u></u>

**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 \$25,280,000 difference are as follows:

Principal repayments:

General obligation debt	\$ 25,015,000
SSD#5 Bond refunded	<u>265,000</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 25,280,000</u>
--	----------------------

3. Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this (\$1,752,448) difference are as follows:

Compensated absences	\$ (1,665,458)
Amortization income	343,952
Pension contributions	<u>(430,942)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,752,448)</u>
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4. Another element of that reconciliation states that "Issuance of 2006 and 2006B 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 (\$24,915,693) difference are as follows:

2006 Bond Series	\$ (10,290,000)
2006B Bond Series	(14,430,000)
Bonds premium liability	<u>(195,693)</u>

Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (24,915,693)</u>
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**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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

**A. Budgetary Information**

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

1. 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. There were budget allocations within General fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP except that (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.

**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 28, 2005. 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, Employee Pension Contribution

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued**

**A. Budgetary Information - Continued**

Capital Projects

Capital Improvements, Central Business Tax Increment District, Washington National 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.

The following City funds had an excess of actual budgetary expenditures over original and final budget for the year ended February 28, 2007:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Central Business Tax Increment District	\$ 7,756,004	\$ 4,799,800	\$ 2,956,204
Southwest Tax Increment District	917,519	292,800	624,719
Howard Hartrey Tax Increment District	704,676	693,700	10,976
Community Development Block Grant	2,692,229	2,052,319	639,910
Economic Development	1,021,385	848,900	172,485
Motor Fuel Tax	1,845,900	1,500,000	345,900
General Fund	86,026,230	85,609,800	416,430

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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#### **NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued**

##### **B. DEFICIT FUND EQUITY**

The Insurance Fund, an internal service fund, had a net assets deficit of \$617,573 as of February 28, 2007. The City plans to use current resources and possible debt proceeds to pay for future liabilities.

The Sherman Garage Fund had a net assets deficit of \$ 362,865 as of February 28, 2007. The City plans to use current resources and possible debt proceeds to pay for future liabilities.

#### **NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

##### **A. Types of Accounts and Securities**

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

It is the policy of the City to invest public funds in a manner whereby its investment objectives are prioritized in the following order: Safety of Principal, Liquidity, and Rate of Return. The City also seeks to maintain diversification of investments to avoid overconcentration of any one specific issuer or business sector. To mitigate interest rate risk, the City tries to structure the investment portfolio to meet daily cash flow needs so as to avoid needing to sell securities on the open market. The City seeks to attain market rates of return consistent with constraints imposed by safety and cash flow needs. The City invests to conform to all state and local statutes governing the investment of public funds. More detail is available in the City's investment policy.

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

##### **B. Pooling of Cash and Investments**

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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

**C. Types of Investments**

As of February 28, 2007, the City has the following investments and maturities.

Governmental and Enterprise Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 26,383,976	\$ 26,383,976	\$ -	\$ -
Illinois Funds	29,264,101	29,264,101	-	-
Mutual Funds	1,828,904	-	-	1,828,904
Federal Home Loan Mortgage Corp	8,269,520	6,779,580	1,489,940	-
Federal Home Loan Bank	6,974,208	3,474,208	3,500,000	-
Fannie Mae	8,630,622	5,470,741	3,159,881	-
Certificate of Deposits	4,844,729	3,900,000	944,729	-
Corporate Notes	507,844	-	507,844	-
Total Governmental and Enterprise Investment Fund	\$ 86,703,904	\$ 75,272,606	\$ 9,602,394	\$ 1,828,904

IMET Money Market	\$ 4,921,186
Fifth Third Money Market	1,163,000
First Bank Money Market	3,301,878
Fidelity Money Market	812,297
JP Morgan Monet Market	15,716,319
Vanguard Money Market	469,296
Total Money Market	\$ 26,383,976

Township Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Illinois Funds	\$ 833,528	\$ 833,528	\$ -	\$ -
Total Township Investment	\$ 833,528	\$ 833,528	\$ -	\$ -

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments - continued

Fire and Police Pension Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 6,811,404	\$ 6,811,404	\$ -	\$ -
Mutual Funds	33,250,396	-	3,558,803	29,691,593
U.S. Treasuries	23,376,487	2,487,824	20,888,663	-
Federal Farm Credit Bank	23,325	-	23,325	-
Federal Home Loan Bank	1,573,897	-	1,573,897	-
Federal Home Loan Mortgage Corp	8,243,105	571,835	7,671,270	-
Fannie Mae	12,649,443	4,521,480	8,127,963	-
Ginnie Mae	4,252,936	7,242	4,245,694	-
Common Stock	11,651,855	-	-	11,651,855
Total Fire and Police Investment	\$ 101,832,848	\$ 14,399,785	\$ 46,089,615	\$ 41,343,448

JP Morgan Trust Money Market	\$ 292,131
Smith Barney Money Market	2,317,849
JP Morgan Monet Market	1,980,027
Schwab Money Market	733,552
MB Bank Money Market	1,384,224
IMET Money Market Convenience	103,621
	\$ 6,811,404

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

*Credit Risk.* State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. As of June 30, 2006, the Illinois Funds and Money Markets were rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment 1 - 3 Year Fund (IMET) exclusively invests in AAA Standard & Poor's securities, such as treasury and agency obligations. IMET's convenience fund collateralizes all of its deposits 110%. The City's investment in Federal Home Loan Mortgage, Fannie Mae, and Federal Home Loan Bank bonds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

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

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

*Concentration of Credit Risk.* It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, or class of securities.

##### D. Deposits

###### City

Deposits consist of deposits in interest-bearing and noninterest-bearing checking accounts. At February 28, 2007, the carrying amount of the City's deposits, including cash on hand of \$41,183, was \$8,154,181. The financial institutions' balances totaled \$9,477,237.

###### Township

At March 31, 2006, the carrying amount of the Township's deposits was \$268,926. The financial institutions' balances totaled \$275,391.

###### Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At February 28, 2007, the carrying amount of the Pension's deposits was \$517,112 and \$21,073 for Agency. The financial institutions' balances totaled \$523,362 and \$21,073, respectively.

##### E. Reconciliation of Unrestricted and Restricted Cash and Investments

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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

**E. Reconciliation of Unrestricted and Restricted Cash and Investments - Continued**

Unrestricted cash and equivalents	\$ 64,264,206
Unrestricted investments	15,314,444
Restricted cash and equivalents and investments	<u>16,381,890</u>
Total Cash and Investments – Primary Government	95,960,540
Fiduciary funds cash and equivalents	7,349,589
Fiduciary funds investments	<u>95,021,443</u>
Total Cash and Investments	<u>\$ 198,331,572</u>
Carrying amount of deposits – from Note 4 D	\$ 8,961,292
Investments – from Note 4 C	<u>189,370,280</u>
Total	<u>\$ 198,331,572</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	Water	Sewer	Sherman Garage	Nonmajor Enterprise Fund	Nonmajor and Other Funds	Total
Receivables:							
Property taxes	\$ 15,632,560	\$ -	\$ -	\$ -	\$ -	\$ 27,124,006	\$ 42,756,566
Accounts	-	1,942,380	2,415,049	-	-	-	4,357,429
Loan	-	-	-	5,082,571	-	-	5,082,571
Notes	-	-	-	-	-	5,640,388	5,640,388
Special assessments	-	-	-	-	-	906,547	906,547
Accrued interest	11,290	137,998	-	-	19,936	129,750	298,974
Other	2,105,915	55,862	150	4	1,448	412,515	2,575,894
Gross receivables	17,749,765	2,136,240	2,415,199	5,082,575	21,384	34,213,206	61,618,369
Less: allowance for uncollectibles	306,521	-	-	-	-	628,492	935,013
Net total receivables	\$ 17,443,244	\$ 2,136,240	\$ 2,415,199	\$ 5,082,575	\$ 21,384	\$ 33,584,714	\$ 60,683,356
Net total receivables - Statement of Net Assets							\$ 60,683,356

**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 \$96,649 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%	\$ 6,132,171	\$ 209,627	\$ 798,059	\$ 5,543,739

**C. Notes Receivable - Sherman Garage Fund**

Sherman Garage Fund incurred a non cash transaction transfer of capital assets of \$48,496,112. The City sold 303 parking spaces to the developer at \$24,981 per space for a total of \$7,569,243. There was an outstanding receivable from the developer in the amount of \$5,082,575 with no interest accruing as of 02/28/2007.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 6.

A. Capital Asset Activity

Capital asset activity for the year ended February 28, 2007, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,556,620	\$ -	\$ -	\$ 6,556,620
Right of way	18,695,896	-	-	18,695,896
Construction in progress	41,657,942	8,424,274	48,496,112	1,586,104
Total capital assets, not being depreciated	66,910,458	8,424,274	48,496,112	26,838,620
Capital assets, being depreciated:				
Buildings and improvements	78,509,383	284,674	-	78,794,057
Office equipment and furniture	9,534,769	544,334	-	10,079,103
Machinery and equipment	20,939,965	1,462,813	1,183,237	21,219,541
Infrastructure	85,894,840	8,400,945	-	94,295,785
Library collections	10,192,310	510,251	1,414,292	9,288,269
Capitalized leases	664,069	-	-	664,069
Total capital assets being depreciated	205,735,336	11,203,017	2,597,529	214,340,824
Less accumulated depreciation for:				
Buildings and improvements	23,434,757	1,796,053	-	25,230,810
Office equipment and furniture	5,070,621	1,312,902	-	6,383,523
Machinery and equipment	13,306,814	1,706,164	1,160,172	13,852,806
Infrastructure	44,116,889	2,172,064	-	46,288,953
Library collections	8,620,845	426,005	1,414,292	7,632,558
Capitalized leases	664,069	-	-	664,069
Total accumulated depreciation	95,213,995	7,413,188	2,574,464	100,052,719
Total capital net assets being depreciated, net	110,521,341	3,789,829	23,065	114,288,105
Governmental activities capital assets, net	\$ 177,431,799	\$ 12,214,103	\$ 48,519,177	\$ 141,126,725

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 6.

A. Capital Asset Activity - Continued

	Beginning of Year	Additions	Deletions	End of Year
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,297,937	\$ -	\$ -	\$ 3,297,937
Construction in progress	18,279,118	14,108,812	26,146,188	6,241,742
Total capital assets, not being depreciated	21,577,055	14,108,812	26,146,188	9,539,679
Capital assets, being depreciated:				
Land improvements	3,386,672	-	-	3,386,672
Buildings and improvements	31,428,772	40,926,869	-	72,355,641
Leasehold improvements	302,752	-	-	302,752
Plant	31,444,243	584,969	46,372	31,982,840
Transmission and distribution system	26,118,377	4,198,334	-	30,316,711
Sewer system and underground lines	197,675,521	20,523,664	29,566	218,169,619
Equipment	1,931,234	-	33,698	1,897,536
Parking meters	448,851	258,837	-	707,688
Total capital assets being depreciated	292,736,422	66,492,673	109,636	359,119,459
Less accumulated depreciation for:				
Land improvements	700,932	80,567	-	781,499
Buildings and improvements	4,877,656	1,482,125	-	6,359,781
Leasehold improvements	266,829	13,262	-	280,091
Plant	9,327,262	719,685	41,777	10,005,170
Transmission and distribution system	4,260,094	641,397	-	4,901,491
Sewer system and underground lines	21,932,686	2,719,276	-	24,651,962
Equipment	1,465,219	141,361	33,609	1,572,971
Parking meters	302,206	43,919	-	346,125
Total accumulated depreciation	43,132,884	5,841,592	75,386	48,899,090
Total capital net assets being depreciated, net	249,603,538	60,651,081	34,250	310,220,369
Business-type activities capital assets, net	\$ 271,180,593	\$ 74,759,893	\$ 26,180,438	\$ 319,760,048

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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NOTE 6.

A. Capital Asset Activity - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General management and support	\$ 2,895,965
Public safety	513,479
Public works	2,194,627
Recreation and cultural opportunities	<u>1,809,117</u>
Total depreciation expense – governmental activities	<u>\$ 7,413,188</u>

Business – type activities:

Water	\$ 1,384,583
Sewer	2,834,158
Sherman Garage	765,276
Maple Avenue Garage	684,932
Motor Vehicle Parking	<u>172,643</u>
Total depreciation expense – business – type activities	<u>\$ 5,841,592</u>

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at February 28, 2007, is as follows:

Capital Improvement Fund	\$ 471,021
Water Fund	21,337
Sewer Fund	<u>14,098,754</u>
Total Construction Commitments	<u>\$ 14,591,112</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, 2007 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund		
Emergency Telephone System	\$ 1,240	\$ -
Economic Development	2,059	-
EVNORSKO	5,575	-
Fleet Service	20,384	-
Insurance	795	-
Community Development Block Grant	293	-
Washington National Tax Increment District	450	-
Central Business Tax Increment District	170	-
Capital Improvements	9,063	-
Maple Avenue Garage	8,514	-
Sherman Garage	485	-
Motor Vehicle Parking System	6,799	-
Water	41,935	-
Sewer	-	4,056
Firefighters Pension	-	183
Police Pension	-	6,046
Total General Fund	97,762	10,285
Nonmajor Governmental Funds		
Motor Fuel Tax		
Community Development Loan	1,113	-
Economic Development		
General	-	2,059
Capital Improvement	-	35,202
West Evanston Tax Increment District	10,381	-
Total Economic Development	10,381	37,261
Emergency Telephone System		
General	-	1,240

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
Nonmajor Governmental Funds - Continued		
HOME		
Community Development Block Grant	\$ -	\$ 7,100
Community Development Block Grant		
General	-	293
HOME	7,100	-
Community Development Loan	-	5,155
Total Community Development Block Grant	7,100	5,448
Community Development Loan		
Community Development Block Grant	5,155	-
Motor Fuel Tax	-	1,113
Total Community Development Loan	5,155	1,113
Special Service District No. 4		
Washington National Tax Increment District	-	19,221
Employer Pension Contribution		
Firefighters Pension	-	1,333,766
Police Pension	-	1,481,247
Total Employer Pension Contribution	-	2,815,013
Town		
General Assistance	17,853	-
General Assistance		
Town	-	17,853
Central Business Tax Increment District		
General	-	170
Washington National Tax Increment District		
Special Service District No. 4	19,221	-
West Evanston Tax Increment District		
Economic Development	-	10,381
Capital Improvements		
Fleet	-	105,000
Economic Development	35,202	-
Sewer	-	82,969
Special Assessment	-	3,517
General	-	9,063
Total Capital Improvements	35,202	200,549

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
Nonmajor Governmental Funds - Continued		
Washington National Tax Increment District		
General	\$ -	\$ 450
Special Assessment		
Capital Improvements	3,517	-
Sherman Garage	-	80
Total Special Assessment	3,517	80
 Total Nonmajor Governmental Funds	 99,542	 3,115,879
 Total Governmental Funds	 197,304	 3,126,164
Enterprise Funds		
Water		
Sewer	15,208	-
General	-	41,935
Total Water	15,208	41,935
Sewer		
General	4,056	-
Capital Improvements	82,969	-
Water	-	15,208
Total Sewer	87,025	15,208
Sherman Garage		
Special Assessment	80	-
General	-	485
Total Sherman Garage	80	485
Nonmajor Enterprise Funds		
Maple Avenue Garage		
General	-	8,514
Motor Vehicle Parking System	5,500	-
Total Maple Avenue Garage	5,500	8,514

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
Nonmajor Enterprise Funds - Continued		
Motor Vehicle Parking System		
General	\$ -	\$ 6,799
Maple Avenue Garage	-	5,500
Total Motor Vehicle Parking System	-	12,299
 Total Nonmajor Enterprise Funds	 5,500	 20,813
 Total Enterprise Funds	 107,813	 78,441
Internal Service Funds		
Fleet Services		
General	-	20,384
Capital Improvements	105,000	-
Total Fleet Services	105,000	20,384
Insurance		
General	-	795
 Total Internal Service Funds	 105,000	 21,179
Trust and Agency Funds		
Firefighters Pension		
General	183	-
Employer Pension Contribution	1,333,766	-
Total Firefighters Pension	1,333,949	-
Police Pension		
General	6,046	-
Employer Pension Contribution	1,481,247	-
Total Police Pension	1,487,293	-
Total Trust and Agency Funds	2,821,242	-
 Total All Funds	 3,231,359	 3,225,784
 Less total due from other Agency (EVNORSKO)	 (5,575)	 -
 Total Primary Government	 \$ 3,225,784	 \$ 3,225,784

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, 2007 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Motor Fuel Tax	\$ 772,500	\$ -
Mayor's Special Housing	31,800	-
Central Business Tax Increment District	325,000	-
Washington National Tax Increment District	144,800	-
Howard Hartrey Tax Increment District	135,000	-
Southwest Tax Increment District	23,000	-
Capital Improvements	100,000	-
Special Assessment	31,800	-
General Obligation Debt	-	175,000
Water	2,693,600	-
Fleet	-	300,000
Total General Fund	4,257,500	475,000
Nonmajor Governmental Funds		
Motor Fuel Tax		
General	-	772,500
Economic Development		
Maple Avenue Garage	-	650,000
Mayor's Special Housing		
General	-	31,800
Community Development Block Grant		
Community Development Loan	4,321	-
Community Development Loan		
Community Development Block Grant	-	4,321

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfer In	Transfer Out
Nonmajor Governmental Funds - Continued		
Town		
General Assistance	\$ -	\$ 125,000
General Assistance		
Town	125,000	-
General Obligation Debt		
General	175,000	-
Special Assessment	337,500	-
Total General Obligation Debt	512,500	-
Central Business Tax Increment District		
General	-	325,000
Washington National Tax Increment District	-	845,315
Maple Avenue Garage	-	4,502,000
Total Central Business Tax Increment District	-	5,672,315
Southwest Tax Increment District		
General	-	23,000
Howard Hartrey Tax Increment District		
General	-	135,000
Washington National Tax Increment District		
General	-	144,800
Water	-	727,500
Sherman	1,486,672	-
Central Business Tax Increment District	845,315	-
Total Washington National Tax Increment District	2,331,987	872,300
Capital Improvements		
Water	-	2,000,000
General	-	100,000
Total Capital Improvement	-	2,100,000
Special Assessment		
General	-	31,800
General Obligation Debt	-	337,500
Total Special Assessment	-	369,300
 Total Nonmajor Governmental Funds	 2,973,808	 10,755,536
 Total Governmental Funds	 7,231,308	 11,230,536

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	\$ -	\$ 2,693,600
Capital Improvement	2,000,000	-
Insurance	-	2,000,000
Total Water	<u>2,000,000</u>	<u>4,693,600</u>
Sewer		
Insurance	-	3,000,000
Sherman Garage		
Washington National Tax Increment District	727,500	1,486,672
Nonmajor Enterprise Funds		
Maple Avenue Garage		
Central Business Tax Increment District	4,502,000	-
Economic Development	650,000	-
Total Maple Avenue Garage	<u>5,152,000</u>	<u>-</u>
Total Nonmajor Enterprise Funds	<u>5,152,000</u>	<u>-</u>
Total Enterprise Funds	<u>7,879,500</u>	<u>9,180,272</u>
Internal Service Funds		
Fleet Services		
General	300,000	-
Insurance		
Water	2,000,000	-
Sewer	3,000,000	-
Total Insurance	<u>5,000,000</u>	<u>-</u>
Total Internal Service Funds	<u>5,300,000</u>	<u>-</u>
Total All Funds	<u>20,410,808</u>	<u>20,410,808</u>
Total Primary Government	<u>\$ 20,410,808</u>	<u>\$ 20,410,808</u>

C. Capital Contribution

A Capital contribution was made from governmental activities to the Sherman garage fund in the amount of \$ 1,221,112.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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**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 Department, Water Department and the Evanston Police and Fire Station.

