

CITY OF EVANSTON, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
February 28, 2009

Prepared by Finance Department

CITY OF EVANSTON, ILLINOIS

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INTRODUCTORY SECTION

CITY OF EVANSTON, ILLINOIS

Principal Officials
February 28, 2009

CITY COUNCIL

As of February 28, 2009

Mayor	Lorraine H. Morton
Alderman Ward 1	Cheryl Wollin
Alderman Ward 2	Lionel Jean-Baptiste
Alderman Ward 3	Melissa A. Wynne
Alderman Ward 4	Steven J. Bernstein
Alderman Ward 5	Delores A. Holmes
Alderman Ward 6	Edmund B. Moran, Jr.
Alderman Ward 7	Elizabeth B. Tisdahl
Alderman Ward 8	Ann Rainey
Alderman Ward 9	Anjana Hansen

As of Report Date

Mayor	Elizabeth B. Tisdahl
Alderman Ward 1	Judy Fiske
Alderman Ward 2	Lionel Jean-Baptiste
Alderman Ward 3	Melissa A. Wynne
Alderman Ward 4	Donald N. Wilson
Alderman Ward 5	Delores A. Holmes
Alderman Ward 6	Mark Tendam
Alderman Ward 7	Jane Grover
Alderman Ward 8	Ann Rainey
Alderman Ward 9	Coleen Burrus

EXECUTIVE

As of February 28, 2009

Rolanda B. Russell, Interim City Manager

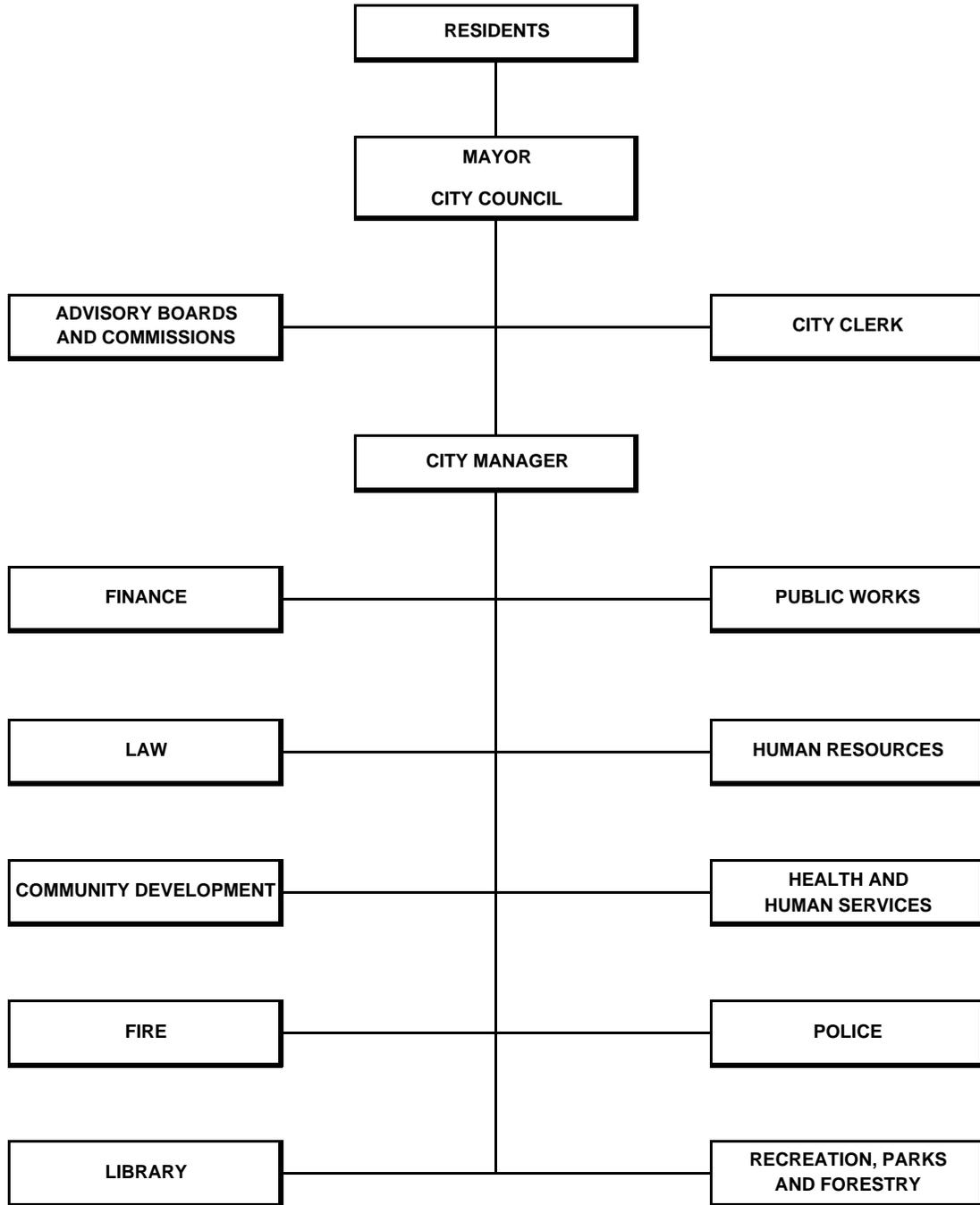
As of Report Date

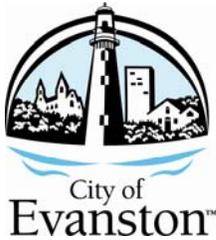
Wally Bobkiewicz, City Manager

FINANCE DEPARTMENT

Martin Lyons, Finance Director/Treasurer
Steven Drazner, Assistant Finance Director
Hitesh Desai, Accounting Manager
Patricia P. Ford, Payroll Manager
Jewell Jackson, Purchasing Manager
Richard Leipsiger, Revenue Manager
Wendy McCambridge, Administrative Adjudication Manager

CITY OF EVANSTON ORGANIZATION CHART





August 20, 2009

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

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Evanston (City) for the fiscal year ended February 28, 2009 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 Evanston Township Board of Trustees is 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 Baker Tilly Virchow Krause, LLP., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended February 28, 2009, 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, 2009, 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 with Chicago, and only 13 miles by rapid transit, commuter rail, expressway, or parkway from downtown Chicago. It borders the north shore communities of Skokie and Wilmette.

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

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

About 4,150 students live in university housing; another 900 live in fraternities and sororities. Roughly 600 live in two graduate student-housing complexes and approximately 2,600 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 eleven departments. The Finance Director is responsible for the central financial functions of the City.

The City provides a broad range of municipal services, including police and fire protection, streets and parking, water and sewer service, public libraries, social services, health and services for the aging, beaches, parks, and cultural events. The City is engaged in assisting in community and economic development and maintains land use controls.

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

Budget Process: The City's fiscal year begins on March 1 of each year. The City Manager submits to the City Council a proposed operating budget in December for the fiscal year commencing the following March 1. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds public hearings 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 and 2) 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 2009/2010, the City projects that 38.3% (\$89.7 million) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, Parking, Water, and Sewer Funds.

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

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

The City's expenditures are monitored on a regular basis by the Finance Department and Budget Department. Disbursements are made only if expenditures are within the authorized appropriation. For every major expenditure, a purchase order is prepared and approved and the related appropriation is encumbered before a check is issued.

MAJOR INITIATIVES

Some major initiatives the City has undertaken during the fiscal year which the City believes will ultimately improve the quality of life for its residents are as follow:

The Police Department started renovation of the Criminal Investigations Division offices, including the Detective, Juvenile and Social Services Bureaus.

Parks/Forestry & Recreation continues to identify, develop and submit grants for all five divisions. As of September 2008, the following grants were awarded: Open Space and Land Acquisition Development (OSLAD) grant from the Illinois Department of Natural Resources for the redevelopment of Foster Field; Local Arts Agency Program grant from the Illinois Arts Council; a Community Arts Access grant from the Illinois Arts Council; a Summer Food Program grant from the U.S. Department of Agriculture through the Illinois State Board of Education; Community Development Block Grant award for renovation of the Fleetwood-Jourdain Community Center's kitchen and arts + crafts room; a donation from the Chicago Tennis Patrons supporting junior tennis programs; a donation from the Evanston Kiwanis Club for a drop-in golf program; NRPA's Take Me Fishing initiative named Evanston as an Anchor Agency and awarded a grant to support fishing program efforts; Quality Counts program grant funded by the Illinois Department of Human Services administered by Illinois Action for Children for laptop computers and activity tables for Fleetwood-Jourdain Center's After-School Program; and a Sticks for Kids equipment grant awarded by the National Recreation & Park Association and the Golf Course Builders Association of America to be used for Chandler-Newberger Community Center's youth golf program.

In the Health and Human Services Department the initial steps for establishing a civilian medical reserve corps have been taken. Emergency management staff and public health staff have held their first orientation for health professionals who responded to the City's first recruitment. All food service inspection reports have become available online. An EPLAN (Evanston Project for Local Assessment of Needs) community health needs assessment was approved by the Human Services Committee and submitted to the Illinois Department of Public Health for their review and approved October 2008.

Fire Station #5 has been completed. In addition, all of the Department paramedics were offered Advanced Pediatric Life Support training in 2008.

Public Works staff continued to produce results and deliver services at a high level. Street resurfacing (including work associated with water main replacement and sewer work) was completed on time and within budget. The last project in the City's Long-Range Sewer Plan was completed. A 20-year Multi-modal Transportation Plan was completed as was a 10-year bridge plan. The Ridge Avenue Roadway and Relief Sewer Improvement were completed. The residential street light upgrade project was completed. The Bike Plan implementation was completed and the first phase of bike rack installations occurred.

Numerous initiatives in Streets and Sanitation were implemented on time and within budget, such as conversion from night sweeping to day sweeping, bulk trash pick-up program, two pilot recycling programs, and most significant was the passage of a Municipal Solid Waste Franchise that went into effect on November 1, 2008.

In the City's Library Division, construction of the new Children's Room and Young Adult Room were completed on time and within budget. "Room to Grow" capital campaign for the youth service renovation project exceeded its fundraising goal. The Library's annual campaign "the Fund for Excellence" supplemented the Library's materials budget with \$85,000 in purchases during the fiscal year.

The Legal Department completed legal training and management development for staff attorneys. The Department reinstated general review and modernization of the Evanston City Code and reviewed tax increment financing expenditures for existing TIF districts in conjunction with anticipated expiration of existing TIFs.

In the Finance Department, the fiscal year 2008 Comprehensive Annual Financial Report was completed and received the GFOA Certificate of Achievement Award. The Parking Citation Management System (Duncan) has been implemented while the Licensing/Permit Management System (Accela) is in the process of implementation. The City also purchased a new utility billing software to handle all water billing related issues. A refunding of prior issued debt was successfully accomplished, thus saving the City thousands of dollars in interest expense. A new CIP report format was implemented and the City received the GFOA distinguished budget award for FY2009.

In the City Manager's Office, staff continues to work toward the goals and objectives of the 2006 Strategic Plan. Staff has evaluated and will recommend purchase of a customer relationship management system that would include both aldermanic and citizen requests which will provide for greater accountability and timeliness in responding to such requests. The CMO will continue to improve operational efficiencies through alignment of services with departments, while achieving significant budgetary savings.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: The global economy continued to deteriorate during the year which trickled down to local economy in terms of an extreme slowdown in the real estate market and overall spending patterns. Should things begin to improve, the City should see a nice improvement in all revenue sources but particularly with real estate transfer tax income and sales tax revenues.

Risk Management: The City has in place a new third third-party administrator for its liability and workers' compensation claims. Additionally, more staff and resources are being dedicated to internal risk management and formal safety training programs are being investigated for those employees most prone to injury due to the nature of their work.

Pension and Other Post retirement Benefits: The City sponsors a single-employer defined benefit pension plan for both its police and firefighters. Each year, an independent actuary engaged by the City calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. 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 funding contribution rate changes each year based on investment returns and the annual City contribution rate changes annually as determined by the Plan.

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

available to Fire and Police employees. Fire employees contribute fixed dollar amount while Police employees contribute fixed amount and/or vacation days.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended February 29, 2008. 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.

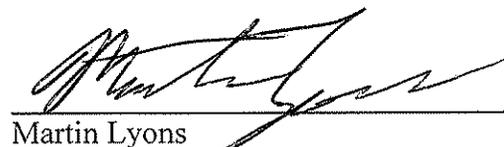
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated March 1, 2008 budget. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

We acknowledge the contributions and excellent work of Steven Drazner, Assistant Finance Director, Hitesh Desai, Accounting Manager, and accountants Raye Janousek, Rom Chmara and Andy Villamin in preparing the financial statements. Appreciation is also extended to all other Finance and City Staff who contributed to the preparation of this report. We also express gratitude to the Mayor's Office and Members of City Council for their interest and support in planning and conducting the City's financial affairs.

Respectfully submitted,


Wally Bobkiewicz
City Manager


Martin Lyons
Finance Director/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Evanston
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
February 29, 2008

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of and for the year ended February 28, 2009, which collectively comprise the City of Evanston's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Evanston's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois as of February 28, 2009, 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 20, 2009 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.

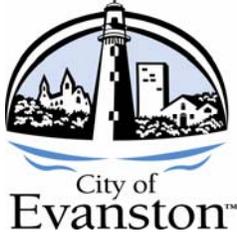
The management's discussion and analysis, the schedules of funding progress, the schedules of employer contribution and the general fund budgetary comparison schedule as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required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

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

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 in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Evanston's basic financial statements for the year ended February 29, 2008, which are not presented with the accompanying financial statements. In our report dated September 24, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the primary government of the City of Evanston, Illinois. In our opinion, the 2008 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended February 29, 2008, 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.