During the 2006 fiscal year, the lease of 4 copiers for the Police and Recreation Departments, with monthly payments of \$1,757, was terminated and replaced with a new contract from Document Vision Technologies for a 60-month term starting April 2005 (monthly payment \$2,541), which added 2 copiers for the fourth floor and first floor of the Evanston Civic Center

The City leases 9 copiers for the Library from GE Capital, with 60 months term start February 2004 (monthly payment of \$1,789), 4 copier for Police Department from GE Capital with 60 months term start February 2004 (monthly payment of \$1,930 and \$247), 1 copier for Hearing Department from Document Vision Technologies with 60 months term start June 2003 (monthly payment of \$190), 1 copier for Budget Department from Document Vision Technologies with 60 months term start April 2003 (monthly payment of \$490), 1 copier for Water Department from Document Vision Technologies with 36 months term start December 2004 (monthly payment of \$305), 3 copier for Fleet Department from GE Capital with 36 months term start March 2004 (monthly payment of \$600), 1 copier for Chandler Center from GE Capital with 60 months term start September 2004 (monthly payment of \$302), and 2 copier for Parks & Recreation from with 60 months term start February 2004 (monthly payment of \$1,759).

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

Minimum annual lease payments are as follows:

\$	152,939
	105,236
	33,649
	2,541
\$	<u>294,365</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, 2006	Issued or Adjusted	Retired or Transferred to Debt Service Funds	Balance February 28, 2007	Due Within One Year
<b>Governmental activities</b>							
General obligation bonds/corporate purpose bonds							
Series 1997	5.00%-5.50%	12/1/2017	\$ 14,400,000	\$ -	\$ 2,430,000	\$ 11,970,000	\$ 1,330,000
Series 1998	4.80%-4.875%	12/1/2018	1,350,000	-	420,000	930,000	450,000
Series 1999	4.25%-5.00%	12/1/2019	31,895,000	-	3,060,000	28,835,000	2,760,000
Series 2000	Variable Rate	12/1/2021	27,800,000	-	8,900,000	18,900,000	18,900,000
Series 2002A	Variable Rate	12/1/2018	29,500,000	-	-	29,500,000	29,500,000
Series 2002B	Variable Rate	12/1/2007	5,500,000	-	-	5,500,000	5,500,000
Series 2002C	5.00%-5.80%	1/1/2022	12,665,000	-	7,215,000	5,450,000	715,000
Series 2003	2.00%-5.00%	1/1/2010	7,745,000	-	2,530,000	5,215,000	2,610,000
Series 2003B	2.00%-5.25%	1/1/2023	10,990,000	-	7,350,000	3,640,000	80,000
Series 2004	2.00%-5.00%	12/1/2023	13,225,000	-	145,000	13,080,000	140,000
Series 2004B	2.00%-5.25%	12/1/2017	11,585,000	-	-	11,585,000	1,370,000
Series 2005	3.25%-5.00%	12/1/2025	29,220,000	-	800,000	28,420,000	825,000
Series 2006	3.85%-5.00%	12/1/2026	-	10,290,000	-	10,290,000	120,000
Series 2006B	4.00%-4.25%	12/1/2023	-	14,430,000	-	14,430,000	-
Total general obligation bonds/corporate purpose bonds			195,875,000	24,720,000	32,850,000	187,745,000	64,300,000
Less: Business-type activity bonds			(37,385,000)	(47,275,000)	(7,835,000)	(76,825,000)	(46,495,000)
Total governmental activity bonds			158,490,000	(22,555,000)	25,015,000	110,920,000	17,805,000
Special Service District #5							
Series 2002C rfndg 1996	5.00% - 5.80%	1/1/2016	3,335,000	-	265,000	3,070,000	285,000
Total special service district # 5 bonds			3,335,000	-	265,000	3,070,000	285,000
Bonds premium liability			4,675,953	195,693	343,952	4,527,694	-
Pension contributions			13,189,358	430,942	-	13,620,300	-
Compensated absences payable - City			8,590,124	6,092,944	4,622,635	10,060,433	4,427,486
Claims payable			4,534,114	1,851,161	689,075	5,696,200	821,700
Governmental activity Long-term liabilities			\$ 192,814,549	\$ (13,984,260)	\$ 30,935,662	\$ 147,894,627	\$ 23,339,186

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, 2006	Issued or Adjusted	Retire or Transferred to Debt Service Funds	Balance February 28, 2007	Due Within One Year
<b>Business-type Activities</b>							
General obligation bonds/corporate purpose bonds							
Sewer			\$ 20,570,000	\$ -	\$ 2,050,000	\$ 18,520,000	\$ 2,155,000
Sherman Garage			-	47,275,000	-	47,275,000	35,810,000
Maple Avenue Garage			13,100,000	-	5,200,000	7,900,000	7,900,000
Parking System			3,715,000	-	585,000	3,130,000	630,000
Total general obligation bonds/corporate purpose bonds			37,385,000	47,275,000	7,835,000	76,825,000	46,495,000
Unamortized bond expenses and discount			(28,754)	-	(15,876)	(12,878)	-
Water Fund revenue bonds							
Series 1999	4.125-4.375%	1/1/2014	2,105,000	-	230,000	1,875,000	235,000
Series 2002	2.00-3.75%	1/1/2012	1,605,000	-	240,000	1,365,000	250,000
Total Water Fund revenue bonds			3,710,000	-	470,000	3,240,000	485,000
Sewer Fund – Illinois Environmental Protection Agency loans	2.535-3.59%	Various Through 11/26/2021	101,400,675	4,498,539	6,408,293	99,490,921	6,942,338
Compensated absences payable - City			575,388	85,686	75,468	585,606	585,606
Business-type activity long-term liabilities			\$ 143,042,309	\$ 51,859,225	\$ 14,772,885	\$ 180,128,649	\$ 54,507,944

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**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 12/1/01 through 11/30/05. During the current fiscal year, the City paid an additional \$144,468 due to the swap agreement. 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 12/1/02 through 11/30/2005.

In March, 2003, the City issued \$15,890,000 in General Obligation bonds with an average interest rate of 3.27% to advance refund \$15,895,000 of outstanding 1993 Series bonds with an average interest rate of 4.04%. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$538,201. This difference, reported in the accompanying financial statements as a bond premium liability, is being charged to operations through the year 2011 using the straight-line method. The proceeds from the new bond issue were used to establish an escrow account and the those monies were used to fully payoff the 1993 bonds on June 1, 2003. The City completed the advance refunding to reduce its total debt service payments over the next seven years by \$1,149,266 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,065,550.

In May, 2003, the City issued Series 2003B \$11,485,000 in General Obligation bonds at a net interest cost of 4.4900825%. The proceeds are being used to partially finance the City's Long Range Capital Improvement Program.

In 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.

In 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.

In July 28, 2005, the City issued Series 2005 \$29,270,000 in General Obligation bonds at a net interest cost of 3.893986%. The proceeds are being used to partially refund \$6,350,000 of the 1998 bonds, pay a portion of the costs of Capital Improvement Program, finish constructing the Sherman Garage, and pay for additional Special Assessment Alley program.

In July 19, 2006, the City issued Series 2006 \$10,290,000 in General Obligation bonds at a net interest cost of 4.793401%. The proceeds are being used to partially finance the City's Long Range Capital Improvement Program and Special Assessment Alley program.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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

**B. General Obligation Bonds Payable - Continued**

In December 27, 2006, the City issued Series 2006B \$14,430,000 in General Obligation bonds at a net interest cost of 4.206030%. The proceeds are being used to partially refund \$6,480,000 of the 2002C bonds and \$7,270,000 of the 2003B bonds. This will result in net cash savings of \$769,505 which translates to a net present value savings of \$665,226.

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
2008	\$ 17,805,000	\$ 5,737,092	\$ 46,495,000	\$ 10,093,925
2009	5,640,000	4,057,778	3,820,000	1,639,135
2010	5,760,000	3,855,034	4,040,000	1,425,178
2011	5,875,000	3,676,446	3,635,000	1,198,375
2012	6,375,000	3,449,493	3,825,000	1,002,911
2013-2017	34,130,000	13,007,030	11,810,000	2,354,586
2018-2022	23,880,000	6,090,299	3,200,000	237,681
2023-2027	11,455,000	1,380,325	-	-
Total	\$ 110,920,000	\$ 41,253,497	\$ 76,825,000	\$ 17,951,791

**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 follows:

Year Ending February 28	Governmental Activities	
	Principal	Interest
2008	\$ 285,000	\$ 157,313
2009	295,000	143,063
2010	305,000	128,313
2011	325,000	113,063
2012	335,000	96,813
2013-2017	1,525,000	205,013
Total	\$ 3,070,000	\$ 843,578

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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

**D. Revenue Bonds Payable**

The City also issued revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The bonds were issued to finance construction projects related to the water treatment plant.

Revenue bond debt service requirements to maturity are as follows:

Year Ending February 28	Business-type Activities	
	Principal	Interest
2008	\$ 485,000	\$ 128,713
2009	510,000	110,913
2010	525,000	91,556
2011	550,000	71,269
2012	575,000	49,344
2013-2017	595,000	39,375
Total	<u>\$ 3,240,000</u>	<u>\$ 491,170</u>

**E. Notes Payable - Sewer IEPA Loans**

During the fiscal year ended February 28, 2007, the City currently has 25 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.

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

Year Ending February 28	Business-type Activities	
	Principal	Interest
2008	\$ 6,942,338	\$ 2,729,554
2009	7,146,225	2,525,580
2010	7,356,195	2,315,521
2011	7,572,433	2,099,191
2012	7,795,129	1,876,401
2013-2017	35,169,052	6,142,141
2018-2022	21,170,641	2,168,286
2023-2027	6,338,908	346,945
Total	<u>\$ 99,490,921</u>	<u>\$ 20,203,620</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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

**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.

In 2005, the City defeased a portion of Series 1998 Corporate Purpose bonds, by placing a portion of the proceeds of Series 2005 in an irrevocable Escrow Account.

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

The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At February 28, 2007, the following remaining outstanding balances are considered defeased:

<u>GO Series</u>	<u>Original Amount Defeased</u>	<u>Outstanding Defeased Amounts</u>
1996	9,765,000	9,765,000
1997	11,085,000	11,085,000
1998	6,350,000	6,350,000
2002C	6,480,000	6,480,000
2003B	7,270,000	7,270,000

The outstanding balances of Series 1997, 1998, 2002C and 2003B, not defeased at February 28, 2007, are recorded as a liability in the City's financial statements. Those balances are as follows:

<u>Series</u>	
1997	\$ 11,970,000
1998	930,000
2002C	5,450,000
2003B	3,640,000

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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

**G. Prior Years' Special Service District #5 Bond Defeasances**

In 2003, the City defeased a portion of Special Service District #5 Series 1995 and 1996 bonds by placing a portion of the proceeds of Series 2002C in an irrevocable escrow account.

<u>Special Service District #5</u>	<u>Original Amount Defeased</u>	<u>Outstanding Defeased Amounts</u>
1995	\$ 1,990,000	\$ 1,990,000
1996	1,260,000	1,260,000

There are no outstanding balances for Special Service District #5 bonds 1995 and 1996, not defeased at February 28, 2007.

**NOTE 10. FUND EQUITY**

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

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

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**NOTE 10. FUND EQUITY - Continued**

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

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

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

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 43,782,756
Police Pension Fund Restriction for employee pension benefits	<u>61,840,351</u>
Total Fiduciary Funds	<u>\$ 105,623,107</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**NOTE 10. FUND EQUITY - Continued**

**C. Reservations of Fund Equity**

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

<u>City</u>	General Fund		
	Reserved for encumbrances	\$	80,388
	Reserved for Arts Council		34,265
	Reserved for private elm trees		98,408
	Reserved for parkway trees		198,449
	Reserved for Butterfield sculpture		31,833
	Reserved for scholarship contributions		34,203
	Reserved for public library acquisitions		387,150
	Reserved for recreation group activities		207,123
	Other reserves		<u>255,472</u>
	Total General Fund		<u>1,327,291</u>
	Special Revenue Funds		
	Reserved for notes receivable		<u>5,543,739</u>
	Debt Service Funds		
	Reserved for debt service		<u>26,197,533</u>
	Total Reserved Fund Equity - Governmental Funds	\$	<u><u>33,068,563</u></u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**NOTE 10. FUND EQUITY - Continued**

**D. Unrestricted Fund Equity - Designated**

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

General Fund	
IMRF - Pension	\$ 2,590,000
Compensated Absences	2,576,360
Capital projects to be financed in a future period	259,731
Total General Fund	<u>5,426,091</u>
Special Revenue Funds	
Specific Capital Projects	
Motor Fuel Tax	1,947,208
Library	2,809,966
Total Special Revenue Funds	<u>4,757,174</u>
Capital Projects Funds	
Specific capital projects	
Capital Improvements	12,062,038
Central Business Tax Increment District	4,351,894
Special Assessment	2,602,715
Washington National Tax Increment District	191,321
Total Capital Projects Funds	<u>19,207,968</u>
Unrestricted Fund Equity - Designated	<u>\$ 29,391,233</u>

The Township has no designated unrestricted fund equity.

## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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#### NOTE 11. INDIVIDUAL FUND ACTIVITIES

##### A. General Obligation Debt Service Fund

The City usually adopts several resolutions abating portions of the property tax debt service levies. The amount of property taxes abated is derived from principal and interest payments by private assessments on street paving projects; additional sewer service fees related to the citywide sewer improvement project; tax increment revenues in the 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 August 13, 2007, the City Council adopted Ordinance No. 37-R-07 which extended the life of Special Service District No. 4 until December 31, 2019. Special Service District No. 4 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The 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 \$255,000. The annual property tax levy for 2006 was \$255,000.

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.

No cases have exceeded the amount of insurance coverage for the past three years.

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

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Total</u>
<b>March 1, 2005</b>	\$ 2,694,284	\$ 10,002,500	\$ 12,696,784
New claims and/or estimate revisions	651,119	89,909	741,028
Claims payments	<u>(404,288)</u>	<u>(8,499,410)</u>	<u>(8,903,698)</u>
<b>February 28, 2006</b>	2,941,115	1,592,999	4,534,114
New claims and/or estimate revisions	362,161	1,489,000	1,851,161
Claims payments	<u>(502,075)</u>	<u>(187,000)</u>	<u>(689,075)</u>
<b>February 28, 2007</b>	<u>\$ 2,801,201</u>	<u>\$ 2,894,999</u>	<u>\$ 5,696,200</u>

## **CITY OF EVANSTON, ILLINOIS**

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

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#### **NOTE 13. SUBSEQUENT EVENTS**

The City issued Series 2007, \$30,385,000 general obligation bonds in May 2007. The distribution of proceeds are as follows: \$15,025,000 to partially finance the City's long-range capital improvement program, and \$15,360,000 to advance refund the City's outstanding General Obligation Corporate Purpose bonds, Series 1997 & 1999.

#### **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

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#### 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 was made to dissolve the organization. The remaining assets of \$27,500 are to be divided among the interested parties. The City's Corporation Counsel filed the necessary court documents to dissolve the organization, and it was completed on June 2006. There was no activity between December 31, 2002 and December 31, 2006, 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**

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**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, 2006:

Current assets	\$	6,421,875
Restricted assets		1,096,466
Property, plant, and equipment		13,997,538
Debt issuance costs, net		137,531
Total assets	\$	<u>21,653,410</u>
Current liabilities	\$	3,934,928
Long-term debt, net of unamortized discount		8,973,921
Invested in capital assets, net of related debt		4,223,617
Restricted for debt service, net of accrued interest		1,047,673
Unrestricted net assets		3,473,271
Total liabilities and fund equity	\$	<u>21,653,410</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2006:

Total revenues	\$	15,481,207
Total expenses		<u>(15,720,257)</u>
Net (loss)	\$	<u>(239,050)</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**

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**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, 2006 are summarized as follows:

Statement of Financial Position as of December 31, 2006:

Cash and cash equivalents	\$ 1,695,090
Mortgage loans receivable	1,446,942
Total assets	<u>3,142,032</u>
Payables and accrued expenses	78,032
Notes payable	3,064,000
Total liabilities	<u>3,142,032</u>
Net Assets	<u>\$ -</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**NOTE 15. JOINT VENTURES – Continued**

**C. Evanston Housing Corporation - Continued**

Statement of Activities for the Year Ended December 31, 2006:

Total revenues	\$	119,821
Total operating expenses		<u>(119,821)</u>
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, 2007	\$	<u><u>32,851,402</u></u>
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## CITY OF EVANSTON, ILLINOIS

### Notes to the Financial Statements

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City and Township are required to contribute at an actuarially determined rate. The City's rate for calendar years 2006 was 8.17% 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**

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**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, 2006 was \$54,340,375. Of this amount, \$32,625,369 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2005 was \$314,044. Of this amount, \$314,044 in payroll earnings were reported to and covered by the IMRF plan.

**C. Annual Pension Cost**

For December 31, 2006, the City's annual pension cost of \$2,665,493 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2004 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 2006 actuarial valuation were based on the 2002-2004 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, 2006 was 26 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

Actuarial Valuation <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/06	\$ 2,665,493	100%	-
12/31/05	2,399,228	100%	-
12/31/04	1,173,858	100%	-

For December 31, 2005, the Township's annual pension cost of \$20,476 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2003 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 with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

Three-Year Trend Information for IMRF - Township

Actuarial Valuation <u>Date</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/05	\$ 20,476	100%	-
12/31/04	3,877	100%	-
12/31/03	3,767	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, 2007 was \$11,195,000 and \$8,150,000, respectively.

Participation in the plans at February 28, 2007 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	153	118
Active plan members	<u>163</u>	<u>111</u>
Total	<u><u>316</u></u>	<u><u>229</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**

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**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 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 when due. Employer contributions to each plan are recognized when due, pursuant to formal commitment as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative cost for Police and Firefighters are financed by investment income.

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

**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**

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**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, 2006) and are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 4,301,359	\$ 3,921,530
Interest on net pension obligation	619,945	369,257
Adjustment to annual required contribution	<u>(532,961)</u>	<u>(317,448)</u>
Annual pension cost	4,388,343	3,973,339
Contributions made	<u>(4,417,058)</u>	<u>(3,513,682)</u>
Increase in net pension obligation	(28,715)	459,657
Net pension obligation at March 1, 2005	<u>8,265,927</u>	<u>4,923,431</u>
Net pension obligation at February 28, 2006	<u>\$ 8,237,212</u>	<u>\$ 5,383,088</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**

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**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	2/28/06	\$ 4,388,343	106.25 %	\$ 8,237,212
	2/28/05	4,157,307	73.87	\$ 8,265,927
	2/29/04	4,361,218	107.87	7,330,143
Firefighters'	2/28/06	\$ 3,973,339	104.44 %	\$ 5,383,088
	2/28/05	3,364,452	80.67	\$ 4,923,431
	2/29/04	3,091,174	106.37	4,052,686

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

**NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued**

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

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

	Firefighters' Pension	Police Pension	Total Pension
Assets			
Cash and short-term investments	\$ 3,927,555	\$ 3,400,961	\$ 7,328,516
Receivables			
Accrued interest	171,803	286,565	458,368
Due from other funds	1,333,949	1,487,293	2,821,242
Total Receivables	1,505,752	1,773,858	3,279,610
Investments, at fair value			
U.S. Government obligations	19,587,682	30,531,510	50,119,192
Common stock	11,651,855	-	11,651,855
Mutual funds	7,113,295	26,137,101	33,250,396
Total Investments	38,352,832	56,668,611	95,021,443
Total Assets	43,786,139	61,843,430	105,629,569
Liabilities			
Vouchers payable	3,383	3,079	6,462
Total Liabilities	3,383	3,079	6,462
Net assets held in trust for pension benefits	\$ 43,782,756	\$ 61,840,351	\$ 105,623,107

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
Additions			
Contributions			
Employer	\$ 3,730,660	\$ 4,371,945	\$ 8,102,605
Plan members	809,812	1,130,769	1,940,581
Total Contributions	<u>4,540,472</u>	<u>5,502,714</u>	<u>10,043,186</u>
Investment income			
Net appreciation in fair value of investments	1,525,720	2,730,492	4,256,212
Interest	1,566,410	1,746,750	3,313,160
Total investment income	<u>3,092,130</u>	<u>4,477,242</u>	<u>7,569,372</u>
Less investment expense	199,597	115,010	314,607
Net investment income	<u>2,892,533</u>	<u>4,362,232</u>	<u>7,254,765</u>
Total Additions	<u>7,433,005</u>	<u>9,864,946</u>	<u>17,297,951</u>
Deductions			
Benefits	4,282,484	6,288,733	10,571,217
Refunds of contributions	-	102,448	102,448
Administrative expense	21,191	34,268	55,459
Total Deductions	<u>4,303,675</u>	<u>6,425,449</u>	<u>10,729,124</u>
Net increase	3,129,330	3,439,497	6,568,827
Net assets held in trust for pension benefits			
Beginning of year	40,653,426	58,400,854	99,054,280
End of year	<u>\$ 43,782,756</u>	<u>\$ 61,840,351</u>	<u>\$ 105,623,107</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

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**NOTE 17. DEFINED BENEFIT PENSION PLANS - Continued**

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

**K. Pensions - Actuarial Valuations**

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

	<u>Firefighters' Pension Fund</u>	<u>Police Pension Fund</u>
Valuation date	March 1, 2006	March 1, 2006
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	27 Years	27 Years
Asset valuation method	Fair Market value	Fair Market value

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## 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, 2007

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
<b>Firefighters' Pension</b>						
3/1/2006	\$ 40,653,428	\$ 84,413,071	43,759,643	48.16%	\$ 8,150,000	536.93%
3/1/2005	38,327,422	78,759,019	40,431,597	48.66%	7,684,000	526.18%
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%
<b>Police Pension</b>						
3/1/2006	\$ 58,400,853	\$ 112,448,880	54,048,027	51.94%	\$ 11,195,000	482.79%
3/1/2005	55,269,914	106,426,694	51,156,780	51.93%	10,642,000	480.71%
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	36,649,235	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%
<b>Illinois Municipal Retirement Fund (City)</b>						
12/31/2006	\$ 87,758,900	\$ 82,928,874	(4,830,026)	105.82%	\$ 32,625,369	-
12/31/2005	82,368,849	79,384,403	(2,984,446)	103.76%	31,403,514	-
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%
<b>Illinois Municipal Retirement Fund (Township)</b>						
12/31/2005	\$ 413,112	\$ 253,244	(159,868)	163.13%	\$ 314,044	-
12/31/2004	612,303	450,398	(161,905)	135.95%	325,805	-
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	-

**CITY OF EVANSTON, ILLINOIS**

Firefighters and Police Pension Funds

Schedules of Employer Contribution  
 Required Supplementary Information  
 February 28, 2007

Tax Levy Year	Firefighters' Pension Fund			Police Pension Fund		
	Annual Required Contribution	City's Contribution	Percentage Contributed	Annual Required Contribution	City's Contribution	Percentage Contributed
2006	\$ 3,921,530	\$ -	N/A	\$ 4,301,359	\$ -	N/A
2005	3,317,158	3,459,626	104.29%	4,071,765	4,295,601	105.50%
2004	3,041,911	3,398,340	111.72%	4,274,043	4,271,102	99.93%
2003	2,685,046	2,690,742	100.21%	3,505,934	3,522,862	100.48%
2002	2,355,236	2,374,744	100.83%	3,224,902	3,252,113	100.84%
2001	2,209,466	2,324,407	105.20%	2,990,038	3,038,432	101.62%

**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, 2007

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 41,033,700	\$ 42,276,789	\$ 1,243,089
Licenses and permits	7,872,400	8,060,996	188,596
Intergovernmental	15,267,300	16,338,153	1,070,853
Charges for services	6,757,800	7,167,364	409,564
Fines	4,592,000	4,029,228	(562,772)
Investment income	400,000	777,165	377,165
Miscellaneous	5,404,100	4,949,769	(454,331)
Total Revenues	<u>81,327,300</u>	<u>83,599,464</u>	<u>2,272,164</u>
<b>Expenditures</b>			
General management and support	13,556,400	12,824,237	732,163
Public safety	29,658,200	30,273,200	(615,000)
Public works	12,499,700	12,474,246	25,454
Health and human resource development	5,271,200	5,050,412	220,788
Recreation and cultural opportunities	16,642,600	16,664,959	(22,359)
Housing and economic development	2,957,000	3,093,935	(136,935)
Pensions	5,024,700	5,645,241	(620,541)
Total Expenditures	<u>85,609,800</u>	<u>86,026,230</u>	<u>(416,430)</u>
(Deficiency) of Revenues (under) Expenditures	<u>(4,282,500)</u>	<u>(2,426,766)</u>	<u>1,855,734</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in (out)			
Motor Fuel Tax Fund	772,500	772,500	-
Housing Fund	31,800	31,800	-
Central Business Tax Increment District	325,000	325,000	-
Washington National TIF Debt Service Fund	144,800	144,800	-
Southwest TIF II Debt Service Fund	135,000	135,000	-
Southwest TIF I Debt Service Fund	23,000	23,000	-
Capital Improvement Fund	100,000	100,000	-
Fleet Fund	-	(300,000)	(300,000)
Special Assessment Capital Project Fund	31,800	31,800	-
Water Fund	2,693,600	2,693,600	-
General Obligation Debt Service Fund	(175,000)	(175,000)	-
	<u>4,082,500</u>	<u>3,782,500</u>	<u>(300,000)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (200,000)</u>	1,355,734	<u>\$ 1,555,734</u>
<b>Fund Balance</b>			
Beginning of year		33,979,826	
End of year		<u>\$ 35,335,560</u>	

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Required Supplementary Information**

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

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

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

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

Adjustments necessary to convert City revenues and expenditures for the year ended February 28, 2007 on the GAAP basis to the budgetary basis are presented below:

	<u>General Fund</u>
Revenues	
GAAP basis revenues as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 83,587,596
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>11,868</u>
Budgetary Basis Revenues	<u>\$ 83,599,464</u>
Expenditures	
GAAP basis revenues as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 86,008,485
Increase (decrease) due to Encumbrances - March 1, 2006	(62,643)
Encumbrances - February 28, 2007	<u>80,388</u>
Budgetary Basis Expenditures	<u>\$ 86,026,230</u>

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## 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.

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

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

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

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

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

Continued

## **Special Revenue Funds - Continued**

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.

### **Township Funds**

Town - to account for general administrative services.

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

### **Debt Service Funds**

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

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

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

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.

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

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

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## **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.

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.

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 costs of redevelopment of this special taxing district. Financing is provided from general obligation bond and note 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, 2007

	<b>Special Revenue</b>				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library	Neighborhood Improvement
Assets					
Cash and equivalents	\$ 1,918,731	\$ 1,348,105	\$ 2,344,787	\$ 469,297	\$ 82,498
Investments	-	-	-	2,336,748	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Accounts	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	3,921	-
Other	738	43,254	150,310	-	-
Due from other governments	188,615	-	-	-	-
Due from other funds	1,113	10,381	-	-	-
<b>Total Assets</b>	<b>\$ 2,109,197</b>	<b>\$ 1,401,740</b>	<b>\$ 2,495,097</b>	<b>\$ 2,809,966</b>	<b>\$ 82,498</b>
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 161,989	\$ 66,804	\$ 387,746	\$ -	\$ -
Accrued payroll	-	3,332	8,017	-	-
Other	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	37,261	1,240	-	-
Unearned revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>161,989</b>	<b>107,397</b>	<b>397,003</b>	<b>-</b>	<b>-</b>
Fund Balances					
Reserved for notes receivable	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Unreserved					
Capital projects	1,947,208	-	-	2,809,966	-
Undesignated	-	1,294,343	2,098,094	-	82,498
<b>Total Fund Balances</b>	<b>1,947,208</b>	<b>1,294,343</b>	<b>2,098,094</b>	<b>2,809,966</b>	<b>82,498</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,109,197</b>	<b>\$ 1,401,740</b>	<b>\$ 2,495,097</b>	<b>\$ 2,809,966</b>	<b>\$ 82,498</b>

**Special Revenue**

Mayor's Special Housing	Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ 192,536	\$ 130,000	\$ 346,741	\$ -	\$ 700,787	\$ -	\$ -	\$ 7,533,482
-	-	-	-	-	-	-	2,336,748
-	-	-	-	-	248,141	7,068,944	7,317,085
1,369,562	-	2,690,489	12,799	1,470,889	-	-	5,543,739
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,000	-	-	-	-	-	-	3,921
-	-	-	70,875	-	-	-	202,302
-	-	-	7,100	5,155	-	-	259,490
-	-	-	-	-	-	-	23,749
<b>\$ 1,570,098</b>	<b>\$ 130,000</b>	<b>\$ 3,037,230</b>	<b>\$ 90,774</b>	<b>\$ 2,176,831</b>	<b>\$ 248,141</b>	<b>\$ 7,068,944</b>	<b>\$ 23,220,516</b>
\$ 11,667	\$ -	\$ -	\$ 67,770	\$ 6,474	\$ -	\$ -	\$ 702,450
-	-	-	4,757	-	-	-	16,106
-	-	-	-	3,141	-	-	3,141
-	-	289,886	-	651	-	-	290,537
-	-	7,100	5,448	1,113	19,221	2,815,013	2,886,396
-	-	-	-	-	134,137	4,253,931	4,388,068
11,667	-	296,986	77,975	11,379	153,358	7,068,944	8,286,698
1,369,562	-	2,690,489	12,799	1,470,889	-	-	5,543,739
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,757,174
188,869	130,000	49,755	-	694,563	94,783	-	4,632,905
1,558,431	130,000	2,740,244	12,799	2,165,452	94,783	-	14,933,818
<b>\$ 1,570,098</b>	<b>\$ 130,000</b>	<b>\$ 3,037,230</b>	<b>\$ 90,774</b>	<b>\$ 2,176,831</b>	<b>\$ 248,141</b>	<b>\$ 7,068,944</b>	<b>\$ 23,220,516</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
2/28/2007 and 03/31/06 for City and Township respectively

	<b>Special Revenue</b>			
	Town Fund	General Assistance	Total Township Funds	Total
<b>Assets</b>				
Cash and equivalents	\$ 430,750	\$ 671,704	\$ 1,102,454	\$ 8,635,936
Investments	-	-	-	2,336,748
Receivables				
Property taxes (net of allowance)				
Current year levy	227,926	599,095	827,021	8,144,106
Notes	-	-	-	5,543,739
Accounts	-	-	-	-
Allowance	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	3,921
Other	-	4,912	4,912	207,214
Due from other governments	-	-	-	259,490
Due from other funds	17,853	-	17,853	41,602
<b>Total Assets</b>	<b>\$ 676,529</b>	<b>\$ 1,275,711</b>	<b>\$ 1,952,240</b>	<b>\$ 25,172,756</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Vouchers payable	\$ 54,105	\$ 38,746	\$ 92,851	\$ 795,301
Accrued payroll	-	-	-	16,106
Other	-	-	-	3,141
Due to other governments	-	127,660	127,660	418,197
Due to other funds	-	17,853	17,853	2,904,249
Unearned revenues	209,947	549,936	759,883	5,147,951
<b>Total Liabilities</b>	<b>264,052</b>	<b>734,195</b>	<b>998,247</b>	<b>9,284,945</b>
<b>Fund Balances</b>				
Reserved for notes receivable	-	-	-	5,543,739
Reserved for debt service	-	-	-	-
Unreserved				
Capital projects	-	-	-	4,757,174
Undesignated	412,477	541,516	953,993	5,586,898
<b>Total Fund Balances</b>	<b>412,477</b>	<b>541,516</b>	<b>953,993</b>	<b>15,887,811</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 676,529</b>	<b>\$ 1,275,711</b>	<b>\$ 1,952,240</b>	<b>\$ 25,172,756</b>

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	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total
\$ 3,365,491	\$ 35,162	\$ 5,772,510	\$ 649,863	\$ 3,024,766	\$ 3,640,130	\$ 160,030	\$ 16,931	\$ 16,664,883
-	-	-	-	-	1,000,000	-	-	1,000,000
7,722,007	432,352	6,819,793	588,174	1,016,540	1,749,194	101,738	18,259	18,448,057
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,984	-	-	-	-	11,370	-	-	32,354
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	19,221	-	-	19,221
<u>\$ 11,108,482</u>	<u>\$ 467,514</u>	<u>\$ 12,592,303</u>	<u>\$ 1,238,037</u>	<u>\$ 4,041,306</u>	<u>\$ 6,419,915</u>	<u>\$ 261,768</u>	<u>\$ 35,190</u>	<u>\$ 36,164,515</u>
\$ 1,931	\$ -	\$ 1,093	\$ -	\$ -	\$ 15,052	\$ -	\$ -	\$ 18,076
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	170	-	-	-	-	10,381	10,551
4,602,044	230,656	3,293,818	314,747	503,534	929,236	52,992	11,328	9,938,355
4,603,975	230,656	3,295,081	314,747	503,534	944,288	52,992	21,709	9,966,982
-	-	-	-	-	-	-	-	-
6,504,507	236,858	9,297,222	923,290	3,537,772	5,475,627	208,776	13,481	26,197,533
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,504,507	236,858	9,297,222	923,290	3,537,772	5,475,627	208,776	13,481	26,197,533
<u>\$ 11,108,482</u>	<u>\$ 467,514</u>	<u>\$ 12,592,303</u>	<u>\$ 1,238,037</u>	<u>\$ 4,041,306</u>	<u>\$ 6,419,915</u>	<u>\$ 261,768</u>	<u>\$ 35,190</u>	<u>\$ 36,164,515</u>

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**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
February 28, 2007