Barry Jilly Virohon Krause, LLP

Oak Brook, Illinois
August 20, 2009



MANAGEMENT'S DISCUSSION AND ANALYSIS

FEBRUARY 28, 2009

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

FINANCIAL HIGHLIGHTS

- A. The City's net assets increased by \$15,326,025 (or 5.7%) from the prior fiscal year reported (FY 2008). The governmental net assets decreased by \$1,886,294 (or 2.3% from FY 2008) and the business-type activities net assets increased by \$17,212,319 (or 9.3% from FY 2008).
- B. The governmental activities revenue increased by \$1,916,151 (or 1.5%) from the prior year. The expenditures decreased by \$3,947,398 (or 3.2%).
- C. The business-type activities revenue decreased by \$471,785 (or 1.3%). The expenditures increased by \$16,954 (or 0.06%) from the prior year.
- D. The total cost of all City programs decreased by \$3,930,444 or 2.5%.
- E. The City of Evanston issued general obligation debt series 2008A (refunding 2000D bonds), 2008B (refunding 2002A bonds) and 2008C series (Capital Improvement Plan) in the total amount of \$43,950,000 during the early part of the current fiscal year. The City later issued series 2008D bonds to current refund \$19,585,000 of the outstanding amount of 1999 bonds.

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.

(Unaudited)

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 26 - 29 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

The City has three kinds of funds:

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

(Unaudited)

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 30 - 31 of this report.

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

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both 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 33 - 37 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 38 - 39 of this report.

Notes to the financial statements

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 40 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables, payables, transfers, and payments within the reporting entity. Required supplementary information can be found on pages 103 - 107 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 112. Additional information on capital assets and long-term debt can be found on page 63 and 73 respectively.

(Unaudited)

Financial Analysis of the City as a Whole

The City's combined net assets increased by \$15,326,025 from FY 2008 - an increase from \$267,701,378 to \$283,027,403.

STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$130,202,506	\$136,518,792	\$35,759,899	\$33,165,483	\$165,962,405	\$169,684,275
Capital Assets	152,418,411	146,761,654	332,618,681	328,070,154	485,037,092	474,831,808
Total Assets	<u>282,620,917</u>	<u>283,280,446</u>	<u>368,378,580</u>	<u>361,235,637</u>	<u>650,999,497</u>	<u>644,516,083</u>
Long-Term Liabilities	158,340,533	158,703,507	161,850,922	173,360,998	320,191,455	332,064,505
Other Liabilities	43,225,424	41,635,685	4,555,215	3,114,515	47,780,639	44,750,200
Total Liabilities	<u>201,565,957</u>	<u>200,339,192</u>	<u>166,406,137</u>	<u>176,475,513</u>	<u>367,972,094</u>	<u>376,814,705</u>
Net Assets						
Investment in Capital assets, net of Debt	30,384,446	31,541,654	172,398,892	159,184,804	202,783,338	190,726,458
Restricted	25,078,442	23,168,727	1,987,334	1,986,369	27,065,776	25,155,096
Unrestricted	25,592,072	28,230,873	27,586,217	23,588,951	53,178,289	51,819,824
Total Net Assets	<u>\$81,054,960</u>	<u>\$82,941,254</u>	<u>\$201,972,443</u>	<u>\$184,760,124</u>	<u>\$283,027,403</u>	<u>\$267,701,378</u>

The City's total revenues increased by \$1,444,366 or 0.9%. The City's total expenditures for all programs decreased by \$3,930,444, or 2.5%. Governmental activity total revenue increased \$1,916,151 primarily due to higher property taxes. Expenditures in the governmental activities decreased by \$3,947,398, primarily due to lesser amounts spent in general management and support and interest expense. The revenue for business-type funds decreased slightly from \$35,227,700 to \$34,755,915 or \$471,785. This is due to decreased amount of \$681,169 in interest income. In summary, overall revenues increased \$1,444,366, primarily from tax incremental fund property taxes while expenses decreased primarily due to lesser amounts spent in general management and support and interest expense.

Governmental Funds: The governmental activities experienced a net fund balance decrease of \$1,886,294. This was primarily due to an increase of \$3,750,790 in the transfers out to business type funds and offset by increased revenues.

Business Funds: The business-type activity fund balance experienced an increase in net assets of \$17,212,319. This is primarily due to a surpluses in the Water & Sewer Funds of a combined \$7,101,477 and a surplus of \$10,110,842 from the consolidated Parking Fund.

(Unaudited)

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

STATEMENT OF CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenue						
Program Revenues:						
Charges for services	\$28,274,175	\$31,678,323	\$34,178,159	\$33,940,877	\$62,452,334	\$65,619,200
Operating grants and contributions	5,117,149	5,982,191			5,117,149	5,982,191
Capital grants and contributions	113,000	117,569			113,000	117,569
General Revenues:						
Sales taxes	15,499,781	16,172,072			15,499,781	16,172,072
Property taxes	56,217,108	48,360,338			56,217,108	48,360,338
Utility taxes	8,802,973	8,537,098			8,802,973	8,537,098
Other taxes	17,880,644	15,848,537	(27,898)		17,852,746	15,848,537
Investment income	360,133	3,652,684	605,654	1,286,823	965,787	4,939,507
Total Revenue	132,264,963	130,348,812	34,755,915	35,227,700	167,020,878	165,576,512
Expenses						
General management and support	18,017,293	20,072,484			18,017,293	20,072,484
Public safety	49,484,161	48,762,564			49,484,161	48,762,564
Public works	21,627,529	21,566,199			21,627,529	21,566,199
Health and human resources development	4,545,632	4,982,385			4,545,632	4,982,385
Recreation and cultural opportunities	20,001,518	20,634,114			20,001,518	20,634,114
Housing and economic development	6,964,810	7,090,110			6,964,810	7,090,110
Interest	4,041,342	5,521,827			4,041,342	5,521,827
Water			9,390,801	8,668,290	9,390,801	8,668,290
Sewer			8,725,626	8,972,020	8,725,626	8,972,020
Sherman garage				4,269,860		4,269,860
Maple avenue garage				2,682,440		2,682,440
Motor vehicle parking system			8,896,141	2,403,004	8,896,141	2,403,004
Total Expense	124,682,285	128,629,683	27,012,568	26,995,614	151,694,853	155,625,297
Increase in net assets before transfer	7,582,678	1,719,129	7,743,347	8,232,086	15,326,025	9,951,215
Transfers	(9,468,972)	(5,115,939)	9,468,972	5,115,939		
Increase/(Decrease) in Net Assets	(1,886,294)	(3,396,810)	17,212,319	13,348,025	15,326,025	9,951,215
Net Assets - Beginning	82,941,254	86,338,064	184,760,124	171,412,099	267,701,378	257,750,163
Net Assets - Ending	\$81,054,960	\$82,941,254	\$201,972,443	\$184,760,124	\$283,027,403	\$267,701,378

(Unaudited)

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$84,038,454 as a year-end total which includes \$21,515,605 unreserved/undesignated, \$29,491,628 unreserved/designated and \$33,031,221 reserved. The reserved fund balance consists of amounts required to be set aside by external authorities as well as capital (unspendable) assets.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased by \$4,920,699 primarily due to transfers to the Police and Fire Pensions in the amount of \$4,582,486. Some revenues that came in better than anticipated were the athletic tax, gas utility tax, parking Tax, building/right of way permits, state income tax and charges for services. Departments in which expenditures materially exceeded budget include police, fire and streets divisions and is primarily attributable to overtime, termination payouts, and large expenditures associated with snow removal due to a harsh winter season.

The Capital improvements fund accounts for the City's Capital improvement program. The program includes improvements to public buildings, paving of City streets, improvement and development of recreation facilities and other improvements. The fund balance of the Capital improvements fund decreased by \$722,083, from \$13,912,566 to \$13,190,483.

Combined Non-Major Governmental Funds

Combined non-major fund balances totaled \$49,821,155, an increase of \$1,725,629 from prior year of \$48,095,526. Non-major funds with materially annual surpluses include Special Assessment, Economic Development, Township, General Obligation Debt, Central Business District TIF, Howard Hartrey TIF, and West Evanston TIF. Non-major funds with annual deficits included the Motor Fuel, Library, E911, Southwest TIF, Washington National TIF and Central Business District TIF CIP.

Proprietary Funds

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

The main proprietary funds operated by the City are the Water, Sewer, and Parking Funds, whereas the non-major proprietary funds include the Maple Garage and Sherman Garage which were consolidated and their fund balances transferred into the Parking fund as of the end of the fiscal year. The Water and Sewer funds have combined increase of \$7,101,477 in the net assets primarily due to the accrual method of accounting and applying debt principal payments against the outstanding debt liability. The Parking, Maple and Sherman garages added \$10,110,842 to the net assets during the year for a reason similar to the surplus in the Water and Sewer Funds. Although fund balances in these proprietary funds showed a healthy increase, it is important to keep in mind that these Funds carry a heavy debt level and therefore, large debt payments will be required in the future.

Internal Service Funds

The City's combined internal service funds net assets decreased by \$1,567,622 from \$6,772,702 as of February 29, 2008 to \$5,205,080 as of February 28, 2009 due to a level of disbursements paid out without a corresponding amount of incoming revenues (interfund transfers-in) to cover these expenditures.

(Unaudited)

General Fund Budgetary Highlights

Total actual revenues for the General fund were \$82,548,904 while total expenditures were \$92,973,290. Actual revenues in the General Fund came in short of budget primarily due to decreases in real estate transfer, sales tax, and interest income revenues sources due to a deterioration of the overall economy. Total expenditures in the General Fund were less than budgeted amounts by \$1,399,391 due to early retirements and other cost saving measures in various operating divisions.

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, 2009, was \$485,037,092. The total increase in governmental funds and business type activity funds were \$5,656,757 and \$4,548,527 respectively. The overall percent increase in capital assets was 2.1% for the City as a whole. Major capital asset increases during the current fiscal year were primarily attributed to capitalized construction in progress, Sewer System and Infrastructure. Readers desiring more detailed information on capital asset activity should see Note 6 in the Notes to the Financial Statements.

Long-Term Debt

At the end of the fiscal year, the City had total general obligation bonded debt outstanding of \$174,110,001, of which \$55,983,865 was for business type activities paid by the City's Parking, Sewer, Maple, and Sherman Garage Funds. During the current year, the City issued series 2008A, 2008B and 2008C bonds for \$43,950,000 in fixed rate general obligation bonds for various City capital project requirements which also included a current refunding of series 2000D bonds for \$3,900,000 and a 2002A bonds for \$27,700,000. The City also issued series 2000D bonds to current refund \$19,585,000 of the outstanding amount of 1999 bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should see Note 9 in the Notes to the Financial Statements.

Bond Ratings

The City's general obligation bonds are rated Aa1 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.

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. In general, economically sensitive revenues such as sales tax, real estate transfer taxes, business licenses and grants came in well below budgeted revenues. Sales tax receipts, a good indicator of economic health, came in slightly less than budget because of the current economic conditions. Most other revenues remained relatively flat with few exceptions.

The unemployment rate in Evanston has increased at a similar pace as many other cities in the State. 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 City has been somewhat insulated from the economic downturn in employment areas. The City may also experience a lag in the impact of the economic downturn as the non-profit sector follows the rest of the economy.

(Unaudited)

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.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

Statement of Net Assets

February 28, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 61,907,761	\$ 21,111,607	\$ 83,019,368
Investments	1,703,704	-	1,703,704
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	50,933,227	-	50,933,227
Accounts	-	4,149,324	4,149,324
Notes	6,361,234	-	6,361,234
Special assessments	886,662	-	886,662
Accrued interest	18,462	15,017	33,479
Other	3,096,147	46,744	3,142,891
Due from other governments	6,060,845	-	6,060,845
Internal balances	(1,040,345)	1,040,345	-
Inventories	267,572	827,738	1,095,310
Restricted assets			
Cash and equivalents and investments	-	8,310,124	8,310,124
Capital assets			
Capital assets not being depreciated	31,225,284	16,598,950	47,824,234
Capital assets (net of accumulated depreciation)	121,193,127	316,019,731	437,212,858
Other assets	7,237	259,000	266,237
Total Assets	282,620,917	368,378,580	650,999,497

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Vouchers payable	\$ 4,120,463	\$ 1,391,550	\$ 5,512,013
Accrued payroll	2,366,980	-	2,366,980
Interest payable	1,159,219	383,619	1,542,838
Other payables	245,897	6,887	252,784
Due to other governments	6,682	-	6,682
Due to pension funds	3,331,373	-	3,331,373
Payable from restricted assets			
Vouchers payable	-	1,736,996	1,736,996
Interest payable	-	1,036,163	1,036,163
Unearned revenue	31,994,810	-	31,994,810
Noncurrent liabilities			
Payable from restricted assets - due			
within one year	-	10,647,035	10,647,035
Due within one year	15,265,371	13,782,682	29,048,053
Due in more than one year	143,075,162	137,421,205	280,496,367
Total Liabilities	201,565,957	166,406,137	367,972,094
Net Assets			
Investment in capital assets, net of related debt	30,384,446	172,398,892	202,783,338
Restricted			
Culture and recreation	851,878	-	851,878
Capital improvements	-	800,000	800,000
Debt service	23,826,206	1,187,334	25,013,540
Other	400,358	-	400,358
Unrestricted	25,592,072	27,586,217	53,178,289
Total Net Assets	\$ 81,054,960	\$ 201,972,443	\$ 283,027,403

CITY OF EVANSTON, ILLINOIS

Statement of Activities

Year ended February 28, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 18,017,293	\$ 13,347,538	\$ -
Public safety	49,484,161	1,524,787	36,378
Public works	21,627,529	702,780	2,031,686
Health and human resource development	4,545,632	1,429,534	581,129
Recreation and cultural opportunities	20,001,518	4,637,300	-
Housing and economic development	6,964,810	6,632,236	2,467,956
Interest	4,041,342	-	-
Total governmental activities	124,682,285	28,274,175	5,117,149
Business-type activities:			
Water	9,390,801	13,685,196	-
Sewer	8,725,626	13,773,957	-
Motor vehicle parking system	8,896,141	6,719,006	-
Total business-type activities	27,012,568	34,178,159	-
Total	\$ 151,694,853	\$ 62,452,334	\$ 5,117,149

General revenues:
 Property tax
 Other taxes
 Personal property replacement tax
 Sales and home rule tax
 Income tax
 Utility tax
 Gain (Loss) on sale of capital assets
 Miscellaneous
 Investment income
 Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of this statement.