	Capital Projects				Total	Total Nonmajor Governmental Funds
	Capital Improvements	Central Business Tax Increment District	Washington National Tax Increment District	Special Assessment		
<b>Assets</b>						
Cash and equivalents	\$ 9,709,000	\$ 4,302,980	\$ 198,542	\$ 2,599,278	\$ 16,809,800	\$ 42,110,619
Investments	2,996,186	-	-	-	2,996,186	6,332,934
Receivables						
Property taxes (net of allowance)						
Current year levy	-	-	-	-	-	26,592,163
Notes	-	96,649	-	-	96,649	5,640,388
Accounts	-	-	-	-	-	-
Allowance	-	(96,649)	-	-	(96,649)	(96,649)
Special assessments	-	-	-	906,547	906,547	906,547
Accrued interest	44,561	48,914	-	-	93,475	129,750
Other	141,800	-	-	-	141,800	349,014
Due from other governments	-	-	-	-	-	259,490
Due from other funds	35,202	-	-	3,517	38,719	99,542
<b>Total Assets</b>	<b>\$ 12,926,749</b>	<b>\$ 4,351,894</b>	<b>\$ 198,542</b>	<b>\$ 3,509,342</b>	<b>\$ 20,986,527</b>	<b>\$ 82,323,798</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Vouchers payable	\$ 664,162	\$ -	\$ 6,771	\$ -	\$ 670,933	\$ 1,484,310
Accrued payroll	-	-	-	-	-	16,106
Other	-	-	-	-	-	3,141
Due to other governments	-	-	-	-	-	418,197
Due to other funds	200,549	-	450	80	201,079	3,115,879
Unearned revenues	-	-	-	906,547	906,547	15,992,853
<b>Total Liabilities</b>	<b>864,711</b>	<b>-</b>	<b>7,221</b>	<b>906,627</b>	<b>1,778,559</b>	<b>21,030,486</b>
<b>Fund Balances</b>						
Reserved for notes receivable	-	-	-	-	-	5,543,739
Reseved for debt service	-	-	-	-	-	26,197,533
Unreserved						
Capital projects	12,062,038	4,351,894	191,321	2,602,715	19,207,968	23,965,142
Undesignated	-	-	-	-	-	5,586,898
<b>Total Fund Balances</b>	<b>12,062,038</b>	<b>4,351,894</b>	<b>191,321</b>	<b>2,602,715</b>	<b>19,207,968</b>	<b>61,293,312</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,926,749</b>	<b>\$ 4,351,894</b>	<b>\$ 198,542</b>	<b>\$ 3,509,342</b>	<b>\$ 20,986,527</b>	<b>\$ 82,323,798</b>

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Year ended February 28, 2007

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library	Neighborhood Improvement
<b>Revenues</b>					
Taxes	\$ -	\$ 1,826,670	\$ 1,052,991	\$ -	\$ 40,000
Special assessments	-	-	-	-	-
Intergovernmental	2,139,089	-	-	-	-
Investment income	119,906	19,166	29,433	312,381	-
SSI reimbursement	-	-	-	-	-
Emergency assistance reimbursement	-	-	-	-	-
Miscellaneous	-	-	9,135	7,608	-
<b>Total Revenues</b>	<b>2,258,995</b>	<b>1,845,836</b>	<b>1,091,559</b>	<b>319,989</b>	<b>40,000</b>
<b>Expenditures</b>					
<b>Current</b>					
General management and support	-	-	-	-	-
Public safety	-	-	1,314,307	-	-
Public works	1,845,900	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	1,000	-
Housing and economic development	-	1,021,385	-	-	-
<b>Debt service</b>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,845,900</b>	<b>1,021,385</b>	<b>1,314,307</b>	<b>1,000</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	413,095	824,451	(222,748)	318,989	40,000
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of bonds	-	-	-	-	-
Escrow funding	-	-	-	-	-
Premiums and discount	-	-	-	-	-
<b>Transfers in (out)</b>					
General Fund	(772,500)	-	-	-	-
Community Development Block Grant	-	-	-	-	-
Community Development Loan	-	-	-	-	-
Town Fund	-	-	-	-	-
General Assistance Fund	-	-	-	-	-
General Obligation Debt Service Fund	-	-	-	-	-
Central Business Tax Increment District	-	-	-	-	-
Washington National Tax Increment District	-	-	-	-	-
Special Assesstment Capital Project	-	-	-	-	-
Water	-	-	-	-	-
Maple Avenue Garage	-	(650,000)	-	-	-
Sherman Garage	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(772,500)</b>	<b>(650,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(359,405)</b>	<b>174,451</b>	<b>(222,748)</b>	<b>318,989</b>	<b>40,000</b>
<b>Fund Balances -Beginning of Year</b>	<b>2,306,613</b>	<b>1,119,892</b>	<b>2,320,842</b>	<b>2,490,977</b>	<b>42,498</b>
<b>Fund Balances - End of Year</b>	<b>\$ 1,947,208</b>	<b>\$ 1,294,343</b>	<b>\$ 2,098,094</b>	<b>\$ 2,809,966</b>	<b>\$ 82,498</b>

**Special Revenue**

Mayor's Special Housing	Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 253,732	\$ 8,102,605	\$ 11,365,998
-	-	28,739	2,677,217	-	-	-	4,845,045
12,944	-	16,978	-	11,309	190	-	522,307
-	-	-	-	-	-	-	-
75,664	40,000	92	10,691	-	-	-	143,190
88,608	130,000	45,809	2,687,908	11,309	253,922	8,102,605	16,876,540
-	-	-	-	-	-	-	-
-	-	-	-	-	-	8,102,605	9,416,912
-	-	-	-	-	-	-	1,845,900
-	-	-	-	-	-	-	1,000
44,738	-	556,701	2,692,229	29,768	245,000	-	4,589,821
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
44,738	-	556,701	2,692,229	29,768	245,000	8,102,605	15,853,633
43,870	130,000	(510,892)	(4,321)	(18,459)	8,922	-	1,022,907
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(31,800)	-	-	-	-	-	-	(804,300)
-	-	-	4,321	(4,321)	-	-	(4,321)
-	-	-	-	-	-	-	4,321
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(650,000)
(31,800)	-	-	4,321	(4,321)	-	-	(1,454,300)
12,070	130,000	(510,892)	-	(22,780)	8,922	-	(431,393)
1,546,361	-	3,251,136	12,799	2,188,232	85,861	-	15,365,211
\$ 1,558,431	\$ 130,000	\$ 2,740,244	\$ 12,799	\$ 2,165,452	\$ 94,783	\$ -	\$ 14,933,818

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Continued  
 Year Ended February 28, 2007 and March 31, 2006 for City and Township respectively

	<b>Special Revenue</b>			
	Town Fund	General Assistance	Total Township Funds	Total
<b>Revenues</b>				
Taxes	\$ 316,625	\$ 884,492	\$ 1,201,117	\$ 12,567,115
Special assessments	-	-	-	-
Intergovernmental	54,833	-	54,833	4,899,878
Investment income	7,538	9,619	17,157	539,464
SSI reimbursement	-	3,047	3,047	3,047
Emergency assistance reimbursement	-	46,084	46,084	46,084
Miscellaneous	-	-	-	143,190
<b>Total Revenues</b>	<b>378,996</b>	<b>943,242</b>	<b>1,322,238</b>	<b>18,198,778</b>
<b>Expenditures</b>				
<b>Current</b>				
General management and support	213,471	890,170	1,103,641	1,103,641
Public safety	-	-	-	9,416,912
Public works	-	-	-	1,845,900
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	1,000
Housing and economic development	-	-	-	4,589,821
<b>Debt service</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
<b>Capital outlay</b>	-	-	-	-
<b>Total Expenditures</b>	<b>213,471</b>	<b>890,170</b>	<b>1,103,641</b>	<b>16,957,274</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>165,525</b>	<b>53,072</b>	<b>218,597</b>	<b>1,241,504</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	-	-	-	-
Escrow funding	-	-	-	-
Premiums and discount	-	-	-	-
<b>Transfers in (out)</b>				
General Fund	-	-	-	(804,300)
Community Development Block Grant	-	-	-	(4,321)
Community Development Loan	-	-	-	4,321
Town Fund	-	125,000	125,000	125,000
General Assistance Fund	(125,000)	-	(125,000)	(125,000)
General Obligation Debt Service Fund	-	-	-	-
Central Business Tax Increment District	-	-	-	-
Washington National Tax Increment District	-	-	-	-
Special Assessment Capital Project	-	-	-	-
Water	-	-	-	-
Maple Avenue Garage	-	-	-	(650,000)
Sherman Garage	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(125,000)</b>	<b>125,000</b>	<b>-</b>	<b>(1,454,300)</b>
<b>Net Change in Fund Balances</b>	<b>40,525</b>	<b>178,072</b>	<b>218,597</b>	<b>(212,796)</b>
<b>Fund Balances -Beginning of Year</b>	<b>371,952</b>	<b>363,444</b>	<b>735,396</b>	<b>16,100,607</b>
<b>Fund Balances - End of Year</b>	<b>\$ 412,477</b>	<b>\$ 541,516</b>	<b>\$ 953,993</b>	<b>\$ 15,887,811</b>

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	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total
\$ 8,950,580	\$ 444,641	\$ 8,875,934	\$ 652,133	\$ 1,286,615	\$ 1,930,695	\$ 132,830	\$ 30,983	\$ 22,304,411
-	-	-	-	-	-	-	-	-
312,256	343	449,651	37,157	153,729	248,671	1,916	19	1,203,742
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9,262,836	444,984	9,325,585	689,290	1,440,344	2,179,366	134,746	31,002	23,508,153
219	3,209	105,201	7,581	7,581	4,407	10,204	17,521	155,923
-	-	-	-	-	-	-	-	-
-	-	200,000	600,000	-	-	-	-	800,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,795,000	265,000	3,815,000	250,000	425,000	980,000	-	-	11,530,000
4,003,572	170,563	358,544	42,750	268,620	2,082,489	-	-	6,926,538
205,970	-	230,509	-	-	80,382	-	-	516,861
-	-	-	-	-	-	-	-	-
10,004,761	438,772	4,709,254	900,331	701,201	3,147,278	10,204	17,521	19,929,322
(741,925)	6,212	4,616,331	(211,041)	739,143	(967,912)	124,542	13,481	3,578,831
14,430,000	-	-	-	-	-	-	-	14,430,000
(14,367,683)	-	-	-	-	-	-	-	(14,367,683)
120,311	-	-	-	-	-	-	-	120,311
175,000	-	(325,000)	(23,000)	(135,000)	(144,800)	-	-	(452,800)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(845,315)	-	-	845,315	-	-	845,315
337,500	-	-	-	-	-	-	-	(845,315)
-	-	-	-	-	-	-	-	337,500
-	-	(4,502,000)	-	-	-	-	-	(4,502,000)
-	-	-	-	-	(727,500)	-	-	(727,500)
695,128	-	(5,672,315)	(23,000)	(135,000)	(26,985)	-	-	(5,162,172)
(46,797)	6,212	(1,055,984)	(234,041)	604,143	(994,897)	124,542	13,481	(1,583,341)
6,551,304	230,646	10,353,206	1,157,331	2,933,629	6,470,524	84,234	-	27,780,874
\$ 6,504,507	\$ 236,858	\$ 9,297,222	\$ 923,290	\$ 3,537,772	\$ 5,475,627	\$ 208,776	\$ 13,481	\$ 26,197,533

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CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Continued  
 Year ended February 28, 2007

	Capital Projects				Total	Total Nonmajor Governmental Funds
	Capital Improvements	Central Business Tax Increment District	Washington National Tax Increment District	Special Assessment		
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,871,526
Special assessments	-	-	-	565,204	565,204	565,204
Intergovernmental	163,957	-	-	-	163,957	5,063,835
Investment income	778,274	200,301	91,339	104,749	1,174,663	2,917,869
SSI reimbursement	-	-	-	-	-	3,047
Emergency assistance reimbursement	-	-	-	-	-	46,084
Miscellaneous	435,478	-	-	1	435,479	578,669
<b>Total Revenues</b>	<b>1,377,709</b>	<b>200,301</b>	<b>91,339</b>	<b>669,954</b>	<b>2,339,303</b>	<b>44,046,234</b>
<b>Expenditures</b>						
<b>Current</b>						
General management and support	57,784	66,000	314,013	12,487	450,284	1,709,848
Public safety	-	-	-	-	-	9,416,912
Public works	-	-	-	-	-	1,845,900
Health and human resource development	-	-	-	-	-	800,000
Recreation and cultural opportunities	-	-	-	-	-	1,000
Housing and economic development	-	-	-	-	-	4,589,821
<b>Debt service</b>						
Principal	-	-	-	-	-	11,530,000
Interest	-	-	-	-	-	6,926,538
Fiscal agent fees	-	-	-	-	-	516,861
Capital outlay	10,770,373	-	8,215,772	-	18,986,145	18,986,145
<b>Total Expenditures</b>	<b>10,828,157</b>	<b>66,000</b>	<b>8,529,785</b>	<b>12,487</b>	<b>19,436,429</b>	<b>56,323,025</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(9,450,448)</b>	<b>134,301</b>	<b>(8,438,446)</b>	<b>657,467</b>	<b>(17,097,126)</b>	<b>(12,276,791)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of bonds	9,785,000	-	-	505,000	10,290,000	24,720,000
Escrow funding	-	-	-	-	-	(14,367,683)
Premiums and discount	75,719	-	-	(337)	75,382	195,693
<b>Transfers in (out)</b>						
General Fund	(100,000)	-	-	(31,800)	(131,800)	(1,388,900)
Community Development Block Grant	-	-	-	-	-	(4,321)
Community Development Loan	-	-	-	-	-	4,321
Town Fund	-	-	-	-	-	125,000
General Assistance Fund	-	-	-	-	-	(125,000)
General Obligation Debt Service Fund	-	-	-	(337,500)	(337,500)	(337,500)
Central Business Tax Increment District	-	-	-	-	-	845,315
Washington National Tax Increment District	-	-	-	-	-	(845,315)
Special Assessment Capital Project	-	-	-	-	-	337,500
Water	(2,000,000)	-	-	-	(2,000,000)	(2,000,000)
Maple Avenue Garage	-	-	-	-	-	(5,152,000)
Sherman Garage	-	-	1,486,672	-	1,486,672	759,172
<b>Total Other Financing Sources (Uses)</b>	<b>7,760,719</b>	<b>-</b>	<b>1,486,672</b>	<b>135,363</b>	<b>9,382,754</b>	<b>2,766,282</b>
<b>Net Change in Fund Balances</b>	<b>(1,689,729)</b>	<b>134,301</b>	<b>(6,951,774)</b>	<b>792,830</b>	<b>(7,714,372)</b>	<b>(9,510,509)</b>
<b>Fund Balances -Beginning of Year</b>	<b>13,751,767</b>	<b>4,217,593</b>	<b>7,143,095</b>	<b>1,809,885</b>	<b>26,922,340</b>	<b>70,803,821</b>
<b>Fund Balances - End of Year</b>	<b>\$ 12,062,038</b>	<b>\$ 4,351,894</b>	<b>\$ 191,321</b>	<b>\$ 2,602,715</b>	<b>\$ 19,207,968</b>	<b>\$ 61,293,312</b>

Concluded

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 17,091,000	\$ 16,986,796	\$ (104,204)
Prior year levy	25,000	307,366	282,366
Total Property Taxes	17,116,000	17,294,162	178,162
Personal Property Replacement Tax	578,500	1,039,009	460,509
Other Taxes			
Auto rental	34,000	34,806	806
Sales - home rule	5,500,000	5,651,328	151,328
Utility	8,550,000	8,108,008	(441,992)
State use	750,000	953,273	203,273
Athletic contest	500,000	578,871	78,871
Cigarette	550,000	455,873	(94,127)
Evanston motor fuel	300,000	266,997	(33,003)
Real estate transfer	4,055,200	4,500,474	445,274
Poured liquor	1,600,000	1,941,652	341,652
Parking	1,500,000	1,452,336	(47,664)
Total Other Taxes	23,339,200	23,943,618	604,418
Total Taxes	41,033,700	42,276,789	1,243,089

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle licenses	\$ 2,200,000	\$ 2,209,464	\$ 9,464
Business licenses	90,000	105,868	15,868
Long-term care licenses	113,000	69,540	(43,460)
Rooming house licenses	160,000	180,908	20,908
Pet licenses	40,000	36,473	(3,527)
Farmers' market licenses	27,700	24,365	(3,335)
Contractors' licenses	80,000	88,000	8,000
Other licenses	-	960	960
Building permits	3,065,000	3,062,633	(2,367)
Plumbing permits	160,000	163,507	3,507
Electrical permits	175,000	181,209	6,209
Elevator permits	40,000	45,841	5,841
Signs and awning permits	10,000	12,694	2,694
Combustion equipment permits	180,000	204,772	24,772
Commercial driveway permits	700	-	(700)
Other permits	300,000	315,401	15,401
Liquor licenses	290,000	324,803	34,803
Fire alarm permit fees	-	90	90
Cable franchise fee	660,000	735,090	75,090
Nicor franchise fee	60,000	85,935	25,935
Northwestern/Centel easement	40,000	47,000	7,000
Residents' parking permits	120,000	116,288	(3,712)
Visitor's parking permits	14,000	13,871	(129)
Sign license fee	32,000	32,684	684
Alarm panel franchise fee	14,000	3,600	(10,400)
Plat approval and sign appeal fees	1,000	-	(1,000)
 Total Licenses and Permits	 7,872,400	 8,060,996	 188,596

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Health Department SEED Grant	\$ -	\$ 147,398	\$ 147,398
Preventive health block grant	30,600	28,000	(2,600)
fire department training	600	6,434	5,834
Illinois department health information	-	25	25
Illinois state health department			
basic services grant	63,300	76,181	12,881
Bio-terrorrism grant	76,000	-	(76,000)
Family planning grant	54,500	50,000	(4,500)
Hearing and vision grant	8,000	8,000	-
Clean air grants	-	20,117	20,117
ICJIA grant - victim	60,000	-	(60,000)
Other federal aid	14,700	55,901	41,201
Violent crime victim assistance grant	24,700	27,458	2,758
Federal police grant	56,000	-	(56,000)
Civil defense grants	20,000	26,391	6,391
Retailer and service occupation tax	8,200,000	8,695,104	495,104
State income tax	5,500,000	6,186,428	686,428
State highway maintenance	130,000	93,003	(36,997)
District 65 dental	1,500	1,500	-
Commission on Aging grant	41,600	46,592	4,992
Other state / county grants	300,000	105,266	(194,734)
Police training grant	8,000	31,289	23,289
Dental sealants grant	2,800	4,183	1,383
Lead grant	2,000	1,373	(627)
Federal grant / Aid	-	144,025	144,025
Illinois Tobacco Free Community	25,000	28,188	3,188
Art council	-	35,030	35,030
Summer food inspections	-	800	800
Kid care agreement	11,300	5,599	(5,701)
HUD emergency shelter grant	87,000	89,222	2,222
Leadbase paint control grant	200,000	77,624	(122,376)
Genetic education grant	10,200	17,000	6,800
Tanning parlor inspection	-	350	350
Prostate cancer awareness	-	12,039	12,039
Family case management grant	190,600	281,013	90,413
Immunization Innitiation	2,900	-	(2,900)
Reach learn grow	111,000	-	(111,000)
Teen parent service program	35,000	33,450	(1,550)
Vector prevention grant	-	3,000	3,000
Evanston Township - Housing	-	170	170
Total Intergovernmental - Revenue from Other Agencies	<u>15,267,300</u>	<u>16,338,153</u>	<u>1,070,853</u>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 4,244,200	\$ 4,352,943	\$ 108,743
Total Recreation	4,244,200	4,352,943	108,743
Library			
Film rentals	58,000	37,119	(20,881)
Books, lost and paid	23,000	14,076	(8,924)
Reserves	6,500	7,196	696
Miscellaneous revenues	2,500	736	(1,764)
Non-resident cards	4,000	2,890	(1,110)
Copy machine charges	26,000	22,646	(3,354)
Library meeting room rentals	9,000	7,195	(1,805)
Rental income	-	29,700	29,700
State library per capita grant	92,700	91,128	(1,572)
CD-ROM software rentals	2,000	591	(1,409)
Total Library	223,700	213,277	(10,423)

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Charges for Services			
Other Service Charges			
Family planning clinic	\$ -	1,240	\$ 1,240
Dental clinic fees and check up fees	68,000	96,219	28,219
Venereal disease program - Skokie	2,250	750	(1,500)
Birth and death records	132,000	132,472	472
TB nursing services	12,000	7,600	(4,400)
Flu and pneumonia program	23,500	21,371	(2,129)
Health clinic fees - immunizations	4,200	6,799	2,599
Health clinic fees - sexually transmitted disease	8,000	-	(8,000)
Health clinic fees - TB	3,500	3,168	(332)
Health clinic fees - lab	12,000	9,020	(2,980)
Health clinic fees - food establishment	150,000	162,608	12,608
Health clinic fees - school physicals	2,000	1,305	(695)
S.T.D.O. and S.T.D.E.	6,000	8,157	2,157
Dental check up	9,000	8,390	(610)
Emergency dental exam	100	210	110
X-Ray	-	80	80
Amalgam filling	400	10	(390)
Resin filling	4,500	5,614	1,114
Sedative filling	50	50	-
Extraction	100	570	470
Pulpotomy	800	1,495	695
Sealant office visit	700	586	(114)
Additional sealant	100	80	(20)
Temporary license fee	3,300	4,096	796
Food delivery vehicle	6,500	6,196	(304)
Scavenger truck	2,300	2,340	40
Beverage snack vending machine	22,000	25,236	3,236
Tobacco license	13,000	11,125	(1,875)
Funeral director license	-	6,660	6,660
Temporary funeral direct license	-	5,714	5,714
Ambulance services	570,000	721,004	151,004
Towing charges	-	(12,948)	(12,948)
Weights and measures examination	1,000	350	(650)
Senior taxi coupon sales	88,000	101,733	13,733
Recycling - material sales	-	970	970
Background check daycare providers	-	480	480
Police report fees	15,000	17,487	2,487
Child health	1,700	-	(1,700)
Beekeeper licenses	-	25	25

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
<b>Charges for Services - Continued</b>			
<b>Other Service Charges - Continued</b>			
Fire report fees	\$ 900	\$ 1,316	\$ 416
Fire cost recovery charges	5,000	9,351	4,351
Fire building inspection	8,000	4,875	(3,125)
Other service charges	-	2,252	2,252
Condo conversion application	70,000	48,450	(21,550)
Zoning fees	40,000	58,284	18,284
Alarm panel subscription fees	100,000	158,547	58,547
Skokie animal boarding fees	1,000	102	(898)
Passport execution fees	10,000	10,337	337
Sanitation classes and charges	55,000	71,512	16,512
Wood recycling	-	10,881	10,881
Plan review	10,000	9,358	(642)
Recycling service charge and penalty	828,000	857,617	29,617
<b>Total Other Service Charges</b>	<b>2,289,900</b>	<b>2,601,144</b>	<b>311,244</b>
<b>Total Charges for Services</b>	<b>6,757,800</b>	<b>7,167,364</b>	<b>409,564</b>
<b>Fines</b>			
Ticket fines	3,790,000	3,174,170	(615,830)
Regular fines	250,000	206,088	(43,912)
Housing code violations	-	2,702	2,702
Permit penalty fees	25,000	42,210	17,210
False alarm panel fines - fire	55,000	88,805	33,805
False alarm panel fines - police	90,000	69,615	(20,385)
Administrative adjudication	95,000	185,176	90,176
Library fines	172,000	182,477	10,477
Boot release fees	115,000	77,985	(37,015)
<b>Total Fines</b>	<b>4,592,000</b>	<b>4,029,228</b>	<b>(562,772)</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Investment Income	\$ 400,000	\$ 777,165	\$ 377,165
Miscellaneous			
Charges to Other Funds			
Charges to Water for			
administrative expenses	1,202,400	1,202,400	-
Economic Development	400,000	400,000	-
Maple Garage	43,000	43,000	-
Emergency Telephone System	179,000	179,000	-
Community Development Block Grant	909,500	880,500	(29,000)
HOME	39,300	41,772	2,472
Sewer	543,600	543,600	-
Motor Vehicle Parking System	711,500	711,500	-
Fleet Services	171,500	171,500	-
	<u>4,199,800</u>	<u>4,173,272</u>	<u>(26,528)</u>
Total Charges to Other Funds	4,199,800	4,173,272	(26,528)
Miscellaneous			
Other Revenues			
Payments in lieu of taxes	27,000	25,000	(2,000)
Sales and rentals of property	102,900	62,901	(39,999)
Compensation for damage to			
City property	65,000	43,685	(21,315)
Parking permits - Ryan Field	12,000	17,141	5,141
Miscellaneous	997,400	627,770	(369,630)
	<u>1,204,300</u>	<u>776,497</u>	<u>(427,803)</u>
Total Other Revenues	1,204,300	776,497	(427,803)
Total Miscellaneous	<u>5,404,100</u>	<u>4,949,769</u>	<u>(454,331)</u>
Total Revenues	<u>\$ 81,327,300</u>	<u>\$ 83,599,464</u>	<u>\$ 2,272,164</u>

Concluded

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2007

	Original Budget	Final Budget	Actual	Variance
<b>General Management and Support</b>				
City Council	\$ 356,600	\$ 356,600	\$ 390,415	\$ (33,815)
City Manager	4,228,000	4,284,901	3,803,855	481,046
City Clerk	212,400	212,400	229,395	(16,995)
Law Department	714,600	714,600	674,366	40,234
Human Resources	1,361,900	1,361,900	1,405,586	(43,686)
Finance	1,768,500	1,718,500	1,896,025	(177,525)
Facilities management	2,421,400	2,421,400	2,340,792	80,608
Miscellaneous operating requirements	2,493,000	2,486,099	2,083,803	402,296
<b>Total General Management and Support</b>	<b>13,556,400</b>	<b>13,556,400</b>	<b>12,824,237</b>	<b>732,163</b>
<b>Public Safety</b>				
Emergency services and disaster assistance	97,900	97,900	40,469	57,431
Police	18,466,000	18,466,000	18,973,081	(507,081)
Fire	11,094,300	11,094,300	11,259,650	(165,350)
<b>Total Public Safety</b>	<b>29,658,200</b>	<b>29,658,200</b>	<b>30,273,200</b>	<b>(615,000)</b>
<b>Public Works</b>				
Municipal service center	290,500	290,500	341,696	(51,196)
Public Works Director	238,800	238,800	230,849	7,951
City Engineer	1,220,000	1,220,000	1,260,634	(40,634)
Traffic Engineer	2,625,200	2,625,200	2,479,103	146,097
Streets	3,633,300	3,633,300	3,606,081	27,219
Sanitation	4,491,900	4,491,900	4,555,883	(63,983)
<b>Total Public Works</b>	<b>12,499,700</b>	<b>12,499,700</b>	<b>12,474,246</b>	<b>25,454</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
Year ended February 28, 2007

	Original Budget	Final Budget	Actual	Variance
Health and Human Resource Development				
Health and Human Services Director	\$ 291,600	\$ 291,600	\$ 286,713	\$ 4,887
Health Department	2,591,200	2,591,200	2,434,249	156,951
Emergency assistance services	380,600	380,600	295,480	85,120
Mental health and community purchased services	1,036,300	1,036,300	1,025,585	10,715
Commission on Aging	127,500	127,500	134,270	(6,770)
Subsidized Taxicab Program	252,400	252,400	261,558	(9,158)
Human Relations	591,600	591,600	612,557	(20,957)
Total Health and Human Resource Development	5,271,200	5,271,200	5,050,412	220,788
Recreation and Cultural Opportunities				
Library	4,411,800	4,411,800	4,450,346	(38,546)
Recreation	7,145,300	7,145,300	7,281,003	(135,703)
Parks and forestry	3,697,000	3,697,000	3,646,448	50,552
Ecology Center	455,900	455,900	456,566	(666)
Arts Council	932,600	932,600	830,596	102,004
Total Recreation and Cultural Opportunities	16,642,600	16,642,600	16,664,959	(22,359)
Housing and Economic Development				
Community Development administration	216,600	216,600	233,022	(16,422)
Planning and zoning	814,700	814,700	882,373	(67,673)
Housing rehabilitation and property standards	806,200	806,200	772,635	33,565
Building code compliance	1,119,500	1,119,500	1,205,905	(86,405)
Total Housing and Economic Development	2,957,000	2,957,000	3,093,935	(136,935)
Pensions				
Illinois Municipal Retirement Pension	5,024,700	5,024,700	5,645,241	(620,541)
Total Expenditures	\$ 85,609,800	\$ 85,609,800	\$ 86,026,230	\$ (416,430)

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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 2,100,000	\$ 2,139,089	\$ 39,089
Interest	55,000	119,906	64,906
Total Revenues	2,155,000	2,258,995	103,995
Expenditures			
Public Works	1,500,000	1,845,900	(345,900)
Excess (Deficiency) of Revenues over (under) Expenditures	655,000	413,095	(241,905)
Other Financing (Uses)			
Operating transfers (out) General Fund	(772,500)	(772,500)	-
Deficiency of Revenues under Expenditures and Other Financing Uses	<u>\$ (117,500)</u>	(359,405)	<u>\$ 241,905</u>
Fund Balances			
Beginning of year		<u>2,306,613</u>	
End of year		<u>\$ 1,947,208</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, 2007

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Hotel taxes	\$ 816,000	\$ 1,535,145	\$ 719,145
Amusement taxes	300,000	291,525	(8,475)
Interest	-	19,166	19,166
<b>Total Revenue</b>	<b>1,116,000</b>	<b>1,845,836</b>	<b>729,836</b>
<b>Expenditures</b>			
Housing and economic development	848,900	1,021,385	(172,485)
<b>Excess of Revenues over Expenditures</b>	<b>267,100</b>	<b>824,451</b>	<b>557,351</b>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in (out) Maple Avenue Garage Fund	(650,000)	(650,000)	-
<b>Deficiency of Revenues under Expenditures and Other Financing Uses</b>	<b>\$ (382,900)</b>	<b>174,451</b>	<b>\$ (557,351)</b>
<b>Fund Balances</b>			
Beginning of year		1,119,892	
End of year		<u>\$ 1,294,343</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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Enhanced 911 surcharge	\$ 1,129,780	\$ 1,052,991	\$ (76,789)
Interest	25,000	29,433	4,433
Miscellaneous	-	9,135	9,135
Total Revenue	1,154,780	1,091,559	(63,221)
Expenditures			
Public Safety	1,736,700	1,314,307	422,393
Deficiency of Revenues under Expenditures	<u>\$ (581,920)</u>	(222,748)	<u>\$ (359,172)</u>
Fund Balance			
Beginning of year		<u>2,320,842</u>	
End of year		<u>\$ 2,098,094</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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Interest	\$ 10,000	\$ 12,944	\$ 2,944
Miscellaneous	140,000	75,664	(64,336)
Total Revenue	150,000	88,608	(61,392)
Expenditures			
Housing and economic development	190,000	44,738	145,262
Excess (Deficiency) of Revenues over (under) Expenditures	(40,000)	43,870	83,870
Other Financing (Uses)			
Transfers (out) General Fund	(31,800)	(31,800)	-
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Uses	<u>\$ (71,800)</u>	12,070	<u>\$ 83,870</u>
Fund Balance			
Beginning of year		<u>1,546,361</u>	
End of year		<u>\$ 1,558,431</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, 2007

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,256,640	\$ 2,677,217	\$ 420,577
Miscellaneous	-	10,691	10,691
Total Revenues	2,256,640	2,687,908	431,268
Expenditures			
Housing and economic development	2,052,319	2,692,229	(639,910)
Excess (Deficiency) of Revenues over (under) Expenditures	204,321	(4,321)	(208,642)
Other Financing (Uses)			
Transfers			
Community Development Loan	-	4,321	4,321
Excess (Deficiency) of Revenues over (under) Expenditures and Other Financing Uses	<u>\$ 204,321</u>	-	<u>\$ (204,321)</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, 2007

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 305,547	\$ 288,635	\$ 16,912
Fair Housing Assistance	75,773	75,768	5
Total Administration/Planning	381,320	364,403	16,917
Economic Development			
Evanston Community Development Corp.	30,645	30,645	-
Neighborhood Façade Program	20,000	-	20,000
MBE/Small Business Assistance	61,814	61,791	23
Total Economic Development	112,459	92,436	20,023
Housing			
Housing Rehabilitation Administration	230,000	224,124	5,876
Adaptive Devices	5,000	9,292	(4,292)
Community Development Administration	95,000	94,980	20
Minor Repairs/Painting Assistance - E.N.A.W.	148,000	119,708	28,292
Smoke Detectors for Seniors	5,000	4,815	185
Demolition/Vacant Lot Cleanup Program	-	16,498	(16,498)
Housing Code Compliance	230,000	229,992	8
Total Housing	713,000	699,409	13,591

Continued

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Neighborhood Revitalization			
Fleetwood Jourdain-Locker Rooms	\$ -	\$ 22,965	\$ (22,965)
Accessible Curb Ramp Program	50,000	116,648	(66,648)
Curb/Sidewalk Replacement	75,000	75,000	-
Fleetwood Jourdain-Roof Replacement	-	12,087	(12,087)
South Evanston Neighborhood Security	-	7,903	(7,903)
Black American Heritage and Tech Center	50,000	88,209	(38,209)
Alley Paving Program	150,000	123,534	26,466
Mason Park	-	543,762	(543,762)
Community Development-Neighborhood Improvement	-	46,387	(46,387)
Handyman Assistance	12,000	6,238	5,762
McGaw YMCA Elevator Project	-	31,203	(31,203)
Fifth Ward My Yard My Block	5,000	5,000	-
Smith Park	100,000	-	100,000
Special Assesments / Alley Paving	-	29,668	(29,668)
Reba Park	25,000	25,000	-
Fleetwood Jourdain-Community Center	-	24,363	(24,363)
Evanston Day Nursery	12,800	12,484	316
Family Focus Center Improvements	35,383	35,383	-
Graffiti Removal Program	28,436	28,434	2
<b>Total Neighborhood Revitalization</b>	<b>543,619</b>	<b>1,234,268</b>	<b>(690,649)</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2007

	Original and Final Budget	Actual	Variance
Public Services			
Adopt a Fancy Can	\$ 4,736	\$ 4,528	\$ 208
Senior Crime Prevention	18,943	18,943	-
Girls Scouts Studio B	3,988	3,988	-
Evanston Community Defender	49,850	49,850	-
Evanston Legal Services CCLAF	8,973	8,973	-
Youth Job Center of Evanston	54,836	54,836	-
Summer Youth	42,050	42,050	-
EEAC Job Counselor	2,493	2,493	-
YWCA Shelter Project	35,892	35,892	-
Melas at Home	7,976	7,976	-
North Shore Senior Center	23,769	23,769	-
First Base Homeless	3,988	3,988	-
Interfaith Predatory	3,988	3,988	-
Open Studio Art	2,991	2,991	-
Neighborhood Youth Services	14,018	14,018	-
Music Institute	1,496	1,496	-
Interfaith Housing Program	11,964	11,964	-
Second Baptist	9,970	9,970	-
Total Public Services	301,921	301,713	208
Total Expenditures	\$ 2,052,319	\$ 2,692,229	\$ (639,910)

Concluded

**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, 2007

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Property taxes			
Current year levy	\$ 255,000	\$ 255,000	\$ -
Prior year levy	-	(1,747)	(1,747)
Interest	-	190	190
<b>Total Revenues</b>	<b>255,000</b>	<b>253,443</b>	<b>(1,557)</b>
<b>Expenditures</b>			
Housing and economic development	245,000	245,000	-
<b>Excess of Revenues over Expenditures</b>	<b><u>\$ 10,000</u></b>	<b>8,443</b>	<b><u>\$ (1,557)</u></b>
<b>Fund Balance</b>			
Beginning of year		<u>220,478</u>	
End of year		<u><u>\$ 228,921</u></u>	

**CITY OF EVANSTON, ILLINOIS**

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year February 28, 2007 and March 31, 2007 for City and Township respectively

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Property taxes	\$ 340,890	\$ 316,625	\$ (24,265)
Interest	2,000	7,538	5,538
Replacement tax	30,000	54,833	24,833
<b>Total Revenues</b>	<b>372,890</b>	<b>378,996</b>	<b>6,106</b>
<b>Expenditures</b>			
General management and support	235,119	213,471	21,648
<b>Excess of Revenues over Expenditures</b>	<b>137,771</b>	<b>165,525</b>	<b>27,754</b>
<b>Other Financing (Uses)</b>			
Operating transfers (out)			
General Assistance Fund	(125,000)	(125,000)	-
<b>Excess of Revenues over Expenditures and Other Financing Uses</b>	<b>\$ 12,771</b>	<b>40,525</b>	<b>\$ 27,754</b>
<b>Fund Balance</b>			
Beginning of year		371,952	
End of year		\$ 412,477	