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (4,669,755)	\$ -	\$ (4,669,755)
-	(47,922,996)	-	(47,922,996)
-	(18,893,063)	-	(18,893,063)
-	(2,534,969)	-	(2,534,969)
-	(15,364,218)	-	(15,364,218)
113,000	2,248,382	-	2,248,382
-	(4,041,342)	-	(4,041,342)
113,000	(91,177,961)	-	(91,177,961)
-	-	4,294,395	4,294,395
-	-	5,048,331	5,048,331
-	-	(2,177,135)	(2,177,135)
-	-	7,165,591	7,165,591
<u>\$ 113,000</u>	<u>(91,177,961)</u>	<u>7,165,591</u>	<u>(84,012,370)</u>
	56,217,108	-	56,217,108
	7,575,381	-	7,575,381
	1,440,614	-	1,440,614
	15,499,781	-	15,499,781
	6,821,169	-	6,821,169
	8,802,973	-	8,802,973
	-	(27,898)	(27,898)
	2,043,480	-	2,043,480
	360,133	605,654	965,787
	(9,468,972)	9,468,972	-
	89,291,667	10,046,728	99,338,395
	(1,886,294)	17,212,319	15,326,025
	82,941,254	184,760,124	267,701,378
\$	\$ 81,054,960	\$ 201,972,443	\$ 283,027,403

CITY OF EVANSTON, ILLINOIS

Governmental Funds

Balance Sheet
February 28, 2009

Assets	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 11,615,911	\$ 13,897,422	\$ 31,985,335	\$ 57,498,668
Investments	-	-	1,703,704	1,703,704
Receivables				
Property taxes (net of allowance)	14,995,648	-	35,937,579	50,933,227
Notes (net of allowance)	-	-	6,361,234	6,361,234
Special assessments	-	-	886,662	886,662
Accrued interest	-	-	18,462	18,462
Other	2,808,053	-	254,557	3,062,610
Building held for resale	-	-	410,000	410,000
Due from other governments	5,856,040	-	204,805	6,060,845
Due from other funds	290,877	67,977	808,897	1,167,751
Other assets	7,237	-	-	7,237
Total Assets	\$ 35,573,766	\$ 13,965,399	\$ 78,571,235	\$ 128,110,400
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 2,517,228	\$ 774,916	\$ 592,059	\$ 3,884,203
Accrued payroll	2,366,980	-	-	2,366,980
Compensated absences payable	80,963	-	-	80,963
Other	242,640	-	3,257	245,897
Due to other governments	-	-	6,682	6,682
Due to other funds	133,437	-	5,358,974	5,492,411
Deferred revenues	9,205,702	-	22,789,108	31,994,810
Total Liabilities	14,546,950	774,916	28,750,080	44,071,946
Fund Balances				
Reserved	1,274,562	-	31,346,659	32,621,221
Reserved for HUD Approved Projects	-	-	410,000	410,000
Unreserved designated				
General fund	5,426,913	-	-	5,426,913
Capital improvement funds	-	13,190,483	-	13,190,483
Capital project funds	-	-	7,708,627	7,708,627
Special revenue funds	-	-	3,165,605	3,165,605
Unreserved undesignated				
Special revenue funds	-	-	7,190,264	7,190,264
General fund	14,325,341	-	-	14,325,341
Total Fund Balances	21,026,816	13,190,483	49,821,155	84,038,454
Total Liabilities and Fund Balances	\$ 35,573,766	\$ 13,965,399	\$ 78,571,235	

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.	145,779,027
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.	(152,167,426)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.	(640,956)
Interest accrual from last interest payment (December 1, 2008 or January 1, 2009) to February 28, 2009.	(1,159,219)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.	5,205,080
Net assets of governmental activities	\$ 81,054,960

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, 2009

	General	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 40,173,003	\$ -	\$ 43,861,991	\$ 84,034,994
Licenses and permits	8,820,280	-	-	8,820,280
Special assessments	-	-	516,168	516,168
Intergovernmental	16,391,753	113,000	4,508,101	21,012,854
Charges for services	8,399,042	-	-	8,399,042
Fines and forfeits	4,442,282	-	-	4,442,282
Investment income	240,988	293,789	(262,779)	271,998
Miscellaneous	3,980,418	416,436	282,356	4,679,210
Total Revenues	82,447,766	823,225	48,905,837	132,176,828
Expenditures				
Current				
General management and support	12,709,098	2,287,551	1,501,780	16,498,429
Public safety	38,453,587	360,097	11,185,688	49,999,372
Public works	16,393,126	817,343	1,702,613	18,913,082
Health and human resource development	3,745,632	-	800,000	4,545,632
Recreation and cultural opportunities	18,485,225	366,605	90,452	18,942,282
Housing and economic development	3,301,478	-	3,661,989	6,963,467
Debt service				
Principal	-	-	9,885,000	9,885,000
Interest	-	-	5,142,184	5,142,184
Fiscal agent fees	-	-	27,650	27,650
Capital outlay	-	7,823,903	384,925	8,208,828
Total Expenditures	93,088,146	11,655,499	34,382,281	139,125,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,640,380)	(10,832,274)	14,523,556	(6,949,098)
Other Financing Sources (Uses)				
Transfers in	5,415,600	-	511,644	5,927,244
Transfers out	-	(300,000)	(14,493,973)	(14,793,973)
Issuance of debt	304,081	10,410,191	13,660,000	24,374,272
Premiums and discounts	-	-	804,606	804,606
Escrow funding	-	-	(13,280,204)	(13,280,204)
Total Other Financing Sources (Uses)	5,719,681	10,110,191	(12,797,927)	3,031,945
Net Change in Fund Balances	(4,920,699)	(722,083)	1,725,629	(3,917,153)
Fund Balances -Beginning of Year	25,947,515	13,912,566	48,095,526	87,955,607
Fund Balances - End of Year	\$ 21,026,816	\$ 13,190,483	\$ 49,821,155	\$ 84,038,454

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended February 28, 2009

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

Net change in fund balances - total governmental funds	\$ (3,917,153)
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.	5,126,526
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.	23,615,000
Issuance of 2008 Bonds provides current financial resources to governmental funds, while the repayment of the principal of long term debt and capital lease expenditure consume the current financial resources of governmental funds. Neither transaction has any effect on net assets. Governmental funds also report the effect of bonds premiums, discounts, and similar items when debt is first issued.	(25,081,112)
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.	357,743
OPEB benefit expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	(344,368)
Interest accrual from last interest payment (December 1, 2008 or January 1, 2009) to February 28, 2009.	(75,308)
Internal service funds are reported separately in the fund financial statements.	<u>(1,567,622)</u>
Change in net assets of governmental activities	<u>\$ (1,886,294)</u>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Net Assets
February 28, 2009

Assets	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Current Assets					
Cash and equivalents	\$ 7,006,178	\$ -	\$ 14,105,429	\$ 21,111,607	\$ 4,409,093
Restricted cash and equivalents and investments	2,442,692	5,867,432	-	8,310,124	-
Receivables					
Accounts - billed	941,803	266,076	-	1,207,879	-
Accounts - unbilled	821,253	2,120,192	-	2,941,445	-
Accrued interest	15,017	-	-	15,017	-
Other	6,887	-	39,857	46,744	33,537
Due from other funds	-	366,947	850,312	1,217,259	-
Inventories	639,684	188,054	-	827,738	267,572
Total Current Assets	11,873,514	8,808,701	14,995,598	35,677,813	4,710,202
Noncurrent Assets					
Capital Assets					
Capital assets not being depreciated	4,081,512	9,523,292	2,994,146	16,598,950	-
Capital assets being depreciated	67,068,536	232,599,878	77,963,636	377,632,050	20,308,430
Less accumulated depreciation	(18,207,726)	(31,714,968)	(11,689,625)	(61,612,319)	(14,079,046)
Total Capital Assets	52,942,322	210,408,202	69,268,157	332,618,681	6,229,384
Other Assets					
Notes Receivable	-	-	259,000	259,000	-
Total Noncurrent Assets	52,942,322	210,408,202	69,527,157	332,877,681	6,229,384
Total Assets	64,815,836	219,216,903	84,522,755	368,555,494	10,939,586

The accompanying notes are an integral part of this statement.

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Liabilities					
Current Liabilities					
Vouchers payable	\$ 686,225	\$ 167,744	\$ 537,581	\$ 1,391,550	\$ 236,260
Vouchers payable - restricted	352,599	1,384,397	-	1,736,996	-
Interest payable	-	-	383,619	383,619	-
Interest payable - restricted	15,259	1,020,904	-	1,036,163	-
Revenue bonds payable	437,500	-	-	437,500	-
Revenue bonds payable - restricted	87,500	-	-	87,500	-
Compensated absences payable	309,768	68,408	50,532	428,708	80,389
General obligation bonds payable	-	-	12,916,474	12,916,474	-
General obligation bonds payable - restricted	-	2,550,125	-	2,550,125	-
Claims payable	-	-	-	-	2,395,337
Notes payable - Sewer IEPA Loans - restricted	-	8,009,410	-	8,009,410	-
Due to other funds	104,046	23,275	49,593	176,914	47,058
Other Payable	6,887	-	-	6,887	-
Total Current Liabilities	1,999,784	13,224,263	13,937,799	29,161,846	2,759,044
Long-Term Liabilities					
Notes payable - Sewer IEPA Loans	-	93,765,813	-	93,765,813	-
General obligation bonds payable	-	13,560,433	26,956,833	40,517,266	-
OPEB liability payable	20,709	4,604	4,852	30,165	12,199
Revenue bonds payable	1,720,000	-	-	1,720,000	-
Unamortized bond discount/premium	14,677	378,599	763,696	1,156,972	-
Compensated absences payable	166,904	36,858	27,227	230,989	-
Claims payable	-	-	-	-	2,963,263
Total Long-Term Liabilities	1,922,290	107,746,307	27,752,608	137,421,205	2,975,462
Total Liabilities	3,922,074	120,970,570	41,690,407	166,583,051	5,734,506
Net Assets					
Invested in capital assets, net of related debt	50,770,145	92,510,769	29,117,978	172,398,892	6,229,384
Restricted for debt service	1,187,334	-	-	1,187,334	-
Restricted for capital improvements	800,000	-	-	800,000	-
Unrestricted	8,136,283	5,735,564	13,714,370	27,586,217	(1,024,304)
Total net assets	\$ 60,893,762	\$ 98,246,333	\$ 42,832,348	\$ 201,972,443	\$ 5,205,080

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year ended February 28, 2009

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Nonmajor Proprietary Funds	Total	
Operating Revenues						
Charges for services	\$ 13,208,340	\$ 13,748,122	\$ 3,521,244	\$ 3,088,665	\$ 33,566,371	\$ 6,328,600
Miscellaneous	476,856	25,835	58,040	51,057	611,788	11,896
Total Operating Revenues	13,685,196	13,773,957	3,579,284	3,139,722	34,178,159	6,340,496
Operating Expenses Excluding Depreciation						
Administration	674,624	1,726,263	613,139	-	3,014,026	-
Operations	7,192,285	472,485	1,271,692	3,283,451	12,219,913	6,883,659
Total Operating Expenses Excluding Depreciation	7,866,909	2,198,748	1,884,831	3,283,451	15,233,939	6,883,659
Operating Income (Loss) Before Depreciation	5,818,287	11,575,209	1,694,453	(143,729)	18,944,220	(543,163)
Depreciation	1,417,334	3,033,718	216,060	1,757,103	6,424,215	1,225,265
Operating Income (Loss)	4,400,953	8,541,491	1,478,393	(1,900,832)	12,520,005	(1,768,428)
Nonoperating Revenues (Expenses)						
Investment income	193,637	121,612	19,930	270,475	605,654	88,135
Interest expense	(107,687)	(3,521,914)	(63,937)	(1,773,315)	(5,466,853)	-
Bond expenses and amortization of discount	1,129	(30,786)	-	(4,060)	(33,717)	-
Amortization of bond premium	-	59,540	5,283	81,333	146,156	-
Gain (loss) on disposition of assets	(27,898)	-	-	-	(27,898)	112,671
Total Nonoperating Revenues (Expenses)	59,181	(3,371,548)	(38,724)	(1,425,567)	(4,776,658)	200,806
Income (Loss) before transfers and contributions	4,460,134	5,169,943	1,439,669	(3,326,399)	7,743,347	(1,567,622)
Capital Contribution - Governmental Activities	-	250,000	338,307	13,936	602,243	-
Transfers In (Out)						
Central Business Tax Increment District	-	-	-	1,872,829	1,872,829	-
Washington National Tax Increment District	-	-	-	5,300,000	5,300,000	-
Motor Vehicle Parking System	-	-	-	(33,837,787)	(33,837,787)	-
Sherman Garage	-	-	4,901,718	-	4,901,718	-
Maple Avenue Garage	-	-	28,936,069	-	28,936,069	-
Economic Development	-	-	-	4,600,000	4,600,000	-
General	(2,778,600)	-	(777,500)	650,000	(2,906,100)	-
Total Transfers In (Out)	(2,778,600)	-	33,060,287	(21,414,958)	8,866,729	-
Change in Net Assets	1,681,534	5,419,943	34,838,263	(24,727,421)	17,212,319	(1,567,622)
Total Net Assets - Beginning of Year	59,212,228	92,826,390	7,994,085	24,727,421	184,760,124	6,772,702
Total Net Assets - End of Year	\$ 60,893,762	\$ 98,246,333	\$ 42,832,348	\$ -	\$ 201,972,443	\$ 5,205,080