**CITY OF EVANSTON, ILLINOIS**

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year February 28, 2007 and March 31, 2007 for City and Towns

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 909,040	\$ 884,492	\$ (24,548)
Interest	3,000	9,619	6,619
SSI reimbursement	20,000	3,047	(16,953)
Emergency assistance reimbursement	132,912	46,084	(86,828)
Total Revenues	1,064,952	943,242	(121,710)
Expenditures			
General management and support	1,142,669	890,170	(252,499)
(Deficiency) of Revenues (under) Expenditures	(77,717)	53,072	130,789
Other Financing Sources			
Transfers in			
Town Fund	125,000	125,000	-
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures	<u>\$ 47,283</u>	178,072	<u>\$ 130,789</u>
Fund Balance			
Beginning of year		<u>363,444</u>	
End of year		<u>\$ 541,516</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, 2007

	General Obligation Debt		Special Service District No. 5		Central Business Tax Increment District		Southwest Tax Increment District	
	Original and Final		Original and Final		Original and Final		Original and Final	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Revenues								
Taxes								
Property taxes								
Current year levy, net	\$ 8,737,000	\$ 8,624,249	\$ 438,200	\$ 443,931	\$ 9,200,000	\$ 7,730,035	\$ 590,000	\$ 632,304
Prior year levy, net	-	52,276	-	5,597	-	5,661	-	20,102
Sales tax	-	-	-	-	-	-	-	-
Investment income	150,000	312,256	200	343	50,000	449,651	6,000	37,157
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>8,887,000</u>	<u>8,988,781</u>	<u>438,400</u>	<u>449,871</u>	<u>9,250,000</u>	<u>8,185,347</u>	<u>596,000</u>	<u>689,563</u>
Expenditures								
General management and support	3,000	219	42,000	3,209	400,000	105,201	-	7,581
Health and human resources development	-	-	-	-	200,000	200,000	-	600,000
Debt Service								
Principal	6,060,000	5,944,343	265,000	285,000	3,780,000	7,000,000	250,000	285,000
Interest	4,301,201	4,023,657	170,600	157,313	379,800	220,294	42,800	24,938
Fiscal agent fees	190,000	205,970	-	-	40,000	230,509	-	-
Total Expenditures	<u>10,554,201</u>	<u>10,174,189</u>	<u>477,600</u>	<u>445,522</u>	<u>4,799,800</u>	<u>7,756,004</u>	<u>292,800</u>	<u>917,519</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,667,201)</u>	<u>(1,185,408)</u>	<u>(39,200)</u>	<u>4,349</u>	<u>4,450,200</u>	<u>429,343</u>	<u>303,200</u>	<u>(227,956)</u>
Other Financing Sources (Uses)								
Operating transfers in (out)								
Bond Proceeds	-	14,430,000	-	-	-	-	-	-
Escrow Funding	-	(14,367,683)	-	-	-	-	-	-
Premiums and discounts	-	120,311	-	-	-	-	-	-
General	129,400	175,000	-	-	(325,000)	(325,000)	(23,000)	(23,000)
Downtown TIF DS	-	-	-	-	-	-	-	-
Washington National TIF DS	-	-	-	-	(845,315)	(845,315)	-	-
Special Assessment Capital Projects	337,500	337,500	-	-	-	-	-	-
Maple Avenue Garage	-	-	-	-	(4,502,000)	(4,502,000)	-	-
Sherman Garage	-	-	-	-	-	-	-	-
	<u>466,900</u>	<u>695,128</u>	<u>-</u>	<u>-</u>	<u>(5,672,315)</u>	<u>(5,672,315)</u>	<u>(23,000)</u>	<u>(23,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u><u>\$(1,200,301)</u></u>	<u><u>(490,280)</u></u>	<u><u>\$ (39,200)</u></u>	<u><u>4,349</u></u>	<u><u>\$(1,222,115)</u></u>	<u><u>(5,242,972)</u></u>	<u><u>\$ 280,200</u></u>	<u><u>(250,956)</u></u>
Fund Balances								
Beginning of year		<u>1,513,174</u>		<u>20,852</u>		<u>7,272,719</u>		<u>590,881</u>
End of year		<u><u>\$ 1,022,894</u></u>		<u><u>\$ 25,201</u></u>		<u><u>\$ 2,029,747</u></u>		<u><u>\$ 339,925</u></u>

Howard Hartrey Tax Increment District		Washington National Tax Increment District		Howard Ridge Tax Increment District		West Evanston Tax Increment District		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 1,199,900	\$ 1,245,431	\$ 1,500,000	\$ 1,749,195	\$ -	\$ 115,909	\$ -	\$ 24,052	\$ 21,665,100	\$ 20,565,106
-	-	-	54,869	-	6,492	-	-	-	144,997
35,000	153,729	15,000	248,671	-	1,916	-	19	256,200	1,203,742
-	-	5,500,000	-	-	-	-	-	5,500,000	-
1,234,900	1,399,160	7,015,000	2,052,735	-	124,317	-	24,071	27,421,300	21,913,845
-	7,581	145,000	4,407	-	10,204	-	17,521	590,000	155,923
-	-	200,000	-	-	-	-	-	400,000	800,000
425,000	450,000	8,080,000	210,000	-	-	-	-	18,860,000	14,174,343
268,700	247,095	1,520,400	(1,128,362)	-	-	-	-	6,683,501	3,544,935
-	-	135,000	80,382	-	-	-	-	365,000	516,861
693,700	704,676	10,080,400	(833,573)	-	10,204	-	17,521	26,898,501	19,192,062
541,200	694,484	(3,065,400)	2,886,308	-	114,113	-	6,550	522,799	2,721,783
-	-	-	-	-	-	-	-	-	14,430,000
-	-	-	-	-	-	-	-	-	(14,367,683)
-	-	-	-	-	-	-	-	-	120,311
(135,000)	(135,000)	(144,800)	(144,800)	-	-	-	-	(498,400)	(452,800)
-	-	845,315	845,315	-	-	-	-	845,315	845,315
-	-	-	-	-	-	-	-	(845,315)	(845,315)
-	-	-	-	-	-	-	-	337,500	337,500
-	-	-	-	-	-	-	-	(4,502,000)	(4,502,000)
-	-	-	(727,500)	-	-	-	-	-	(727,500)
(135,000)	(135,000)	700,515	(26,985)	-	-	-	-	(4,662,900)	(5,162,172)
<u>\$ 406,200</u>	559,484	<u>\$(2,364,885)</u>	2,859,323	<u>\$ -</u>	114,113	<u>\$ -</u>	6,550	<u>\$ (4,140,101)</u>	(2,440,389)
	<u>1,768,187</u>		<u>1,414,443</u>		<u>45,917</u>		<u>-</u>		<u>12,626,173</u>
	<u>\$ 2,327,671</u>		<u>\$ 4,273,766</u>		<u>\$ 160,030</u>		<u>\$ 6,550</u>		<u>\$ 10,185,784</u>

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## PROPRIETARY FUND TYPES

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Proprietary Funds

Statement of Net Assets  
February 28, 2007

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage	Motor Vehicle Parking System	Total Nonmajor Proprietary Funds
Assets			
<b>Current Assets</b>			
Cash and equivalents	\$ 1,908,361	\$ 2,105,875	\$ 4,014,236
Investments	3,153,635	-	3,153,635
Receivables			
Accrued interest	19,936	-	19,936
Other	-	1,448	1,448
Due from other funds	5,500	-	5,500
<b>Total Current Assets</b>	<b>5,087,432</b>	<b>2,107,323</b>	<b>7,194,755</b>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Land	-	2,742,522	2,742,522
Capital assets being depreciated	27,128,673	8,755,581	35,884,254
Less accumulated depreciation	(4,232,862)	(2,806,359)	(7,039,221)
<b>Total Noncurrent Assets</b>	<b>22,895,811</b>	<b>8,691,744</b>	<b>31,587,555</b>
<b>Other Assets</b>			
Receivables			
Notes	-	269,000	269,000
<b>Total Assets</b>	<b>27,983,243</b>	<b>11,068,067</b>	<b>39,051,310</b>

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage	Motor Vehicle Parking System	Total Nonmajor Proprietary Funds
<b>Liabilities</b>			
<b>Current Liabilities (Payable from</b>			
<b>Current Assets)</b>			
Vouchers payable	\$ 113,911	\$ 58,581	\$ 172,492
Accrued payroll	1,714	18,967	20,681
Interest payable	-	41,324	41,324
Compensated absences payable	-	71,133	71,133
General obligation bonds payable	7,900,000	630,000	8,530,000
Unamortized bond expenses and discount	(10,376)	-	(10,376)
Due to other funds	8,514	12,299	20,813
<b>Total Current Liabilities Payable from Current Assets</b>	<b>8,013,763</b>	<b>832,304</b>	<b>8,846,067</b>
<b>Long-Term Liabilities</b>			
General obligation bonds payable	-	2,500,000	2,500,000
<b>Total Liabilities</b>	<b>8,013,763</b>	<b>3,332,304</b>	<b>11,346,067</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	14,995,811	5,561,744	20,557,555
Unrestricted	4,973,669	2,174,019	7,147,688
<b>Total net assets</b>	<b>\$ 19,969,480</b>	<b>\$ 7,735,763</b>	<b>\$ 27,705,243</b>

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Year ended February 28, 2007

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Motor Vehicle Parking System	Total Nonmajor Proprietary Funds
Operating Revenues			
Charges for services	\$ 1,417,394	\$ 3,048,329	\$ 4,465,723
Miscellaneous	74	10,258	10,332
Total Operating Revenues	1,417,468	3,058,587	4,476,055
Operating Expenses Excluding Depreciation			
Administration	-	1,096,420	1,096,420
Operations	1,821,022	1,447,557	3,268,579
Total Operating Expenses Excluding Depreciation	1,821,022	2,543,977	4,364,999
Operating Income (Loss) Before Depreciation	(403,554)	514,610	111,056
Depreciation	684,932	172,643	857,575
Operating Income (Loss)	(1,088,486)	341,967	(746,519)
Nonoperating Revenues (Expenses)			
Investment income	186,582	115,954	302,536
Interest expense	(393,174)	(245,879)	(639,053)
Bond expenses and amortization of discount	(11,023)	-	(11,023)
Total Nonoperating Revenues (Expenses)	(217,615)	(129,925)	(347,540)
Income (Loss) Before Transfers	(1,306,101)	212,042	(1,094,059)
Transfers In (Out)			
Central Business Tax Increment District Fund	4,502,000	-	4,502,000
Economic Development Fund	650,000	-	650,000
Change in Net Assets	3,845,899	212,042	4,057,941
Total Net Assets (Deficit) - Beginning of Year	16,123,581	7,523,721	23,647,302
Total Net Assets - End of Year	\$ 19,969,480	\$ 7,735,763	\$ 27,705,243

CITY OF EVANSTON, ILLINOIS

Nonmajor Proprietary Funds

Statement of Cash Flows  
Year ended February 28, 2007

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Motor Vehicle Parking System	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 1,423,065	\$ 3,108,825	\$ 4,531,890
Receipts from interfund services provided	54,500	-	54,500
Payments to suppliers	(1,883,627)	(1,440,103)	(3,323,730)
Payments to employees	1,714	(1,131,821)	(1,130,107)
Payments for interfund services provided	8,186	(481)	7,705
Net Cash Provided by (Used for) Operating Activities	<u>(396,162)</u>	<u>536,420</u>	<u>140,258</u>
Cash Flows from Noncapital Financing Activities			
Transfers In (Out)			
Central Business Tax Increment District Fund	4,502,000	-	4,502,000
Economic Development Fund	650,000	-	650,000
Net Cash Provided by Noncapital Financing Activities	<u>5,152,000</u>	<u>-</u>	<u>5,152,000</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(258,837)	(258,837)
Principal paid on general obligation bonds	(5,200,000)	(585,000)	(5,785,000)
Interest paid on general obligation bonds	(393,174)	(245,879)	(639,053)
Net Cash (Used for) Capital and Related Financing Activities	<u>(5,593,174)</u>	<u>(1,089,716)</u>	<u>(6,682,890)</u>
Cash Flows from Investing Activities			
Interest income	186,582	115,954	302,536
Net Cash Provided by Investing Activities	<u>186,582</u>	<u>115,954</u>	<u>302,536</u>
Net Increase (Decrease) in Cash and Equivalents	(650,754)	(437,342)	(1,088,096)
Cash and Equivalents			
Beginning of year	<u>5,712,750</u>	<u>2,543,217</u>	<u>8,255,967</u>
End of year	<u>\$ 5,061,996</u>	<u>\$ 2,105,875</u>	<u>\$ 7,167,871</u>
Reconciliation			
Cash and equivalents			
Unrestricted	<u>\$ 5,061,996</u>	<u>\$ 2,105,875</u>	<u>\$ 7,167,871</u>
	<u>\$ 5,061,996</u>	<u>\$ 2,105,875</u>	<u>\$ 7,167,871</u>

CITY OF EVANSTON, ILLINOIS

Nonmajor Proprietary Funds

Statement of Cash Flows - Continued  
 Year ended February 28, 2007

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Motor Vehicle Parking System	Total Nonmajor Proprietary Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (loss)	\$ (1,088,486)	\$ 341,967	\$ (746,519)
Depreciation	684,932	172,643	857,575
Changes in assets and liabilities			
Other receivables	-	10,238	10,238
Notes receivable	-	40,000	40,000
Interfund receivable	54,500	-	54,500
Accrued interest receivable	5,597	-	5,597
Compensated absences	1,714	(37,224)	(35,510)
Accrued payroll	-	1,823	1,823
Interfund payable	8,186	(481)	7,705
Vouchers payable	(62,605)	15,029	(47,576)
Interest payable	-	(7,575)	(7,575)
Net Cash Provided by (Used for) Operating Activities	\$ (396,162)	\$ 536,420	\$ 140,258

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets  
February 28, 2007

	Operation and Maintenance Account	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	
Assets					
Current Assets					
Cash and equivalents	\$ 103,565	\$ -	\$ -	\$ -	\$ 103,565
Restricted cash and equivalents and investments	-	102,286	-	77,235	179,521
Receivables					
Accounts - billed	1,067,139	-	-	-	1,067,139
Accounts - unbilled	875,241	-	-	-	875,241
Due from other funds	85	-	-	15,123	15,208
Other Receivables	55,862	-	-	-	55,862
Accrued interest	-	-	82,018	55,980	137,998
Inventory	544,075	-	-	-	544,075
<b>Total Current Assets</b>	<b>2,645,967</b>	<b>102,286</b>	<b>82,018</b>	<b>148,338</b>	<b>2,978,609</b>
Noncurrent Assets					
Restricted cash and equivalents and investments	736,044	2,040,329	3,120,898	3,710,114	9,607,385
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	65,151	-	-	390,060	455,211
Capital assets being depreciated	62,907,213	-	-	-	62,907,213
Less accumulated depreciation	(15,453,066)	-	-	-	(15,453,066)
<b>Total Capital Assets</b>	<b>48,074,713</b>	<b>-</b>	<b>-</b>	<b>390,060</b>	<b>48,464,773</b>
<b>Total Assets</b>	<b>\$ 51,456,724</b>	<b>\$ 2,142,615</b>	<b>\$ 3,202,916</b>	<b>\$ 4,248,512</b>	<b>\$ 61,050,767</b>

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets  
February 28, 2007

	Operation and Maintenance Account	Restricted Accounts			Totals
		Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	
Liabilities and Net Assets					
Current Liabilities					
Vouchers payable	\$ 322,083	\$ -	\$ -	\$ 39,782	\$ 361,865
Vouchers payable - restricted	-	-	-	77,235	77,235
Accrued payroll	73,235	-	-	-	73,235
Interest payable - restricted	-	21,453	-	-	21,453
Revenue bonds payable	404,167	-	-	-	404,167
Revenue bonds payable - restricted	-	80,833	-	-	80,833
Due to other funds	40,925	-	-	1,010	41,935
Compensated absences payable	431,005	-	-	-	431,005
Total Current Liabilities	1,271,415	102,286	-	118,027	1,491,728
Long-Term Liabilities					
Revenue bonds payable	2,755,000	-	-	-	2,755,000
Unamortized bond discount on bonds payable	16,935	-	-	-	16,935
Total Long-Term Liabilities	2,771,935	-	-	-	2,771,935
Total Liabilities	4,043,350	102,286	-	118,027	4,263,663
Net Assets					
Invested in capital assets, net of related debt	45,612,005	-	-	-	45,612,005
Restricted for debt service	-	2,040,329	3,202,916	4,130,485	9,373,730
Unrestricted	1,801,369	-	-	-	1,801,369
Total Net Assets	47,413,374	2,040,329	3,202,916	4,130,485	56,787,104
Total Liabilities and Net Assets	\$ 51,456,724	\$ 2,142,615	\$ 3,202,916	\$ 4,248,512	\$ 61,050,767

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts  
Year ended February 28, 2007

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
<b>Increases</b>				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ 1,042,300	\$ -	\$ 3,009,600	\$ 4,051,900
Transfer from Capital Improvement	-	-	2,000,000	2,000,000
Investment earnings	75,730	152,918	139,759	368,407
<b>Total Increases</b>	<b>1,118,030</b>	<b>152,918</b>	<b>5,149,359</b>	<b>6,420,307</b>
<b>Decreases</b>				
Bond principal	472,500	-	-	472,500
Bond interest	142,359	-	-	142,359
Purchase of capital assets	-	-	4,762,688	4,762,688
Transfer to Insurance Fund	-	-	2,000,000	2,000,000
Payment of expense	300	120	117,716	118,136
<b>Total Decreases</b>	<b>615,159</b>	<b>120</b>	<b>6,880,404</b>	<b>7,495,683</b>
<b>Net Increase (Decrease)</b>	<b>502,871</b>	<b>152,798</b>	<b>(1,731,045)</b>	<b>(1,075,376)</b>
<b>Net Assets</b>				
Beginning of year	1,537,458	3,050,118	5,861,530	10,449,106
End of year	\$ 2,040,329	\$ 3,202,916	\$ 4,130,485	\$ 9,373,730