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows
Year ended February 28, 2009

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Nonmajor Proprietary Funds	Total	
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 13,669,856	13,837,190	\$ 3,556,631	\$ 3,146,539	\$ 34,210,216	\$ 6,334,258
Receipts from interfund services provided	(42,805)	-	-	727,072	684,267	2,470
Payments to suppliers	(6,831,585)	(24,795)	(1,253,380)	(2,983,838)	(11,093,598)	(4,760,090)
Payments to employees	(662,254)	(1,713,340)	(616,389)	-	(2,991,983)	(3,345,742)
Payments for interfund services provided	-	(1,380,861)	(30,537)	(4,451,354)	(5,862,752)	2,474
Net Cash Provided by (Used for) Operating Activities	6,133,212	10,718,194	1,656,325	(3,561,581)	14,946,150	(1,766,630)
Cash Flows from Noncapital Financing Activities						
Transfers In (Out)						
Central Business Tax Increment District	-	-	-	1,872,829	1,872,829	-
Washington Tax Increment District	-	-	-	5,300,000	5,300,000	-
Motor Vehicle Parking System	-	-	-	(12,649,190)	(12,649,190)	-
Sherman Garage	-	-	5,270,730	-	5,270,730	-
Maple Avenue Garage	-	-	7,378,460	-	7,378,460	-
Economic Development	-	-	-	4,600,000	4,600,000	-
General	(2,778,600)	-	(777,500)	650,000	(2,906,100)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,778,600)	-	11,871,690	(226,361)	8,866,729	-
Cash Flows from Capital and Related Financing Activities						
Sale of capital assets	-	-	-	-	-	112,671
Acquisition and construction of capital assets	(4,021,825)	(6,825,517)	(59,990)	-	(10,907,332)	(1,755,496)
Principal paid on revenue bonds	(510,000)	-	-	-	(510,000)	-
Interest paid on revenue bonds	(107,687)	-	-	-	(107,687)	-
Net proceeds from bond refundings	-	-	-	55,000	55,000	-
Proceeds from general obligation bonds	-	2,412,793	-	-	2,412,793	-
Principal paid on general obligation bonds	-	(2,305,000)	(675,000)	(9,340,000)	(12,320,000)	-
Interest paid on general obligation bonds	-	(977,522)	(151,387)	(1,409,827)	(2,538,736)	-
Proceeds from bond premium	-	438,139	36,978	813,334	1,288,451	-
Principal paid on IEPA loans	-	(7,290,628)	-	-	(7,290,628)	-
Interest paid on IEPA loans	-	(2,673,254)	-	-	(2,673,254)	-
Proceeds from IEPA loans	-	5,654,964	-	-	5,654,964	-
Net Cash (Used for) Capital and Related Financing Activities	(4,639,512)	(11,566,025)	(849,399)	(9,881,493)	(26,936,429)	(1,642,825)
Cash Flows from Investing Activities						
Sale of investments	-	-	-	-	-	6,928,631
Interest income	193,637	121,612	19,930	270,475	605,654	88,135
Net Cash Provided by Investing Activities	193,637	121,612	19,930	270,475	605,654	7,016,766
Net Increase (Decrease) in Cash and Equivalents	(1,091,263)	(726,219)	12,698,546	(13,398,960)	(2,517,896)	3,607,311
Cash and Equivalents						
Beginning of year	10,540,133	6,593,651	1,406,883	13,398,960	31,939,627	801,782
End of year	\$ 9,448,870	\$ 5,867,432	\$ 14,105,429	\$ -	\$ 29,421,731	\$ 4,409,093
Reconciliation						
Cash and equivalents						
Current Cash	\$ 7,006,178	\$ -	\$ 14,105,429	\$ -	\$ 21,111,607	\$ 4,409,093
Restricted Current Cash	2,442,692	5,867,432	-	-	8,310,124	-
	\$ 9,448,870	\$ 5,867,432	\$ 14,105,429	\$ -	\$ 29,421,731	\$ 4,409,093

Note: The City incurred a non-cash transaction of current debt refunding of \$37,455,000.

CITY OF EVANSTON, ILLINOIS

Proprietary Funds

Statement of Cash Flows - Continued
Year ended February 28, 2009

	Business-type Activities- Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Nonmajor Proprietary Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 4,400,953	\$ 8,541,491	\$ 1,478,393	\$ (1,900,832)	\$ 12,520,005	\$ (1,768,428)
Depreciation	1,417,334	3,033,718	216,060	1,757,103	6,424,215	1,225,265
Changes in assets and liabilities						
Increase/decrease in A/R miscellaneous	-	-	-	-	-	(7,802)
Other receivables	30,225	-	(27,653)	(3,580)	(1,008)	1,564
Notes receivables	-	-	5,000	-	5,000	-
Accounts receivable	(45,565)	52,692	-	-	7,127	-
Interfund receivable	(42,805)	-	-	727,072	684,267	2,470
Inventories	(6,676)	47,675	-	-	40,999	105,458
Accrued interest receivable	-	10,541	-	10,397	20,938	-
Compensated absences	10,988	12,923	(3,565)	-	20,346	(21,231)
Accounts payable	-	-	-	-	-	(41,388)
Interfund payable	-	(1,380,861)	(30,537)	(4,451,354)	(5,862,752)	2,474
OPEB liability payable	1,382	296	315	-	1,993	6,316
Vouchers payable	166,119	(3,856)	30,590	299,613	492,466	(1,476)
Vouchers payable (restricted)	204,483	377,468	-	-	581,951	-
Interest payable	(3,226)	26,107	(12,278)	-	10,603	-
Claims payable	-	-	-	-	-	(1,269,852)
Net Cash Provided by (Used for) Operating Activities	\$ 6,133,212	\$ 10,718,194	\$ 1,656,325	\$ (3,561,581)	\$ 14,946,150	\$ (1,766,630)

CITY OF EVANSTON, ILLINOIS

Fiduciary Funds

Statement of Net Assets
February 28, 2009

	Pension Trust Funds	Special Assessment Agency Fund
Assets		
Cash and short-term investments	\$ 10,180,411	\$ 21,073
Receivables		
Accrued interest	280,394	-
Contribution receivable - Due from other funds	3,331,373	-
Total Receivables	3,611,767	-
Investments, at fair value		
U.S. Government obligations	44,180,237	-
Common stock	6,455,343	-
Mutual funds	32,449,981	-
Total Investments	83,085,561	-
Total Assets	96,877,739	21,073
Liabilities		
Vouchers payable	9,925	-
Due to special assessment bondholders	-	21,073
Total Liabilities	9,925	21,073
Net assets held in trust	\$ 96,867,814	\$ -

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, 2009

	Pension Trust Funds
<hr/>	
Additions	
Contributions	
Employer	\$ 14,294,084
Plan members	1,908,741
	<hr/>
Total contributions	16,202,825
	<hr/>
Investment income	
Net appreciation (depreciation) in fair value of investments	(18,458,788)
Investment income	3,995,834
	<hr/>
Total investment income	(14,462,954)
	<hr/>
Less investment expense	292,123
	<hr/>
Net investment income	(14,755,077)
	<hr/>
Total additions	1,447,748
	<hr/>
Deductions	
Benefits	12,366,962
Refunds of contributions	5,657
Administrative expense	76,413
	<hr/>
Total deductions	12,449,032
	<hr/>
Net increase	(11,001,284)
	<hr/>
Net assets held in trust for pension benefits	
Beginning of year	107,869,098
	<hr/>
End of year	\$ 96,867,814
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

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CITY OF EVANSTON, ILLINOIS

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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, 2008. 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 two joint ventures, which are reported as nonequity governmental joint ventures and are described in Footnote 14. The joint ventures are: City of Evanston and Solid Waste Agency of Northern Cook County (SWANCC) and Evanston Housing Corporation.

B. Government-wide and Fund Financial Statements

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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.

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

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

Additionally, the City reports the following fund types:

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

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, 2008 and February 28, 2009 and all property tax collections received within 60 days after the end of the fiscal year. A 2% allowance for loss is reflected in the Township financial statements.

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 2007 property tax levy that will not be collected within 60 days of the Township's March 31, 2008 year-end. A 5% allowance for loss is reflected in the Township financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 transfers.

O. Use of Estimates

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

P. Land Held for Resale

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 \$152,167,426 difference are as follows:

General obligation bonds payable	\$ 115,961,136
Special service district bonds payable	2,165,000
Bonds premium liability	5,037,459
Compensated absences payable	10,658,541
Capital lease	1,035,370
Pension contributions payable	<u>17,309,920</u>
Net adjustments to reduce fund balance – total governmental funds to arrive at net assets – governmental activities.	\$ <u>152,167,426</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 \$5,126,526 difference are as follows:

Capital outlay	\$ 12,415,151
Depreciation expense	<u>(7,288,625)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>5,126,526</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 \$23,615,000 difference are as follows:

Principal repayments:		
General obligation debt	\$	23,320,000
SSD#5 Bond		<u>295,000</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>23,615,000</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 \$357,743 difference are as follows:

Capital Contribution	\$	(495,000)
Compensated absences		(908,543)
Amortization income		628,588
Pension contributions		<u>1,132,698</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>357,743</u>

4. Another element of that reconciliation states that "Issuance of 2008 Bonds provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this (\$25,081,112) difference are as follows:

2008 Bond Series (A,C,D)	\$	(23,241,136)
Capital lease		(1,035,370)
Bonds premium liability		<u>(804,606)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(25,081,112)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 June 11, 2007. 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, Affordable Housing, HOME, Community Development Loan, Employee Pension Contribution

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 funds had an excess of actual budgetary expenditures over original and final budget for the year ended February 28, 2009:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Debt Service Fund	\$ 11,326,856	\$ 10,644,328	\$ 682,528
Howard Ridge Tax Increment District	78,975	16,000	62,975

B. DEFICIT FUND EQUITY

The Insurance Fund, an internal service fund, had a net deficit of \$1,607,345 as of February 28, 2009. The City plans to use current resources to pay for future liabilities.

The Washington National Tax Increment District CIP Fund had a deficit fund balance of \$251,740 as of February 28, 2009. The City plans to use current resources and possible debt proceeds to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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

For the Fiscal Year Ending February 28, 2009

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - Continued

C. Types of Investments

As of February 28, 2009, the City has the following investments and maturities. The fair value of the Illinois Funds is the same as the value of the pool shares.

Governmental and Enterprise Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Money Market / Liquid Assets	\$ 20,012,214	\$ 20,012,214	\$ -	\$ -
Illinois Funds	41,302,065	41,302,065	-	-
Mutual Funds	1,703,704	-	-	1,703,704
Certificate of Deposits	2,780,506	2,780,506	-	-
Total Governmental and Enterprise Investment Fund	\$ 65,798,489	\$ 64,094,785	\$ -	\$ 1,703,704

IMET Money Market	\$ 2,729,663
Fifth Third Money Market	8,819,858
First Bank Money Market	1,297,021
Fidelity Money Market	89,167
JP Morgan Money Market	6,768,042
Vanguard Money Market	308,463
Total Money Market	\$ 20,012,214

Township Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 10 More Years	Equities
Illinois Funds	\$ 1,434,978	\$ 1,434,978	\$ -	\$ -
Total Township Investment	\$ 1,434,978	\$ 1,434,978	\$ -	\$ -

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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	\$ 9,253,034	\$ 9,253,034	\$ -	\$ -
Mutual Funds	32,449,982	-	1,568,988	30,880,994
U.S. Treasuries	15,100,645	575,814	14,524,831	-
Federal Home Loan Bank	1,643,839	277,728	1,366,111	-
Federal Home Loan Mortgage Corp	7,656,762	897,945	6,758,817	-
Fannie Mae	13,750,403	905,560	12,844,843	-
Ginnie Mae	6,028,588	4,726	6,023,862	-
Common Stock	6,455,343	-	-	6,455,343
Total Fire and Police Investment	\$ 92,338,596	\$ 11,914,807	\$ 43,087,452	\$ 37,336,337

JP Morgan Trust Money Market	\$ 444,000
Smith Barney Money Market	1,278,033
JP Morgan Money Market	4,733,935
Schwab Money Market	1,435,587
MB Bank Money Market	1,232,348
IMET Money Market Convenience	129,131
	\$ 9,253,034

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

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. The Illinois Funds and Money Markets were rated 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%. Illinois Funds and IMET are an investment pools managed by the State of Illinois, Office of the Treasurer, and a Board of Trustees, respectively which allows governments within the State to pool their funds for investment purposes. They are not registered with the SEC as an investment company, but do operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds and IMET are valued at the fund's share price, the price for which the investments could be sold. The investments in the securities of the U.S. government agencies were all rated triple A or Aaa by the Standard & Poor's and by Moody's Investor's Services.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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

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

City

Deposits consist of deposits in interest-bearing and noninterest-bearing checking accounts. At February 28, 2009, the carrying amount of the City's deposits, including cash on hand of \$16,311, was \$25,564,935. The financial institutions' balances totaled \$26,463,161.

Township

At March 31, 2008, the carrying amount of the Township's deposits was \$234,792. The financial institutions' balances totaled \$244,065.

Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At February 28, 2009, the carrying amount of the Pension's deposits was \$927,378 and \$21,073 for Agency. The financial institutions' balances totaled \$900,264 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

For the Fiscal Year Ending February 28, 2009

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

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

Unrestricted cash and equivalents	\$ 83,019,368
Unrestricted investments	1,703,704
Restricted cash and equivalents and investments	<u>8,310,124</u>
Total Cash and Investments – Primary Government	93,033,196
Fiduciary funds cash and equivalents	10,201,484
Fiduciary funds investments	<u>83,085,561</u>
Total Cash and Investments	<u>\$ 186,320,241</u>
Carrying amount of deposits – from Note 4 D	\$ 26,748,178
Investments – from Note 4 C	<u>159,572,063</u>
Total	<u>\$ 186,320,241</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 5. RECEIVABLES

A. Summary of Receivables

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

	General Fund	Water	Sewer	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:						
Property taxes	\$ 15,285,561	\$ -	\$ -	\$ -	\$ 36,656,331	\$ 51,941,892
Accounts	-	1,763,056	2,386,268	-	-	4,149,324
Notes	-	-	-	-	6,547,883	6,547,883
Special assessments	-	-	-	-	886,662	886,662
Accrued interest	-	15,017	-	-	298,856	313,873
Other	2,808,053	6,887	-	39,857	288,094	3,142,891
Gross receivables	18,093,614	1,784,960	2,386,268	39,857	44,677,826	66,982,525
Less: allowance for uncollectibles	289,913	-	-	-	905,401	1,195,314
Net total receivables	<u>\$ 17,803,701</u>	<u>\$ 1,784,960</u>	<u>\$ 2,386,268</u>	<u>\$ 39,857</u>	<u>\$ 43,772,425</u>	<u>\$ 65,787,211</u>
Net total receivables						<u>\$ 65,787,211</u>

Out of the total Notes Receivable, \$6,337,883 is not expected to be paid during the next year. Out of the total Special Assessment receivable, \$416,662 is not expected to be paid during the next year.

B. Notes Receivable – Special Revenue Funds

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

Interest Rates	Beginning of Year	Loans Made	Loan Repayments	End of Year
0% - 8%	\$ <u>6,047,185</u>	\$ <u>589,663</u>	\$ <u>275,614</u>	\$ <u>6,361,234</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 6. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the year ended February 28, 2009, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,556,620	\$ -	\$ -	\$ 6,556,620
Right of way	18,695,896	-	-	18,695,896
Property held for resale	410,000	-	-	410,000
Artwork	-	40,000	-	40,000
Construction in progress	4,146,126	2,734,494	1,357,852	5,522,768
Total capital assets, not being depreciated	29,808,642	2,774,494	1,357,852	31,225,284
Capital assets, being depreciated:				
Buildings and improvements	80,251,917	107,258	-	80,359,175
Office equipment and furniture	10,079,103	351,358	-	10,430,461
Machinery and equipment	21,315,006	1,925,231	1,470,941	21,769,296
Infrastructure	102,238,955	8,159,932	-	110,398,887
Library collections	10,108,678	1,229,801	-	11,338,479
Capitalized leases	729,644	1,035,370	-	1,765,014
Total capital assets being depreciated	224,723,303	12,808,950	1,470,941	236,061,312
Less accumulated depreciation for:				
Buildings and improvements	27,049,920	1,815,434	-	28,865,354
Office equipment and furniture	7,722,254	1,328,110	-	9,050,364
Machinery and equipment	15,175,901	1,363,525	1,415,997	15,123,429
Infrastructure	49,229,673	3,415,137	-	52,644,810
Library collections	7,921,916	578,570	-	8,500,486
Capitalized leases	670,627	13,115	-	683,742
Total accumulated depreciation	107,770,291	8,513,891	1,415,997	114,868,185
Total capital net assets being depreciated, net	116,953,012	4,295,059	54,944	121,193,127
Governmental activities capital assets, net	\$ 146,761,654	\$ 7,069,553	\$ 1,412,796	\$ 152,418,411

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning of Year	Additions	Deletions	End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,297,937	\$ -	\$ -	\$ 3,297,937
Construction in progress	18,757,533	11,776,768	17,484,912	13,049,389
Artwork	251,624	-	-	251,624
Total capital assets, not being depreciated	22,307,094	11,776,768	17,484,912	16,598,950
Capital assets, being depreciated:				
Land improvements	3,563,393	-	-	3,563,393
Buildings and improvements	72,355,641	153,297	-	72,508,938
Leasehold improvements	302,752	-	-	302,752
Plant	32,083,799	36,765	31,723	32,088,841
Transmission and distribution system	30,511,181	3,893,996	2,983	34,402,194
Sewer system and underground lines	218,683,011	12,559,400	-	231,242,411
Equipment	2,856,140	65,326	105,633	2,815,833
Parking meters	707,688	-	-	707,688
Total capital assets being depreciated	361,063,605	16,708,784	140,339	377,632,050
Less accumulated depreciation for:				
Land improvements	866,135	102,683	-	968,818
Buildings and improvements	8,099,805	1,737,465	-	9,837,270
Leasehold improvements	289,070	4,691	-	293,761
Plant	10,731,901	724,850	10,121	11,446,630
Transmission and distribution system	5,556,420	679,430	2,983	6,232,867
Sewer system and underground lines	27,573,602	2,993,261	-	30,566,863
Equipment	1,793,566	137,916	99,337	1,832,145
Parking meters	390,046	43,919	-	433,965
Total accumulated depreciation	55,300,545	6,424,215	112,441	61,612,319
Total capital net assets being depreciated, net	305,763,060	10,284,569	27,898	316,019,731
Business-type activities capital assets, net	\$ 328,070,154	\$ 22,061,337	\$ 17,512,810	\$ 332,618,681

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 6. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

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

Governmental activities:

General management and support	\$	1,337,304
Public safety		535,194
Public works		4,352,357
Recreation and cultural opportunities		<u>2,289,036</u>

Total depreciation expense – governmental activities: \$ 8,513,891

Business – type activities:

Water	\$	1,417,334
Sewer		3,033,718
Motor Vehicle Parking		<u>1,973,163</u>

Total depreciation expense – business – type activities \$ 6,424,215

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at February 28, 2009, is as follows:

Capital Improvement Fund	\$	2,514,233
Water Fund		641,911
Sewer Fund		<u>2,215,105</u>

Total Construction Commitments \$ 5,371,249

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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, 2009 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund		
Emergency Telephone System	\$ 12,730	\$ -
Economic Development	-	21,748
Fleet Service	43,518	-
Insurance	3,540	-
Community Development Block Grant	6,955	-
Central Business Tax Increment District	144	-
Capital Improvements	-	67,977
Motor Vehicle Parking System	49,593	-
Water	104,046	-
Sewer	23,275	-
Neighborhood Improvement Fund	-	40,000
Howard Hartrey Tax Increment District	12	-
Special Assessment CP Fund	-	3,690
Firefighters Pension	17,265	-
Police Pension	29,760	-
Howard Ridge Tax Increment District	5	-
Southwest Tax Increment District	-	22
Washington National Tax Increment District	34	-
Total General Fund	<u>290,877</u>	<u>133,437</u>
Capital Improvements		
General	67,977	-
Total Capital Improvements	<u>67,977</u>	<u>-</u>
Nonmajor Governmental Funds		
Howard Ridge Tax Increment District		
General	-	5
Economic Development		
General	21,748	-
Emergency Telephone System		
General	-	12,730
HOME		
Community Development Block Grant	-	16,008
Community Development Block Grant		
General	-	6,955
HOME	16,008	-
Community Development Loan	-	1,434
Affordable Housing	-	10,000
Total Community Development Block Grant	<u>16,008</u>	<u>18,389</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Community Development Loan		
Community Development Block Grant	\$ 1,434	\$ -
Neighborhood Improvement Fund		
General	40,000	-
Howard Hartrey Tax increment District		
General	-	12
Special Service District No. 4		
Debt Service Fund	-	25,000
Employer Pension Contribution		
Firefighters Pension	-	1,594,706
Police Pension	-	1,783,692
Total Employer Pension Contribution	-	3,378,398
Town		
General Assistance	22,051	-
General Assistance		
Town	-	22,051
Affordable Housing		
Community Development Block Grant	10,000	-
Southwest Tax Increment District		
Debt Service Fund	-	90,000
General	22	-
Total Southwest TIF	22	90,000
Washington National Tax Increment District		
General	-	34
Washington National Capital Projects	250,000	-
Total Washington National TIF	250,000	34
Debt Service Fund		
Special Service District No. 4	25,000	-
Southwest Tax Increment District	90,000	-
Special Assessment CP Fund	328,944	-
Sewer	-	366,947
Motor Vehicle Parking System	-	850,312
Total Debt Service	443,944	1,217,259
Central Business Tax Increment District		
General	-	144
Washington National Capital Projects		
Washington National Tax Increment District	-	250,000
Special Assessment CP Fund		
General	3,690	-
Debt Service Fund	-	328,944
Total Special Assessment	3,690	328,944
Total Nonmajor Governmental Funds	808,897	5,358,974
Total Governmental Funds	1,167,751	5,492,411

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Enterprise Funds		
Water		
General	\$ -	\$ 104,046
Sewer		
General	-	23,275
Debt Service	366,947	-
Total Sewer	366,947	23,275
Motor Vehicle Parking System		
General	-	49,593
Debt Service	850,312	-
Total Motor Vehicle Parking System	850,312	49,593
Total Enterprise Funds	1,217,259	176,914
Internal Service Funds		
Fleet Services		
General	-	43,518
Insurance		
General	-	3,540
Total Internal Service Funds	-	47,058
Trust and Agency Funds		
Firefighters Pension		
Employer Pension Contribution	1,594,706	-
General	-	17,265
Firefighters Pension	1,594,706	17,265
Police Pension		
Employer Pension Contribution	1,783,692	-
General	-	29,760
Police Pension	1,783,692	29,760
Total Trust and Agency Funds	3,378,398	47,025
Total Primary Government	\$ 5,763,408	\$ 5,763,408

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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, 2009 transfers in / out consist of the following:

Funds	Transfers In	Transfers Out
Governmental Funds		
General Fund		
Affordable Housing Fund	\$ 24,000	\$ -
Central Business Tax Increment District	325,000	-
Washington Natl. Tax Increment District	151,900	-
Howard Hartrey Tax Increment District	141,600	-
Southwest Tax Increment District	24,100	-
Capital Improvement Fund	300,000	-
Water Fund	2,778,600	-
Howard Ridge Tax Increment District	120,400	-
Motor Fuel Tax Fund	772,500	-
Motor Vehicle Parking System	777,500	-
Total General Fund	<u>5,415,600</u>	<u>-</u>
Capital Improvements		
General	-	300,000
Total Capital Improvement	<u>-</u>	<u>300,000</u>
Nonmajor Governmental Funds		
Economic Development		
Maple Avenue Garage	-	650,000
Affordable Housing Fund		
General	-	24,000
Community Development Block Grant		
Community Development Loan	57,700	-
Community Development Loan		
Community Development Block Grant	-	57,700

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 Service Fund		
Special Assessment	328,944	-
Total General Obligation Debt	328,944	-
Central Business Tax Increment District		
General	-	325,000
Sherman Garage	-	1,872,829
Maple Avenue Garage	-	4,600,000
Total Central Business Tax Increment District	-	6,797,829
Southwest Tax Increment District		
General	-	24,100
Howard Hartrey Tax Increment District		
General	-	141,600
Howard Ridge Tax Increment District		
General	-	120,400
Washington National Tax Increment District		
General	-	151,900
Sherman Garage	-	5,300,000
Total Washington National	-	5,451,900
Special Assessment		
General Obligation Debt	-	328,944
Total Special Assessment	-	328,944
Motor Fuel Tax		
General	-	772,500
 Total Nonmajor Governmental Funds	 511,644	 14,493,973
Total Governmental Funds	5,927,244	14,793,973

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfer In	Transfer Out
Enterprise Funds		
Water		
General	\$ -	\$ 2,778,600
Total Water	-	2,778,600
Motor Vehicle Parking System		
General Fund	-	777,500
Sherman Garage	4,901,718	-
Maple Avenue Garage	28,936,069	-
	<u>33,837,787</u>	<u>777,500</u>
Nonmajor Enterprise Funds		
Sherman Garage		
Washington Natl. Tax Increment District	5,300,000	-
Central Business Tax Increment District	1,872,829	-
Motor Vehicle Parking System	-	4,901,718
	<u>7,172,829</u>	<u>4,901,718</u>
Maple Avenue Garage		
Central Business Tax Increment District	4,600,000	-
Economic Development	650,000	-
Motor Vehicle Parking System	-	28,936,069
Total Maple Avenue Garage	<u>5,250,000</u>	<u>28,936,069</u>
Total Nonmajor Enterprise Funds	<u>12,422,829</u>	<u>33,837,787</u>
Total Enterprise Funds	<u>46,260,616</u>	<u>37,393,887</u>
Total Primary Government	<u>\$ 52,187,860</u>	<u>\$ 52,187,860</u>

C. Capital Contribution

Capital contributions were made from governmental activities to the Motor Vehicle Parking System fund in the amount of \$338,307, Sherman Garage fund in the amount of \$13,936 and Sewer fund in the amount of \$250,000.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 8. Operating Leases

The City of Evanston has various operating leases covering the rental of several digital office copiers from the GE Capital and Great America Leasing. The copiers are located in the Evanston Civic Center, Recreation Department and the Evanston Police and Fire Station.