**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, 2007

(With Comparative Totals for the Year Ended February 28, 2006)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 13,351,200	\$ 12,194,340	\$ 13,475,577
Miscellaneous	301,600	444,803	485,859
<b>Total Operating Revenues</b>	<b>13,652,800</b>	<b>12,639,143</b>	<b>13,961,436</b>
Operating Expenses Excluding Depreciation			
Administration	720,500	642,518	634,737
Operations			
Pumping	1,991,300	1,864,554	1,875,494
Filtration	2,077,000	1,784,406	1,822,574
Meter maintenance	321,100	301,278	310,591
Distribution	1,313,400	1,280,427	1,100,542
Other	857,100	908,744	951,123
<b>Total Operating Expenses Excluding Depreciation</b>	<b>7,280,400</b>	<b>6,781,927</b>	<b>6,695,061</b>
Operating Income Before Depreciation	6,372,400	5,857,216	7,266,375
Depreciation	-	1,384,583	1,345,848
Operating Income	6,372,400	4,472,633	5,920,527
Nonoperating Revenues (Expenses)			
Investment income	50,000	189,392	167,149
Interest expense	-	(142,359)	(171,977)
Bond expenses and amortization of discount	-	1,129	(1,401)
Net book value of capital assets disposed	-	(4,684)	(242,851)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>50,000</b>	<b>43,478</b>	<b>(249,080)</b>
Income Before Transfers	6,422,400	4,516,111	5,671,447
Transfers In (Out)			
Transfer In	-	2,000,000	3,568,449
Transfer Out	(2,693,600)	(4,693,600)	(5,993,600)
<b>Total Transfers In (Out)</b>	<b>(2,693,600)</b>	<b>(2,693,600)</b>	<b>(2,425,151)</b>
Net Income	<u>\$ 3,728,800</u>	1,822,511	3,246,296
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		1,325,647	1,066,797
Increase in Unreserved Net Assets		3,148,158	4,313,093
Unreserved Net Assets			
Beginning of year		44,265,216	39,952,123
End of year		<u>\$ 47,413,374</u>	<u>\$ 44,265,216</u>

**CITY OF EVANSTON, ILLINOIS**

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

Year ended February 28, 2007

(With Comparative Totals for the Year Ended February 28, 2006)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 6,588,000	\$ 5,804,517	\$ 6,706,643
Skokie	3,247,300	2,891,834	3,018,734
Northwest Water Commission	3,496,800	3,497,989	3,750,200
Total Charges for Services	13,332,100	12,194,340	13,475,577
Miscellaneous			
Fees and outside work	45,000	92,618	78,619
Fees, merchandise and other	255,700	352,185	407,240
Total Miscellaneous	300,700	444,803	485,859
Total Operating Revenues	\$ 13,632,800	\$ 12,639,143	\$ 13,961,436

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### **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

### Statement of Net Assets February 28, 2007

Assets	Fleet Services	Insurance	Totals
<b>Current Assets</b>			
Cash and equivalents	\$ 110,482	\$ 254,366	\$ 364,848
Investments	-	4,827,875	4,827,875
Receivables - other	18,575	44,926	63,501
Due from other funds	105,000	-	105,000
Inventories	354,959	-	354,959
<b>Total Unrestricted Current Assets</b>	<b>589,016</b>	<b>5,127,167</b>	<b>5,716,183</b>
<b>Capital Assets</b>			
Cost	19,877,815	-	19,877,815
Accumulated depreciation	(13,082,065)	-	(13,082,065)
<b>Total Capital Assets</b>	<b>6,795,750</b>	<b>-</b>	<b>6,795,750</b>
<b>Total Assets</b>	<b>7,384,766</b>	<b>5,127,167</b>	<b>12,511,933</b>
<b>Liabilities and Fund Equity</b>			
<b>Current Liabilities</b>			
Vouchers payable	162,840	46,356	209,196
Accrued payroll	27,300	1,389	28,689
Compensated absences payable	83,473	-	83,473
Claims payable	-	821,700	821,700
Due to other funds	20,384	795	21,179
<b>Total Current Liabilities</b>	<b>293,997</b>	<b>870,240</b>	<b>1,164,237</b>
<b>Long-Term Liabilities</b>			
Claims payable	-	4,874,500	4,874,500
<b>Total Liabilities</b>	<b>293,997</b>	<b>5,744,740</b>	<b>6,038,737</b>
<b>Net Assets (Deficit)</b>			
Invested in capital assets, net of related debt	6,795,750	-	6,795,750
Unrestricted	295,019	(617,573)	(322,554)
<b>Total net assets (deficit)</b>	<b>\$ 7,090,769</b>	<b>\$ (617,573)</b>	<b>\$ 6,473,196</b>

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Year ended February 28, 2007

	Fleet Services	Insurance	Totals
Operating Revenues			
Charges for Services			
General Fund	\$ 4,317,800	\$ 1,900,000	\$ 6,217,800
Sewer Fund	258,600	-	258,600
Water Fund	331,200	-	331,200
Motor Vehicle Parking System Fund	111,800	-	111,800
Miscellaneous	37,081	112,722	149,803
Total Operating Revenues	5,056,481	2,012,722	7,069,203
Operating Expenses			
General support	452,555	-	452,555
Major maintenance	2,526,141	-	2,526,141
Vehicle body maintenance	216,696	-	216,696
General liability claims	-	2,837,645	2,837,645
Workers compensation claims	-	1,225,242	1,225,242
Other	-	102,377	102,377
Total Operating Expenses	3,195,392	4,165,264	7,360,656
Operating Income (Loss) Before Depreciation	1,861,089	(2,152,542)	(291,453)
Depreciation	1,553,190	-	1,553,190
Operating Income (Loss)	307,899	(2,152,542)	(1,844,643)
Nonoperating Revenues (Expenses)			
Investment income	-	57,343	57,343
Gain (loss) on disposition of assets	106,733	-	106,733
Total Nonoperating Revenues (Expenses)	106,733	57,343	164,076
Income (Loss) before Operating Transfers	414,632	(2,095,199)	(1,680,567)
Transfers In (Out)			
Water Fund	-	2,000,000	2,000,000
Sewer Fund	-	3,000,000	3,000,000
General Fund	300,000	-	300,000
Change in Net Assets	714,632	2,904,801	3,619,433
Total Net Assets (Deficit) - Beginning of Year	6,376,137	(3,522,374)	2,853,763
Total Net Assets (Deficit)- End of Year	\$ 7,090,769	\$ (617,573)	\$ 6,473,196

Continued

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Cash Flows  
Year ended February 28, 2007

	Fleet Services	Insurance	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from customers and users	\$ 5,057,931	\$ 1,967,796	\$ 7,025,727
Receipts from interfund services provided	176,650	-	176,650
Payments to suppliers	(2,851,600)	(1,798,352)	(4,649,952)
Payments to employees	(467,967)	(1,224,580)	(1,692,547)
Payments for interfund services provided	(964,740)	795	(963,945)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b>950,274</b>	<b>(1,054,341)</b>	<b>(104,067)</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
<b>Transfers In (Out)</b>			
Water Fund	-	2,000,000	2,000,000
Sewer Fund	-	3,000,000	3,000,000
General Fund	300,000	-	300,000
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>300,000</b>	<b>5,000,000</b>	<b>5,300,000</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Sale of capital assets	129,798	-	129,798
Acquisition and construction of capital assets	(1,294,308)	-	(1,294,308)
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>(1,164,510)</b>	<b>-</b>	<b>(1,164,510)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sales and maturities of investments	-	-	-
Purchase of investments	-	(3,857,343)	(3,857,343)
Interest income	-	57,343	57,343
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>(3,800,000)</b>	<b>(3,800,000)</b>
<b>Net Decrease in Cash and Equivalents</b>	<b>85,764</b>	<b>145,659</b>	<b>231,423</b>
<b>Cash and Equivalents</b>			
Beginning of year	24,718	108,707	133,425
End of year	<b>\$ 110,482</b>	<b>\$ 254,366</b>	<b>\$ 364,848</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Combining Statement of Cash Flows - Continued

Internal Service Funds  
Year ended February 28, 2007

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income	\$ 307,899	\$ (2,152,542)	\$ (1,844,643)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	1,553,190	-	1,553,190
Changes in assets and liabilities			
Other receivables	1,450	(44,926)	(43,476)
Interfund receivable	176,650	-	176,650
Inventories	(73,982)	-	(73,982)
Compensated absences	(19,102)	-	(19,102)
Accrued payroll	3,690	662	4,352
Interfund payable	(964,740)	795	(963,945)
Vouchers payable	(34,781)	(20,416)	(55,197)
Claims payable	-	1,162,086	1,162,086
Net Cash Provided By (Used For) Operating Activities	<u>\$ 950,274</u>	<u>\$ (1,054,341)</u>	<u>\$ (104,067)</u>

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# AGENCY FUND

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**CITY OF EVANSTON, ILLINOIS**

Special Assessment Agency Fund

Statement of changes of Assets and Liabilities  
Year ended February 28, 2007

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	Beginning of Year	Additions	Deletions	End of Year
<b>Assets</b>				
<b>Current Assets</b>				
Cash and short term investments	\$ 21,073	\$ -	\$ -	\$ 21,073
Total Assets	\$ 21,073	\$ -	\$ -	\$ 21,073
<b>Liabilities</b>				
Due to special assessment bondholders	\$ 21,073	\$ -	\$ -	\$ 21,073
Total Liabilities	\$ 21,073	\$ -	\$ -	\$ 21,073

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STATISTICAL SECTION (UNAUDITED)

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## Statistical Section

This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Government's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	137-140
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	141-143
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.	144-146
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.	147-148
<b>Operating Information</b> These schedules contain information about the Government's service and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs.	149-154

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

**CITY OF EVANSTON, ILLINOIS**

Net Assets by Component

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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental Activities</b>					
Invested in Capital Assets, net of related debt	\$ 35,437	\$ (9,753)	\$ 426	\$ 34,428	\$ 31,133
Restricted	33,826	33,415	32,811	31,169	30,034
Unrestricted	<u>(15,245)</u>	<u>32,861</u>	<u>43,010</u>	<u>15,408</u>	<u>25,171</u>
<b>Total Governmental Activities net assets</b>	<u>\$ 54,018</u>	<u>\$ 56,523</u>	<u>\$ 76,247</u>	<u>\$ 81,005</u>	<u>\$ 86,338</u>
<b>Business-type Activities</b>					
Invested in Capital Assets, net of related debt	\$ 96,615	\$ 103,339	\$ 114,442	\$ 129,084	\$ 140,621
Restricted	9,491	11,158	11,274	10,449	9,374
Unrestricted	<u>18,053</u>	<u>23,332</u>	<u>21,478</u>	<u>23,483</u>	<u>21,417</u>
<b>Total Business-type Activities net assets</b>	<u>\$ 124,159</u>	<u>\$ 137,829</u>	<u>\$ 147,194</u>	<u>\$ 163,016</u>	<u>\$ 171,412</u>
<b>Primary Government</b>					
Invested in Capital Assets, net of related debt	\$ 132,052	\$ 93,586	\$ 114,868	\$ 163,512	\$ 171,754
Restricted	43,317	44,573	44,085	41,618	39,408
Unrestricted	<u>2,808</u>	<u>56,193</u>	<u>64,488</u>	<u>38,891</u>	<u>46,588</u>
<b>Total Primary Governemnt net assets</b>	<u>\$ 178,177</u>	<u>\$ 194,352</u>	<u>\$ 223,441</u>	<u>\$ 244,021</u>	<u>\$ 257,750</u>

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



**CITY OF EVANSTON, ILLINOIS**

Fund Balances, Governmental Funds

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 803	\$ 965	\$ 745	\$ 3,104	\$ 2,820	\$ 4,614	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327
Unreserved	7,001	7,222	9,327	11,341	12,438	13,110	14,375	15,209	18,804	24,866
Total general fund	\$ 7,804	\$ 8,187	\$ 10,072	\$ 14,445	\$ 15,258	\$ 17,724	\$ 19,040	\$ 23,157	\$ 24,831	\$ 26,193
All Other Governmental Funds										
Reserved	\$ 24,073	\$ 27,054	\$ 26,867	\$ 23,014	\$ 25,683	\$ 29,211	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741
Unreserved, reported in										
Special revenue funds	4,555	4,959	5,033	6,371	7,507	60,514	4,617	5,249	5,171	5,587
Capital Projects Funds	13,897	13,564	14,494	27,222	12,648	-	58,816	49,476	31,696	23,965
Total all other governmental funds	\$ 42,525	\$ 45,577	\$ 46,394	\$ 56,607	\$ 45,838	\$ 89,725	\$ 92,183	\$ 85,486	\$ 70,804	\$ 61,293

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

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Changes in Fund Balances, Governmental Funds

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 50,245	\$ 56,916	\$ 62,382	\$ 67,585	\$ 68,749	\$ 58,814	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137
Licenses, fees and permits	4,394	4,187	5,333	6,436	7,405	6,459	6,436	6,773	9,164	8,061
Fines and penalties	2,764	2,831	2,625	2,782	3,242	3,742	4,163	3,959	3,781	4,029
Charges for services	4,030	4,998	4,860	5,491	5,515	6,262	5,997	6,053	6,905	7,167
Special Assessments	-	-	-	-	-	208	217	365	546	565
Intergovernmental	5,844	5,640	7,259	5,448	5,859	19,116	18,586	21,618	21,106	21,402
Investment Earnings	2,341	2,204	2,477	3,297	2,458	1,255	1,650	1,540	2,970	3,695
Other Revenues	3,717	3,732	4,392	4,300	4,976	6,852	6,953	9,451	5,812	5,578
<b>Total Revenues</b>	<b>73,335</b>	<b>80,508</b>	<b>89,335</b>	<b>95,339</b>	<b>98,204</b>	<b>102,715</b>	<b>108,098</b>	<b>116,543</b>	<b>125,945</b>	<b>127,634</b>
<b>Expenditures</b>										
General Government	7,411	8,386	9,732	10,107	13,025	12,565	13,365	14,666	15,601	14,539
Public Safety	21,239	22,182	22,505	23,928	25,454	32,093	33,896	36,323	39,094	39,690
Public Works	9,616	10,434	12,678	12,037	11,655	10,847	11,119	12,070	13,242	14,282
Recreation and cultural opportunities	9,940	10,590	11,730	12,107	13,028	13,712	14,287	15,493	16,526	16,683
Health and Human Development	3,991	4,212	4,342	4,744	4,621	4,839	5,272	5,801	4,566	5,850
Housing and Economic Development	6,320	5,336	7,013	5,620	6,293	5,662	5,882	6,717	6,646	7,683
Pensions	3,812	8,516	8,537	8,801	9,277	4,209	2,688	1,372	4,628	5,645
Capital Outlay	9,437	4,944	6,047	10,464	16,837	13,301	9,941	18,208	42,087	18,986
Debt Service										
Interest	4,243	4,767	4,529	4,770	4,339	4,846	5,163	5,027	5,857	6,927
Fiscal agent fees	-	-	-	-	-	-	-	359	323	517
Principal	11,548	7,421	6,188	6,325	6,300	6,585	9,385	7,885	7,690	11,530
<b>Total governmental activities program revenues</b>	<b>87,557</b>	<b>86,788</b>	<b>93,301</b>	<b>98,903</b>	<b>110,829</b>	<b>108,652</b>	<b>110,998</b>	<b>123,921</b>	<b>156,260</b>	<b>142,332</b>
<b>Net (expense)/revenue</b>	<b>(14,222)</b>	<b>(6,280)</b>	<b>(3,966)</b>	<b>(3,564)</b>	<b>(12,625)</b>	<b>(5,944)</b>	<b>(2,900)</b>	<b>(7,378)</b>	<b>(30,315)</b>	<b>(14,698)</b>
<b>Governmental activities</b>										
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	\$ 32,317	\$ 7,184	\$ 37,251	\$ 15,314	\$ -	\$ 57,066	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916
Payment/Proceeds from refunding	(18,412)	-	(32,221)	-	-	-	-	-	-	-
Capitalized interest income	-	-	-	-	-	773	-	-	355	-
Capitalized interest expense	-	-	-	-	-	(773)	-	-	(355)	-
Proceeds sale property/other	145	-	45	-	318	40	-	-	-	-
Reduction in long term debt	-	-	-	-	-	(100)	-	-	-	-
Escrow funding	-	-	-	-	-	-	-	-	-	-
Transfers in	5,756	5,854	7,705	3,526	5,619	8,259	9,762	6,020	7,032	6,529
Transfers (out)	(2,951)	(3,323)	(5,174)	(2,210)	(3,893)	(9,572)	(15,287)	(15,062)	(14,432)	(10,528)
<b>Total Other financing sources (uses)</b>	<b>16,855</b>	<b>9,715</b>	<b>7,606</b>	<b>16,630</b>	<b>2,044</b>	<b>51,621</b>	<b>6,674</b>	<b>4,796</b>	<b>17,306</b>	<b>6,549</b>
<b>Net Changes in Fund Balance</b>	<b>\$ 2,633</b>	<b>\$ 3,435</b>	<b>\$ 3,640</b>	<b>\$ 13,066</b>	<b>\$ (10,581)</b>	<b>\$ 45,677</b>	<b>\$ 3,774</b>	<b>\$ (2,582)</b>	<b>\$ (13,009)</b>	<b>\$ (8,149)</b>
<b>Debt Service as a percentage of noncapital expenditures</b>	20.21%	14.89%	12.28%	12.55%	11.32%	11.99%	14.40%	12.21%	11.87%	14.96%

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property**

**Last Ten Fiscal Years**

(amounts expressed in thousands)