The following are the outstanding lease agreements as of February 28, 2009:

<u>Leasing Co.</u>	<u>Expiration</u>	<u>Number of Copiers</u>	<u>Monthly Payment</u>	<u>Location</u>
GE Capital	10/01/09	5	\$ 1,243	Police Dept.
GE Capital	04/18/09	1	247	Police Dept.
GE Capital	03/02/09	2	2,138	Civic Center
GE Capital	03/02/09	3	2,346	Civic Center
GE Capital	12/25/09	1	209	Civic Center
GE Capital	11/19/09	1	367	Chandler Center
Great America Leasing	04/25/10	6	2,541	Civic Center

Minimum annual lease payments are as follows:

Fiscal year ending 2010	\$ 60,023
Fiscal year ending 2011	<u>5,082</u>
	<u>\$ 65,105</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 3/1/2008	Issued	Refundings	Payments	Balance 2/28/2009	Due Within One Year
G.O. Debt Governmental Activities								
Series 1998	4.80%-4.875%	12/1/2018	\$ 480,000	\$ -	\$ -	\$ 480,000	\$ -	\$ -
Series 1999	4.25%-5.00%	12/1/2019	11,175,000	-	9,830,000	1,345,000	-	-
Series 2000C	Variable Rate	12/1/2021	3,400,000	-	-	3,400,000	-	-
Series 2000D	Variable Rate	12/1/2021	3,900,000	-	3,900,000	-	-	-
Series 2002C	5.00%-5.80%	1/1/2022	5,060,000	-	-	705,000	4,355,000	695,000
Series 2003	2.00%-5.00%	1/1/2010	1,405,000	-	-	825,000	580,000	580,000
Series 2003B	2.00%-5.25%	1/1/2023	3,560,000	-	-	85,000	3,475,000	330,000
Series 2004	2.00%-5.00%	12/1/2023	12,940,000	-	-	150,000	12,790,000	150,000
Series 2004B	2.00%-5.25%	12/1/2017	10,215,000	-	-	1,340,000	8,875,000	1,415,000
Series 2005	3.25%-5.00%	12/1/2025	16,130,000	-	-	105,000	16,025,000	585,000
Series 2006	3.85%-5.00%	12/1/2026	10,170,000	-	-	120,000	10,050,000	120,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	-	-	14,430,000	-
Series 2007	4.00%-5.00%	12/1/2016	23,175,000	-	-	1,035,000	22,140,000	1,250,000
Series 2008A	3.00%-5.00%	12/1/2021	-	3,800,000	-	-	3,800,000	195,000
Series 2008C	3.00%-5.00%	12/1/2019	-	9,965,580	-	-	9,965,580	341,700
Series 2008D	3.25%-5.00%	12/1/2016	-	9,475,556	-	-	9,475,556	1,206,701
Subtotal Governmental Activity G.O. Debt			<u>116,040,000</u>	<u>23,241,136</u>	<u>13,730,000</u>	<u>9,590,000</u>	<u>115,961,136</u>	<u>6,868,401</u>
G.O. Special Service District #5 Series 2002C	5.00%-5.80%	1/1/2016	<u>2,460,000</u>	-	-	<u>295,000</u>	<u>2,165,000</u>	<u>305,000</u>
Subtotal G.A. Special Service District #5 G.O. Debt			<u>2,460,000</u>	-	-	<u>295,000</u>	<u>2,165,000</u>	<u>305,000</u>
Capital lease			-	1,035,370	-	-	1,035,370	326,818
Bonds premium liability			4,861,441	804,606	-	628,588	5,037,459	-
OPEB liability			302,471	350,684	-	-	653,155	-
Pension contributions			18,442,618	13,161,386	-	14,294,084	17,309,920	-
Compensated absences payable- City			10,463,525	6,898,467	-	6,542,099	10,819,893	5,369,815
Claims payable			<u>6,628,452</u>	<u>(300,255)</u>	-	<u>969,597</u>	<u>5,358,600</u>	<u>2,395,337</u>
Subtotal Other G.A. Liabilities			<u>40,698,507</u>	<u>21,950,258</u>	-	<u>22,434,368</u>	<u>40,214,397</u>	<u>8,091,970</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 159,198,507</u>	<u>\$ 45,191,394</u>	<u>\$ 13,730,000</u>	<u>\$ 32,319,368</u>	<u>\$ 158,340,533</u>	<u>\$ 15,265,371</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

A. Changes in Long-Term Debt - Continued

	Interest Rate	Final Maturity Date	Balance 3/1/2008	Issued	Refundings	Payments	Balance 2/28/2009	Due Within One Year
G.O. Debt Business-type Activities								
Series 1999 Parking	4.25%-5.00%	12/1/2019	\$ 1,055,000	\$ -	\$ 960,000	\$ 95,000	\$ -	\$ -
Series 1999 Sewer	4.25%-5.00%	12/1/2019	-	-	-	-	-	-
Series 1999 Sewer	4.25%-5.00%	12/1/2019	10,260,000	-	8,795,000	1,465,000	-	-
Series 2000A Maple Avenue Garage	Variable Rate	12/1/2021	4,000,000	-	-	4,000,000	-	-
Series 2002A Sherman Garage	Variable Rate	12/1/2018	27,700,000	-	27,700,000	-	-	-
Series 2002B Sherman Garage	Variable Rate	12/1/2008	4,500,000	-	-	4,500,000	-	-
Series 2003 Parking System	2.00%-5.00%	1/1/2010	1,200,000	-	-	580,000	620,000	620,000
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	11,465,000	-	-	840,000	10,625,000	870,000
Series 2007 Sewer	4.00%-5.00%	12/1/2016	5,855,000	-	-	840,000	5,015,000	890,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	-	27,755,000	-	-	27,755,000	11,320,000
Series 2008C Sewer	3.00%-5.00%	12/1/2018	-	2,429,420	-	-	2,429,420	83,300
Series 2008D Parking	3.25%-5.00%	12/1/2016	-	873,307	-	-	873,307	106,474
Series 2008D Sewer	3.25%-5.00%	12/1/2016	-	8,666,138	-	-	8,666,138	1,576,825
Subtotal Business Activity G.O. Debt			<u>66,035,000</u>	<u>39,723,865</u>	<u>37,455,000</u>	<u>12,320,000</u>	<u>55,983,865</u>	<u>15,466,599</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	1,640,000	-	-	245,000	1,395,000	255,000
Water Revenue Bond Series 2002	2.00-3.75%	1/1/2012	<u>1,115,000</u>	-	-	<u>265,000</u>	<u>850,000</u>	<u>270,000</u>
Subtotal Water Revenue Bonds			<u>2,755,000</u>	-	-	<u>510,000</u>	<u>2,245,000</u>	<u>525,000</u>
Subtotal IEPA Loans	2.535-3.59%	Various	<u>103,410,887</u>	<u>5,654,964</u>	-	<u>7,290,628</u>	<u>101,775,223</u>	<u>8,009,410</u>
Unamortized bond Premium and discount			(2,413)	17,756	-	(34,846)	14,677	-
Bonds premium liability			-	1,288,451	-	146,156	1,142,295	-
Compensated absences payable- City			639,352	65,757	-	45,412	659,697	428,708
OPEB Liability			<u>28,172</u>	<u>1,993</u>	-	-	<u>30,165</u>	-
Subtotal Other Business Activity Liabilities			<u>665,111</u>	<u>1,373,957</u>	-	<u>156,722</u>	<u>1,846,834</u>	<u>428,708</u>
Total Business Debt & Liabilities			<u>172,865,998</u>	<u>46,752,786</u>	<u>37,455,000</u>	<u>20,277,350</u>	<u>161,850,922</u>	<u>24,429,717</u>
Total Governmental & Business Debt & Liabilities			<u>\$ 332,064,505</u>	<u>\$ 91,944,180</u>	<u>\$ 51,185,000</u>	<u>\$ 52,596,718</u>	<u>\$ 320,191,455</u>	<u>\$ 39,678,088</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9- LONG-TERM DEBT - Continued

A. Changes in Long-term Debt- Continued

Business type activities - Water Revenue Bonds

Business type activities revenue bonds are payable from revenues derived from Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$5,855,000 in revenue bonds issued in 1999 and 2002. Proceeds from the bonds provided financing for Water CIP projects. The bonds are payable solely from revenues and are payable through 2014. Annual payment and interest on the bonds are expected to require \$616,556 of net revenues for Fiscal Year 2009-10. The total principal and interest remaining to be paid on the bonds is \$2,496,545. Principal and interest paid for the current year and total customer net revenues were \$620,913 and \$5,818,287 respectively.

Revenue debt payable consists of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
1/25/1999	1/1/2014	Various	3,500,000	1,395,000
10/1/2002	1/1/2012	Various	2,355,000	<u>850,000</u>
Total Business type Activities- Water Revenue Bonds				<u>2,245,000</u>

Business type activities - IEPA Loans

Business type activities IEPA loans are payable from revenues derived from Sewer service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$160,196,249 in IEPA loans issued in 1993 through 2008. Proceeds from the loans provided financing for the Long Term Sewer Improvement Program. The IEPA loans are payable solely from revenues and are payable through 2028. Annual payment and interest on the bonds are expected to require \$10,730,592 of net revenues for the Fiscal year 2009-10. The total principal and interest remaining to be paid on the loans is \$121,190,455. Principal and interest paid for the current year and total customer net revenues were \$9,908,346 and \$11,554,269 respectively.

IEPA loans payable consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
Various	Various	Various	160,196,249	<u>101,775,223</u>
Total Business type Activities- IEPA Loan Debt				<u>101,775,223</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable

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

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

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. 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 \$16,430,000 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 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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable - Continued

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

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 on \$769,505 which translates to a net present value savings of \$665,226.

On May 24, 2007 the City issued Series 2007 \$30,385,000 in General Obligation bonds at a net interest cost of 4.191092%. The proceeds are being used to current refund \$11,970,000 of the City's Series 1997, advance refund \$3,585,000 of the City's outstanding Series 1999 Bonds and provide \$14,830,000 for capital improvement needs. This will result in net cash savings of \$1,073,395 which translates to a net present value savings of \$858,467.

On May 7, 2008 the City issued Series 2008A/B/C in General Obligation bonds for a total of \$43,950,000 at a net interest cost of 3.7415324%. The proceeds are being used to current refund and remarket to fixed rates \$3,900,000 of 2000D variable bonds and \$27,700,000 of 2002A variable bonds with the remainder of \$12,395,000 to finance a portion of the current Capital Improvement plan of the City.

On December 10, 2008, the City issued Series 2008D for a total of \$19,015,000 at a net interest cost of 3.05%. The proceeds are being used to current refund the outstanding balance of Series 1999. This will result in a net cash savings of \$1,081,086 which translates to a net present value savings of \$940,979.

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
2010	6,868,401	5,267,142	15,466,599	2,392,031
2011	6,975,518	5,027,211	5,134,483	1,852,922
2012	7,478,538	4,727,326	5,211,463	1,624,578
2013	7,950,448	4,425,478	5,919,551	1,400,628
2014	8,283,876	3,995,066	4,131,124	1,173,265
2015-2019	37,918,374	14,560,916	18,651,626	2,894,938
2020-2024	28,250,160	6,835,494	644,840	305,954
2025-2028	12,235,821	1,476,380	824,179	127,640
Total	<u>115,961,136</u>	<u>46,315,013</u>	<u>55,983,865</u>	<u>11,771,956</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

C. Special Service District Bonds Payable

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

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

Year Ending <u>February 28</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2010	305,000	128,313
2011	325,000	113,063
2012	335,000	96,813
2013	345,000	80,063
2014	385,000	61,950
2015-2016	<u>470,000</u>	<u>63,001</u>
Total	<u>2,165,000</u>	<u>543,203</u>

D. Revenue Bonds Payable

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

Revenue bond debt service requirements to maturity are as follows:

Year Ending <u>February 28</u>	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2010	525,000	91,556
2011	550,000	71,269
2012	575,000	49,344
2013	290,000	26,032
2014	<u>305,000</u>	<u>13,344</u>
Total	<u>2,245,000</u>	<u>251,545</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

E. Notes Payable - Sewer IEPA Loans

During the fiscal year ended February 28, 2009, the City currently has 26 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 <u>February 28</u>	Business-type Activities	
	<u>Principal</u>	<u>Interest</u>
2010	8,009,410	2,721,182
2011	8,242,107	2,488,393
2012	8,481,677	2,248,729
2013	8,605,653	2,001,982
2014	8,163,724	1,754,587
2015-2019	34,086,498	5,701,518
2020-2024	18,751,996	2,091,788
2025-2029	<u>7,434,158</u>	<u>407,053</u>
Total	<u>101,775,223</u>	<u>19,415,232</u>

F. Prior Years' General Obligation Bond Defeasances

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

In 2004, the City defeased a portion of Series 1997 Corporate Purpose bonds, by placing a portion of the proceeds of Series 2004B in an irrevocable Escrow Account.

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.

In 2007, the City defeased Series 1999 and a portion of Series 1997 by placing a portion of the proceeds of Series 2007 in an irrevocable Escrow Account.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

F. Prior Years' General Obligation Bond Defeasances - Continued

The trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. At February 28, 2009, the following remaining outstanding balances are considered defeased:

<u>G.O. Series</u>	<u>Original Amount Defeased</u>	<u>Outstanding Defeased Amounts</u>
1996	9,765,000	9,765,000
1998	6,350,000	6,350,000
1999 (partial)	3,585,000	3,585,000
2002C	6,480,000	6,480,000
2003B	7,270,000	7,270,000

The outstanding balances of Series 2002C and 2003B, not defeased at February 28, 2009, are recorded as a liability in the City's financial statements. Those balances are as follows:

<u>Series</u>	
2002C	4,355,000
2003B	3,475,000

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	1,620,000	1,620,000

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

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

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

Contribution requirements are established through Illinois State laws. The City of Evanston implicitly contributes the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$369 for single coverage to \$1,579 for family coverage. The city pays 100% of health care premiums for Police officers and Firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$369 for single coverage to \$1,579 for family coverage. For fiscal year 2009, the City contributed \$331,063 to the plan. The City of Evanston's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City of Evanston's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the retiree health plan.

Annual required contribution	\$	709,660
Interest on net OPEB obligation		14,880
Adjustment to annual required contribution		<u>(40,800)</u>
Annual OPEB cost		683,740
Contributions made		<u>(331,063)</u>
Increase in net OPEB obligation		352,677
Net OPEB obligation - Beginning of Year		<u>330,643</u>
Net OPEB obligation - End of Year	\$	<u><u>683,320</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

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

The City of Evanston's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 were as follows.

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Liability</u>
2/29/2008	\$680,975	51.45%	\$ 330,643
2/28/2009	\$683,740	48.42%	\$ 683,320

The funded status of the plan as of March 1st, 2008, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 7,634,991
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 7,634,991</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	\$ 50,230,393
UAAL as a percentage of covered payroll	15.20%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 9. LONG-TERM DEBT - Continued

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the March 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.50 percent investment rate of return and an annual healthcare cost trend date of 9.50 percent initially, reduced by decrements to an ultimate rate of 4.50 percent after 10 years. Both rates include a 3 percent price inflation assumption. The actuarial value of retiree health plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a three year period. Retiree health plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at March 1, 2008, was 29 years.

I. Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of Accela Systems for Permit records. These lease agreements qualify as capital leases for accounting purposes and, therefore the assets and obligations have been recorded at the present value of the future minimum lease payments as of February, 28 2009. At February 28, 2009 \$1,035,370 of amounts included in capital assets were acquired via capital leases. The obligation for the capital leases will be repaid from the Governmental Funds. The future minimum lease obligations and the net present value of these minimum lease payments as of February 28, 2009 are as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
2010	\$ 383,764
2011	383,764
2012	<u>383,764</u>
Total minimum lease payments	1,151,292
Less: amount representing interest	<u>(115,922)</u>
Present value of minimum lease payments	<u>\$ 1,035,370</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 10. FUND EQUITY

A. Restrictions of Net Assets - Water Fund

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

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

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

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

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

B. Restricted Net Assets - Fiduciary Funds

Fiduciary Funds	
Firefighters' Pension Fund Restriction for employee pension benefits	\$ 42,249,545
Police Pension Fund Restriction for employee pension benefits	<u>54,618,269</u>
Total Fiduciary Funds	<u>\$ 96,867,814</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 10. FUND EQUITY - Continued

C. Reservations of Fund Equity

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

General Fund		
Reserved for encumbrances	\$	22,326
Reserved for Arts Council		32,094
Reserved for private elm trees		162,438
Reserved for parkway trees		223,216
Reserved for Butterfield sculpture		31,833
Reserved for scholarship contributions		32,753
Reserved for public library acquisitions		120,271
Reserved for recreation group activities		207,123
Reserved for youth initiative		42,150
Other reserves		<u>400,358</u>
 Total General Fund		 <u>1,274,562</u>
 Special Revenue Funds		
Reserved for HUD approved Projects		410,000
Reserved for notes receivable		<u>6,361,234</u>
 Total Special Revenue Funds		 <u>6,771,234</u>
 Debt Service Funds		
Reserved for debt service		<u>24,985,425</u>
 Total Reserved Fund Equity - Governmental Funds	\$	 <u><u>33,031,221</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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		260,553
Total General Fund		<u>5,426,913</u>
Special Revenue Funds		
Specific capital projects		
Motor Fuel Tax		1,072,522
Library		2,014,301
		<u>3,086,823</u>
Legal Liabilities		
Township		78,782
Total Special Revenue Funds		<u>3,165,605</u>
Capital Projects Funds		
Specific capital projects		
Capital Improvements		13,190,483
Tax Increment Districts		3,219,840
Special Assessment		4,488,787
Total Capital Projects Funds		<u>20,899,110</u>
Unrestricted Fund Equity - Designated	\$	<u><u>29,491,628</u></u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

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 annual property tax levy for 2008 was \$522,854 which included a deficiency in tax levy amount of \$187,662.

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

For the Fiscal Year Ending February 28, 2009

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 \$75,000 for each loss and each location. The City also maintains crime and fidelity insurance coverage with a \$25,000 deductible to a limit of \$2,000,000. In addition, coverage is maintained for ambulance/paramedic liability and dental malpractice.

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

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>
February 28, 2007	\$ 2,801,201	\$ 2,894,999	\$ 5,696,200
New claims and/or estimate revisions	1,075,507	251,016	1,326,523
Claims payments	<u>(283,255)</u>	<u>(111,016)</u>	<u>(394,271)</u>
February 29, 2008	3,593,453	3,034,999	6,628,452
New claims and/or estimate revisions	1,235,778	(1,536,033)	(300,255)
Claims payments	<u>(564,894)</u>	<u>(404,703)</u>	<u>(969,597)</u>
February 28, 2009	<u>\$ 4,264,337</u>	<u>\$ 1,094,263</u>	<u>\$ 5,358,600</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 13. CONTINGENCIES

There are various claims and legal actions pending against the City for which provision has been made in the financial statements. At the present time, the City believes that the reserves established are sufficient so that the expected liability for these claims and legal actions will not materially exceed the amounts recorded in the financial statements. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 14. JOINT VENTURES

A. Solid Waste Agency of Northern Cook County

On March 28, 1988, the Evanston City Council authorized agreements providing for the City's participation in the Solid Waste Agency of Northern Cook County (Agency) and in the interim financing of that Agency. The Agency was planned and developed by the Northwest Municipal Conference, of which the City is a member. The agency is empowered to plan, finance, construct, and operate a solid waste disposal system.

The Agency is a municipal joint action agency created as of May 2, 1988 under the provisions of the 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

For the Fiscal Year Ending February 28, 2009

NOTE 14. JOINT VENTURES – Continued

A. Solid Waste Agency of Northern Cook County - Continued

Under the 1992 project use agreement executed by the City with the Agency, the City's share of project costs, including debt service and disposal, is based on its share of deliveries to the Wheeling Transfer station for each year. The City does not control the Agency's fiscal management or operations nor is the City legally responsible for any more than its share of the Agency's debt or operating deficits, if any.

Summary of Financial Position as of April 30, 2008:

Current assets	\$	5,237,757
Restricted assets		952,279
Property, plant, and equipment		12,739,965
Debt issuance costs, net		87,680
Total assets	\$	<u>19,017,681</u>
Current liabilities	\$	4,769,267
Long-term debt, net of unamortized discount		6,832,203
Invested in capital assets, net of related debt		4,782,762
Restricted for debt service, net of accrued interest		927,596
Unrestricted net assets		1,705,853
Total liabilities and fund equity	\$	<u>19,017,681</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2008:

Total revenues	\$	16,037,930
Total expenses		(17,349,294)
Net (loss)	\$	<u>(1,311,364)</u>

Complete financial statements for the agency can be obtained at 2700 Patriot Blvd., Glenview, IL 60026.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 14. JOINT VENTURES – Continued

B. Evanston Housing Corporation

The City agreed to jointly participate with various lending institutions in a not-for-profit housing mortgage corporation by approval of the City Council on May 22, 1989. The purpose of the corporation is to lend mortgage funds to qualified, income eligible, first-time homebuyers in the City of Evanston.

The Corporation is governed by a Board of Directors of ten people, four of whom are selected by the City. The Board has the authority to approve the annual budget and to arrange for the management of the affairs of the Corporation. The City has no governing authority to influence actions of the Corporation. The City is not liable for payment of any debts of the Corporation.

The City of Evanston 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, 2008 are summarized as follows:

Statement of Financial Position as of December 31, 2008:

Cash and cash equivalents	\$ 833,072
Mortgage loans receivable	2,390,668
Total assets	<u>3,223,740</u>
Payables and accrued expenses	159,740
Notes payable	3,064,000
Total liabilities	<u>3,223,740</u>
Net Assets	<u>\$ -</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ending February 28, 2009

NOTE 14. JOINT VENTURES – Continued

B. Evanston Housing Corporation - Continued

Statement of Activities for the Year Ended December 31, 2008:

Total revenues	\$	130,699
Total operating expenses		(130,699)
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 15. DEFERRED COMPENSATION PLAN

The City of Evanston offers its elected officials and employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the ICMA Retirement Corporation. The plan, available to all City employees, permits them to defer a portion of their current salary to all future years. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs.

The assets of the plan are held in Trust (ICMA Retirement Corporation Deferred Compensation Plan and Trust), with the City serving as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted to any other purpose. The City's beneficial ownership of plan assets held in the ICMA Retirement Trust is held for the further exclusive benefit of the plan participants and their beneficiaries.

The City and its agent have no liability for losses under the plan, but do have the duty of care that would be required of an ordinary prudent investor.

Plan balance at February 28, 2009	\$	<u><u>27,103,604</u></u>
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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS

The City maintains two separate single-employer retirement plans established by state statute for the City's police officers and firefighters. The City also participates in the Illinois Municipal Retirement Fund (IMRF), a statewide multiple-employer public employee retirement system which acts as investment and administrative agent. The IMRF plan covers substantially all of the City's employees other than police officers and firefighters.

The City created a special revenue fund, the Employer Pension Contribution Fund, to accommodate the pension accounting requirements. This fund recognizes the appropriate tax revenues for the City on behalf of the Pension Trust Funds and contributes those amounts into the Pension Trust Funds as the employer contribution.

The Employer Pension Contribution Fund is a special revenue fund and uses the modified accrual basis of accounting. The tax revenues are recognized when measurable and available. The expenditures are recorded when the liability is incurred, which is when the revenue is recognized.

Illinois Municipal Retirement Fund

A. Plan Description

The City and Township's defined benefit pension plan, IMRF, provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523, or by accessing their website at www.imrf.org/pubs/pubs_homepage.htm.

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 year 2008 was 7.53% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

B. Funding Status and Progress

The City's total payroll for the calendar year ended December 31, 2008 was \$62,065,285. Of this amount, \$34,189,216 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2007 was \$338,122. Of this amount, \$338,122 in payroll earnings were reported to and covered by the IMRF plan.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost

For December 31, 2008, the City's annual pension cost of \$2,574,448 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2006 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 20% corridor. The assumptions for 2008 pension cost were based on the 2002-2004 experience study. However the 2008 actuarial valuation information is based on the 2005-2007 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, 2008 was 24 years.