Levy Year Ended	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Actual Value	Total Tax Rate
1996	704,557,445	16,895	397,411,620	80,770,373	356,179	-	1,183,112,512	3,549,337,536	2.059
1997	702,987,666	16,895	396,349,777	79,242,479	317,786	-	1,178,914,603	3,536,743,809	2.069
1998	789,833,544	16,895	413,956,877	90,809,247	293,665	-	1,294,910,228	3,884,730,684	1.888
1999	821,467,155	16,895	406,217,660	72,384,000	286,492	-	1,300,372,202	3,901,116,606	1.934
2000	828,097,184	16,895	390,321,697	67,725,714	298,315	-	1,286,459,805	3,859,379,415	2.033
2001	1,105,269,184	16,895	459,256,602	50,985,114	311,382	-	1,615,839,177	4,847,517,531	1.628
2002	1,202,783,327	16,895	467,795,729	66,579,781	368,172	-	1,737,543,904	5,212,631,712	1.609
2003	1,221,970,442	16,895	435,093,531	69,669,560	397,456	-	1,727,147,884	5,181,443,652	1.698
2004	1,543,464,138	16,895	479,999,412	71,684,555	446,570	-	2,095,611,570	6,286,834,710	1.528
2005	1,680,183,692	16,895	500,330,397	61,756,603	465,435	-	2,242,753,022	6,728,259,066	1.491

Note: Property is reassessed once every three years. Property is assessed at 1/3 actual value. Tax rates are per \$100 of assessed value  
 Source: Cook County Assessor's office

**CITY OF EVANSTON, ILLINOIS**

Principal Property Tax Payers

Current year and Nine Years Ago

Tax Payer	2006 (2005 EAV)			1997 (1996 EAV)		
	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Golub & Company	28,624,653	1	1.28%	16,559,326	1	1.40%
REP CBRE	21,727,776	2	0.97%	11,930,798	2	1.01%
Rotary International	21,523,423	3	0.96%	10,734,596	3	0.91%
Church Street Plaza	17,921,581	4	0.80%	9,007,679	4	0.76%
Church & Chicago LTD. Partnership	15,878,114	5	0.71%	8,681,440	5	0.73%
Omni Orrington Hotel	13,391,021	6	0.60%	8,511,049	6	0.72%
Evanston Plaza Freed	13,300,351	7	0.59%	8,342,043	7	0.71%
Evanston Hotel Assoc.	12,361,644	8	0.55%	8,176,365	8	0.69%
Albertsons Property Tax	10,650,893	9	0.47%	7,725,275	9	0.65%
Kap Sum Properties LLC	9,792,045	10	0.44%	6,821,621	10	0.58%
<b>Total</b>	<b>165,171,501</b>		<b>7.36%</b>	<b>96,490,192</b>		<b>8.16%</b>
<b>Total EAV</b>	<b>2,242,753,022</b>			<b>1,183,112,512</b>		
				<b>Total EAV</b>		

Source: Cook County Assessor's office

# CITY OF EVANSTON, ILLINOIS

## Property Tax Levies and Collections

### Last Ten Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Receipts		Collections in Subsequent Years	Total Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 23,757,144	\$ 23,234,806	97.80%	404,013	\$ 23,638,819	99.50%
1998	23,757,032	23,223,913	97.76%	544,880	23,768,793	100.05%
1999	25,137,352	24,468,693	97.34%	425,270	24,893,963	99.03%
2000	26,217,646	25,319,911	96.58%	421,153	25,741,064	98.18%
2001	26,305,327	25,391,349	96.53%	442,216	25,833,565	98.21%
2002	27,957,126	27,286,591	97.60%	254,154	27,540,745	98.51%
2003	29,813,787	28,565,408	95.81%	365,801	28,931,209	97.04%
2004	32,100,657	30,991,234	96.54%	412,246	31,403,480	97.83%
2005	33,423,311	32,550,464	97.39%	613,876	33,164,340	99.23%
2006	34,399,146	3,481,259	10.12%	-	3,481,259	10.12%

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year Ended	Population	(1)		(2)		(3)	Net General Obligation Debt	Net Debt to Equalized Assessed Valuation	Net General Obligation Bonded Debt Per Capita
		Equalized Assessed Valuation	Gross General Obligation Bonded Debt	Debt Service Monies Available	Debt Payable From Other Revenues				
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	194,086,731	6,942,441	123,720,000	63,424,290	3.71%	854.33	
2004	74,239	1,737,543,904	191,073,334	6,592,437	114,445,000	70,035,897	4.03%	943.38	
2005	74,239	1,727,147,885	187,110,000	6,678,359	106,935,000	73,496,641	4.26%	990.00	
2006	74,239	2,095,611,570	195,875,000	6,551,304	110,212,500	79,111,196	3.78%	1,065.63	
2007	74,239	2,242,753,022	187,745,000	6,504,507	96,780,000	84,460,493	3.77%	1,137.68	

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 amounts include the general obligation bonds that are being repaid from the Sewer Fund, the Fleet Service Fund, the Motor Vehicle Parking System Fund, the Central Business Tax Increment District Fund, the Howard Hartrey Tax Increment Tax District Fund, the Southwest Tax Increment District Fund, the Washington National Tax Increment Tax District Fund, the Emergency Telephone System Fund, 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 that is not being abated.

Source: Cook County and City Finance department

**CITY OF EVANSTON, ILLINOIS**

Direct and Overlapping Governmental Activities

As of February 28, 2007

	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)	\$ 84,460,493	100.000%	\$ 84,460,493
Other bonded debt			
County of Cook	3,022,505,000	1.683%	50,868,759
Cook County Forest Preserve District	128,670,000	1.683%	2,165,516
Metropolitan Water Reclamation District	1,628,886,177	1.719%	28,000,553
High School District 202	14,396,049	88.571%	12,750,725
School District 65	37,795,000	88.571%	33,475,409
Skokie Park District	25,368,563	0.658%	166,925
Total Overlapping Debt	<u>4,857,620,789</u>		<u>127,427,889</u>
Total Direct and Overlapping Debt	<u>\$ 4,942,081,282</u>		<u>\$ 211,888,382</u>

Source: Cook County

## CITY OF EVANSTON, ILLINOIS

### Pledged-Revenue Coverage

#### Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
			Principal	Interest		
1998	\$ 12,113,182	\$ 5,669,524	\$ 6,443,658	\$ 1,613,334	\$ 941,293	2.52
1999	13,192,965	5,416,366	7,776,599	1,907,500	639,234	3.05
2000	13,709,645	5,602,297	8,107,348	2,170,000	666,466	2.86
2001	13,509,413	5,430,908	8,078,505	2,245,000	589,559	2.85
2002	13,005,269	5,670,480	7,334,789	2,325,000	494,210	2.60
2003	13,687,288	9,347,238	4,340,050	2,200,000	343,795	1.71
2004	13,583,515	7,056,290	6,527,225	805,000	235,913	6.27
2005	13,338,642	6,395,231	6,943,411	805,000	206,575	6.86
2006	14,380,966	6,705,865	7,675,101	865,000	177,355	7.36
2007	13,196,942	6,900,063	6,296,879	470,000	145,088	10.24

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

Source: Various City departments

# CITY OF EVANSTON, ILLINOIS

## Demographic and Economic Statistics

Last ten Calendar Years

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<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1998	73,233	\$ 28,740	31.9	13.6	9,764.0	3.7%
1999	73,233	29,372	31.9	13.6	9,433.0	3.6%
2000	73,233	30,068	31.9	13.6	10,068.0	3.5%
2001	74,239	30,068	31.9	13.6	9,999.0	4.2%
2002	74,239	33,645	32.5	13.6	10,889.0	5.0%
2003	74,239	36,296	32.5	13.6	9,766.0	5.4%
2004	74,239	36,296	32.5	13.6	9,849.0	5.0%
2005	74,239	37,384	32.5	13.6	9,740.0	5.0%
2006	74,239	39,103	32.5	13.6	9,550.0	4.5%
2007	74,239	39,103	32.5	13.6	9,550.0	4.4%

Source: Various Government agencies

**CITY OF EVANSTON, ILLINOIS**

Principal Employers

Current Year and Nine Years Ago

<u>Employer</u>	<u>2007</u>		<u>1998</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Northwestern University	5,325	1	5,900	1
Evanston Northwestern Healthcare	3,780	2	4,300	2
St. Francis Hospital	1,649	3	2,000	3
City of Evanston	865	4	1,200	4
Evanston School District 65	700	5	832	5
Evanston Township High School	566	6	610	6
Presbyterian Homes/McGaw Care	533	7	500	7
Rotary International	460	8	450	8
Jewel/Osco Food Stores	455	9	300	9
Mather Life Ways Retirement	430	10	175	10
<b>Total</b>	<b>14,763</b>		<b>16,267</b>	

Source: City Economic Development Division

CITY OF EVANSTON, ILLINOIS

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended 2/28									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
City Manager's Office	8.35	8.05	8.05	7.55	7.55	7.55	7.25	7.25	7.25	7.25
MBIS	11.75	14.75	16.75	17.75	20.75	21.50	21.80	22.80	24.80	23.80
Legal	6.50	6.50	6.50	7.50	7.50	6.00	6.00	7.00	7.00	7.00
Human Resources	8.00	9.00	9.00	8.00	8.00	8.00	7.00	7.00	7.00	8.00
Finance	23.50	23.50	23.50	26.00	27.00	26.00	24.50	24.50	26.50	25.50
Facilities Management	24.00	23.00	23.00	23.00	24.00	23.00	23.00	23.10	21.10	21.20
Community Development	32.00	36.00	36.00	38.00	38.00	36.00	34.00	36.00	36.00	36.00
Police	226.00	227.00	211.00	211.80	214.80	212.30	213.80	217.50	219.50	221.75
Fire	108.00	108.00	109.00	109.00	109.00	109.00	109.00	109.00	110.00	111.00
Human & Health Services	45.45	45.07	45.93	45.73	45.03	41.73	39.54	39.30	39.30	40.15
Public Works	82.01	85.51	92.51	91.50	90.50	90.00	90.00	90.25	91.25	90.25
Human Relations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library	62.77	65.52	65.52	65.52	66.37	67.17	66.20	66.65	67.18	67.19
Recreation, Parks & Forestry	84.27	87.07	93.38	112.22	124.82	122.25	113.94	119.20	121.30	119.90
<b>Total General Fund</b>	<b>729.60</b>	<b>745.97</b>	<b>747.14</b>	<b>770.57</b>	<b>790.32</b>	<b>777.50</b>	<b>762.03</b>	<b>775.55</b>	<b>784.18</b>	<b>784.99</b>
Emergency Telephone System	2.00	2.00	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
CDBG	2.00	2.00	2.00	2.00	3.50	2.00	2.00	2.00	2.00	2.00
Economic Development Fund	1.45	1.15	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Downtown II TIF Fund	-	-	-	-	-	-	-	-	-	1.00
Maple Ave. Garage	-	-	-	-	-	-	-	-	1.00	1.00
Parking Systems	11.00	11.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.50
Special Engineering	3.50	-	-	-	-	-	-	-	-	-
Water	42.50	42.50	42.50	44.00	44.00	44.00	44.00	43.00	43.00	43.00
Sewer	13.50	13.50	13.50	14.00	14.00	14.00	14.00	14.00	13.50	14.00
Fleet Services	16.60	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Insurance Fund	-	-	-	-	-	2.00	1.30	1.30	1.30	1.30
<b>Total Other Funds</b>	<b>92.55</b>	<b>89.15</b>	<b>91.45</b>	<b>94.45</b>	<b>95.95</b>	<b>96.45</b>	<b>96.75</b>	<b>95.75</b>	<b>97.25</b>	<b>99.25</b>
<b>Total All Funds</b>	<b>822.15</b>	<b>835.12</b>	<b>838.59</b>	<b>865.02</b>	<b>886.27</b>	<b>873.95</b>	<b>858.78</b>	<b>871.30</b>	<b>881.43</b>	<b>884.24</b>

Source: City Human Resource department

**CITY OF EVANSTON, ILLINOIS**

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

Last Ten Levy Years

Tax Levy Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Government Unit										
City of Evanston	2.059	2.069	1.888	1.934	2.033	1.628	1.610	1.698	1.528	1.491
Consolidated Elections	-	0.027	-	0.023	-	0.032	-	0.029	-	0.014
Cook County	0.989	0.919	0.911	0.854	0.824	0.746	0.690	0.630	0.593	0.533
Cook County Forest Preserve District	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005
Metropolitan Water Reclamation District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315
North Shore Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.010	0.009	0.009	0.008	0.008
Evanston Township	0.076	0.077	0.072	0.072	0.077	0.064	0.062	0.065	0.056	0.055
Community College 535	0.206	0.216	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158
School District 202	2.992	3.107	2.905	2.865	2.977	2.469	2.349	2.444	2.078	2.023
School District 65	4.209	4.356	4.126	4.073	4.232	3.516	3.343	3.475	2.978	2.890
Total tax rate for property not in park district or special service district	11.116	11.315	10.642	10.532	10.859	9.126	8.680	8.960	7.810	7.552
Percent of total tax rate levied by City of Evanston	18.5%	18.3%	17.7%	18.4%	18.7%	17.8%	18.5%	19.0%	19.6%	19.7%

Source: Cook County Assessor's office

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Type of Customer

Last Ten Fiscal Years  
(in 100 cubic feet)

<i>Type of Customer</i>	Fiscal year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Unavailable	Unavailable	2,875,669	2,842,137	2,711,271	2,734,202	2,639,717	2,506,887	2,720,807	2,388,360	
Residential	Unavailable	42,440	42,748	41,895	37,076	36,015	22,010	20,096	16,307	
Industrial	Unavailable	1,306,272	1,252,818	1,337,280	1,395,576	1,415,895	1,318,236	1,267,657	1,278,334	
Commercial	Unavailable	97,565	101,021	113,349	112,007	90,908	86,096	109,121	96,777	
Government										
<b>Total</b>	-	-	4,321,946	4,238,724	4,203,795	4,278,861	4,182,535	3,933,229	4,117,681	3,779,778

Total direct rate  
per 100 cubic feet

\$ 1.36	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47
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Source: City Water department

**CITY OF EVANSTON, ILLINOIS**

Water Sold by major Customers

Last Ten Fiscal Years

<i>Type of Customer</i>	Fiscal year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Evanston residents/businesses	\$ 5,152,353	\$ 6,911,950	\$ 6,774,380	\$ 6,811,100	\$ 6,606,091	\$ 6,711,004	\$ 6,665,158	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517
Village of Skokie	2,817,402	2,907,178	2,908,102	2,918,766	2,859,685	3,011,018	2,959,732	2,802,720	3,018,734	2,891,834
Northwest Water Commission	2,941,420	3,181,411	3,367,773	3,283,048	3,247,291	3,434,685	3,367,253	3,377,407	3,750,200	3,497,989
<b>Total</b>	<b>\$10,911,175</b>	<b>\$13,000,539</b>	<b>\$13,050,255</b>	<b>\$13,012,914</b>	<b>\$12,713,067</b>	<b>\$13,156,707</b>	<b>\$12,992,143</b>	<b>\$12,739,153</b>	<b>\$13,475,578</b>	<b>\$12,194,340</b>

Source: City Water department

**CITY OF EVANSTON, ILLINOIS**

Operating Indicators by Function/Programs

Last Ten Years

Function/Program	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Police</b>										
Violent Offenses	523	347	349	393	270	314	293	266	226	224
Property Offenses	7,146	5,311	4,819	4,858	4,174	4,122	3,318	3,145	2,965	2,942
911 Calls Received	30,672	29,006	27,893	29,052	37,201	55,125	55,383	56,650	56,650	55,795
<b>Fire</b>										
Emergency responses	N/A	7,245	7,432	7,566	7,925	8,003	8,106	7,624	8,135	8,173
Fires extinguished	N/A	280	259	247	227	218	225	199	287	220
Inspections	N/A	2,620	2,600	-	2,940	3,071	2,664	2,194	1,496	1,320
<b>Other Public Works</b>										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
<b>Parks and Recreation</b>										
Athletic field usage (hours)	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	15,561
Picnic permits issued	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	319
<b>Library</b>										
Volumes in collection	411,804	422,966	437,104	455,481	463,263	477,768	491,064	520,458	486,031	495,575
Total volumes borrowed	897,823	872,791	858,343	839,701	878,990	887,773	868,837	880,561	893,841	897,141
<b>Water</b>										
New connections	unavailable	23	44	55	68	47	70	59	74	104
Water main breaks	unavailable	41	59	53	34	65	41	45	78	48
Average daily consumption (millions of gallons)	47.57	51.27	50.33	47.16	37.16	36.22	37.74	37.31	41.44	41.41
Peak daily consumption (millions of gallons)	81.63	73.40	80.74	69.12	75.50	75.50	73.17	60.98	80.46	66.49

Source: Various City departments  
 Note: Indicators are not available for general government functions

**CITY OF EVANSTON, ILLINOIS**

Capital Assets Statistics by Function

Last Ten Years

Function/Program	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Police</b>										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	162	162	162	162	161	161	161	161	161	162
Fire Stations	5	5	5	5	5	5	5	5	5	5
<b>Other Public Works</b>										
Streets (miles)	147.0	147.0	147.0	147.0	147.0	147.0	147.0	147.0	147.0	147.0
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641
<b>Parks and Recreation</b>										
Acreage	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	51	51	51	51	51
Baseball/softball diamonds	18	18	18	18	18	18	18	18	18	18
Soccer/football fields	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	5	5	5	5	5	5	5	5
<b>Water</b>										
Water mains (miles)	159.0	159.0	159.0	159.0	159.0	159.0	159.0	159.0	159.0	159.0
Fire hydrants	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347
Storage capacity (millions of gallons)	22	22	22	22	22	22	22	22	22	22

Source: Various City departments  
 Note: No capital asset indicators are available for the general government or library function

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TAX INCREMENT FINANCING DISTRICT  
REQUIREMENTS

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## INDEPENDENT AUDITOR'S COMPLIANCE REPORT

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

We have audited the financial statements of the City of Evanston for the year ended February 28, 2007, and have issued our report dated August 27, 2007. The financial statement is the responsibility of the management of the City of Evanston. Our responsibility is to express an opinion on the eligibility of the expenditures for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Central Business, Howard Hartrey, Southwest, and Washington National Tax Increment Districts pursuant to subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 opinion.

The management of the City of Evanston is responsible for the City of Evanston's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the City's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing."

The results of our tests indicate that for the items tested the Central Business, Howard Hartrey, Southwest, and Washington National Tax Increment Districts complied with subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

*Virchow, Krause & Company, LLP*

Oak Brook, Illinois  
August 27, 2007

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