Three-Year Trend Information for IMRF - City

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 2,574,448	100%	-
12/31/07	2,749,378	100%	-
12/31/06	2,665,493	100%	-

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund - Continued

C. Annual Pension Cost - Continued

For December 31, 2007, the Township’s annual pension cost of \$20,253 was equal to the Township’s required and actual contributions. The required contribution was determined as part of the December 31, 2005 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 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 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>
12/31/07	\$ 20,253	100%	-
12/31/06	20,372	100%	-
12/31/05	20,476	100%	-

Police and Firefighters' Pension Plans

D. Plan Descriptions

The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each Fund. All sworn City police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City's payroll for police and firefighter employees covered by the plans for the year ended February 29, 2008 was \$12,142,000 and \$8,999,000 respectively and for February 28, 2009, it was \$12,633,000 and \$9,242,000, respectively.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS – Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions - Continued

Participation in the plans at February 28, 2009 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	164	124
Active plan members	<u>160</u>	<u>111</u>
Total	<u><u>324</u></u>	<u><u>235</u></u>

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

	<u>Police</u>	<u>Firefighters'</u>
	<u>Pension Fund</u>	<u>Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	5.00%	5.00%
Attributable to inflation	3.50%	3.50%
Cost of Living Increases	3.00%	3.00%

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans - Continued

D. Plan Descriptions – Continued

A police officer or firefighter who retires or is separated from service after accumulating at least eight years for a police officer and 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 8 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

For the Fiscal Year Ending February 28, 2009

NOTE 16. 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 as of March 1, 2009 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 7,081,620	\$ 5,828,112
Interest on net pension obligation	804,821	532,269
Adjustment to annual required contribution	<u>(653,345)</u>	<u>(432,091)</u>
Annual pension cost	7,233,096	5,928,290
Contributions made	<u>(7,838,745)</u>	<u>(6,455,339)</u>
Increase (decrease) in net pension obligation	(605,649)	(527,049)
Net pension obligation at March 1, 2008	<u>11,100,974</u>	<u>7,341,644</u>
Net pension obligation at March 1, 2009	\$ <u><u>10,495,325</u></u>	\$ <u><u>6,814,595</u></u>

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

G. Concentration of Investments

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

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

H. 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	2/28/09	\$ 7,233,096	115.50 %	\$ 10,495,325
	2/29/08	6,789,705	91.52	11,100,974
	2/28/07	4,728,814	99.62	8,639,014
	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'	2/28/09	\$ 5,928,290	115.77 %	\$ 6,814,595
	2/29/08	5,575,720	98.27	7,341,644
	2/28/07	4,234,574	93.89	5,927,461
	2/28/06	3,973,339	104.44	5,383,088
	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

For the Fiscal Year Ending February 28, 2009

NOTE 16. 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	\$ 5,306,875	\$ 4,873,536	\$ 10,180,411
Receivables			
Accrued interest	33,129	247,265	280,394
Due from other funds	1,577,441	1,753,932	3,331,373
Total Receivables	1,610,570	2,001,197	3,611,767
Investments, at fair value			
U.S. Government obligations	9,094,220	35,086,017	44,180,237
Common stock	6,455,343	-	6,455,343
Mutual funds	19,789,383	12,660,598	32,449,981
Total Investments	35,338,946	47,746,615	83,085,561
Total Assets	42,256,391	54,621,348	96,877,739
Liabilities			
Vouchers payable	6,846	3,079	9,925
Total Liabilities	6,846	3,079	9,925
Net assets held in trust for pension benefits	<u>\$ 42,249,545</u>	<u>\$ 54,618,269</u>	<u>\$ 96,867,814</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. 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	\$ 6,455,339	\$ 7,838,745	\$ 14,294,084
Plan members	782,928	1,125,813	1,908,741
Total Contributions	<u>7,238,267</u>	<u>8,964,558</u>	<u>16,202,825</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	(6,586,337)	(11,872,451)	(18,458,788)
Interest	1,634,295	2,361,539	3,995,834
Total investment income	<u>(4,952,042)</u>	<u>(9,510,912)</u>	<u>(14,462,954)</u>
Less investment expense	185,432	106,691	292,123
Net investment income	<u>(5,137,474)</u>	<u>(9,617,603)</u>	<u>(14,755,077)</u>
Total Additions	<u>2,100,793</u>	<u>(653,045)</u>	<u>1,447,748</u>
Deductions			
Benefits	5,144,538	7,222,424	12,366,962
Refunds of contributions	-	5,657	5,657
Administrative expense	50,475	25,938	76,413
Total Deductions	<u>5,195,013</u>	<u>7,254,019</u>	<u>12,449,032</u>
Net increase	(3,094,220)	(7,907,064)	(11,001,284)
Net assets held in trust for pension benefits			
Beginning of year	45,343,765	62,525,333	107,869,098
End of year	<u>\$ 42,249,545</u>	<u>\$ 54,618,269</u>	<u>\$ 96,867,814</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2009

NOTE 16. DEFINED BENEFIT PENSION PLANS - Continued

Police and Firefighters' Pension Plans – Continued

K. Pensions - Actuarial Valuations

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

	<u>Firefighters' Pension Fund</u>	<u>Police Pension Fund</u>
Valuation date	March 1, 2009	March 1, 2009
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level Percentage of payroll, closed period	Level Percentage of payroll, closed period
Remaining amortization period	24 Years , 4 months	24 Years, 4 months
Actuarial valuation method	4-year smoothed mkt.	4-year smoothed mkt.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, ILLINOIS

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

Schedules of Funding Progress

Required Supplementary Information

February 28, 2009

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)
Firefighters' Pension						
3/1/2009	\$ 49,410,755	\$ 119,852,896	\$ 70,442,141	41.23%	\$ 9,242,000	762.20%
3/1/2008	47,006,917	111,696,236	64,689,319	42.08%	8,999,000	718.85%
3/1/2007	43,742,297	106,361,853	62,619,556	41.13%	8,402,000	745.29%
3/1/2006	40,653,428	84,413,071	43,759,643	48.16%	8,150,000	536.93%
3/1/2005	38,327,422	78,759,019	40,431,597	48.66%	7,684,000	526.18%
3/1/2004	37,420,932	75,342,794	37,921,862	49.67%	7,376,000	514.13%
Police Pension						
3/1/2009	\$ 66,514,296	\$ 154,971,310	\$ 88,457,014	42.92%	\$ 12,632,549	700.23%
3/1/2008	64,355,651	145,458,945	81,103,294	44.24%	12,142,000	667.96%
3/1/2007	61,795,438	139,371,086	77,575,648	44.34%	11,522,000	673.28%
3/1/2006	58,400,853	112,448,880	54,048,027	51.94%	11,195,000	482.79%
3/1/2005	55,269,914	106,426,694	51,156,780	51.93%	10,642,000	480.71%
3/1/2004	54,469,873	101,824,016	47,354,143	53.49%	10,217,000	463.48%
Illinois Municipal Retirement Fund (City)						
12/31/2008	\$ 44,075,583	\$ 72,888,719	\$ 28,813,136	60.47%	\$ 34,189,216	84.28%
12/31/2007	88,101,956	84,705,898	(3,396,058)	104.01%	34,496,585	-
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	-
Illinois Municipal Retirement Fund (Township)						
12/31/2007	\$ 612,352	\$ 360,059	\$ (252,293)	170.07%	\$ 338,122	-
12/31/2006	514,875	321,366	(193,509)	160.21%	344,707	-
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	-
Post Employment Benefits other than Pension						
3/1/2009	-	\$ 7,634,991	\$ 7,634,991	-	50,230,393	15.20%
3/1/2008	-	7,254,074	7,254,074	-	48,531,780	14.95%

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

CITY OF EVANSTON, ILLINOIS

Firefighters and Police Pension Funds

Schedules of Employer Contribution
Required Supplementary Information
February 28, 2009

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
2008	\$ 5,486,699	N/A	N/A	\$ 6,659,960	N/A	N/A
2007	4,174,271	\$ 6,139,178	147.07%	4,636,539	7,717,650	166.45%
2006	3,921,530	3,867,153	98.61%	4,301,359	4,217,457	98.05%
2005	3,317,158	3,459,626	104.29%	4,071,765	4,295,601	105.50%
2004	3,041,911	3,398,340	111.72%	4,274,043	4,271,102	99.93%
2003	2,685,046	2,690,742	100.21%	3,505,934	3,522,862	100.48%
2002	2,355,236	2,374,744	100.83%	3,224,902	3,252,113	100.84%
2001	2,209,466	2,324,407	105.20%	2,990,038	3,038,432	101.62%

Note: See Auditors' Report.

CITY OF EVANSTON, ILLINOIS

General Fund

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

Required Supplementary Information

Year ended February 28, 2009

	Original & Final Budget	Actual	Variance
Revenues			
Taxes	\$ 41,812,900	\$ 40,274,141	(1,538,759)
Licenses and permits	8,683,800	8,820,280	136,480
Intergovernmental	16,533,300	16,391,753	(141,547)
Charges for services	8,427,100	8,399,042	(28,058)
Fines	4,341,400	4,442,282	100,882
Investment income	550,000	240,988	(309,012)
Miscellaneous	8,304,500	3,980,418	(4,324,082)
Total Revenues	<u>88,653,000</u>	<u>82,548,904</u>	<u>(6,104,096)</u>
Expenditures			
General management and support	14,264,881	12,703,911	1,560,970
Public safety	37,230,000	38,453,815	(1,223,815)
Public works	16,365,400	16,317,586	47,814
Health and human resource development	4,074,200	3,745,632	328,568
Recreation and cultural opportunities	18,854,000	18,450,868	403,132
Housing and economic development	3,584,200	3,301,478	282,722
Total Expenditures	<u>94,372,681</u>	<u>92,973,290</u>	<u>1,399,391</u>
(Deficiency) of Revenues (under) Expenditures	<u>(5,719,681)</u>	<u>(10,424,386)</u>	<u>(4,704,705)</u>
Other Financing Sources (Uses)			
Operating transfers in (out)			
Motor Fuel Tax Fund	772,500	772,500	-
Housing Fund	24,000	24,000	-
Downtown TIF Debt Service Fund	325,000	325,000	-
Washington National TIF Debt Service Fund	151,900	151,900	-
Howard Hartrey Debt Service	141,600	141,600	-
Southwest TIF I Debt Service Fund	24,100	24,100	-
Howard Ridge TIF	120,400	120,400	-
Capital Improvement Fund	300,000	300,000	-
Parking Fund	777,500	777,500	-
Water Fund	2,778,600	2,778,600	-
Issuance of debt	304,081	304,081	-
	<u>5,719,681</u>	<u>5,719,681</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>(4,704,705)</u>	<u>(4,704,705)</u>
Fund Balance			
Beginning of year		<u>34,614,837</u>	
End of year		<u>\$ 29,910,132</u>	

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

CITY OF EVANSTON, ILLINOIS

Notes to the Required Supplementary Information

NOTE 1. DIGEST OF CHANGES - IMRF

The actuarial assumptions used to determine the actuarial accrued liability for 2009 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, 2009 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	\$ 82,447,766
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>101,138</u>
Budgetary Basis Revenues	<u>\$ 82,548,904</u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 93,088,146
Increase (decrease) due to Encumbrances - March 1, 2008	(137,182)
Encumbrances - February 28, 2009	<u>22,326</u>
Budgetary Basis Expenditures	<u>\$ 92,973,290</u>

Note: See Auditors' Report.

GOVERNMENTAL FUND TYPES

Nonmajor Governmental Funds

Special Revenue Funds

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

City Funds

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

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

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

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

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

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

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

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

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

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.

Continued

Capital Projects Funds

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

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

Washington National Tax Increment District - to account for the 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, 2009

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library	Neighborhood Improvement
Assets					
Cash and equivalents	\$ 1,092,197	\$ 1,949,770	\$ 2,201,734	\$ 308,463	\$ 51,391
Investments	-	-	-	1,703,704	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	2,134	-
Other	-	21,599	130,505	-	-
Building held for resale	-	-	-	-	-
Due from other governments	173,138	-	-	-	-
Due from other funds	-	21,748	-	-	40,000
Total Assets	\$ 1,265,335	\$ 1,993,117	\$ 2,332,239	\$ 2,014,301	\$ 91,391
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 192,813	\$ 16,008	\$ 151,268	\$ -	\$ -
Other	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	12,731	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	192,813	16,008	163,999	-	-
Fund Balances					
Reserved for notes receivable	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	-	-
Unreserved					
Designated	1,072,522	-	-	2,014,301	-
Undesignated	-	1,977,109	2,168,240	-	91,391
Total Fund Balances	1,072,522	1,977,109	2,168,240	2,014,301	91,391
Total Liabilities and Fund Balances	\$ 1,265,335	\$ 1,993,117	\$ 2,332,239	\$ 2,014,301	\$ 91,391

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ 648,302	\$ 73,711	\$ 26,998	\$ 367,875	\$ 21,728	\$ -	\$ 6,742,169
-	-	-	-	-	-	1,703,704
-	-	-	-	313,506	10,150,523	10,464,029
1,364,371	3,324,696	24,799	1,737,368	-	-	6,451,234
-	-	(12,000)	(78,000)	-	-	(90,000)
-	-	-	-	-	-	-
-	-	-	-	-	-	2,134
89,133	-	-	-	-	-	241,237
-	-	410,000	-	-	-	410,000
-	-	31,667	-	-	-	204,805
10,000	-	16,008	1,434	-	-	89,190
\$ 2,111,806	\$ 3,398,407	\$ 497,472	\$ 2,028,677	\$ 335,234	\$ 10,150,523	\$ 26,218,502
\$ -	\$ 2,648	\$ 56,285	\$ 15,522	\$ -	\$ -	\$ 434,544
-	-	-	3,257	-	-	3,257
-	5,300	-	1,382	-	-	6,682
-	16,008	18,388	-	25,000	3,378,398	3,450,525
-	-	-	-	122,220	6,772,125	6,894,345
-	23,956	74,673	20,161	147,220	10,150,523	10,789,353
1,364,371	3,324,696	12,799	1,659,368	-	-	6,361,234
-	-	-	-	-	-	-
-	-	410,000	-	-	-	410,000
-	-	-	-	-	-	3,086,823
747,435	49,755	-	349,148	188,014	-	5,571,092
2,111,806	3,374,451	422,799	2,008,516	188,014	-	15,429,149
\$ 2,111,806	\$ 3,398,407	\$ 497,472	\$ 2,028,677	\$ 335,234	\$ 10,150,523	\$ 26,218,502

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
2/28/2009 and 03/31/08 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 661,120	\$ 1,008,650	\$ 1,669,770	\$ 8,411,939
Investments	-	-	-	1,703,704
Receivables				
Property taxes (net of allowance)				
Current year levy	162,788	589,162	751,950	11,215,979
Notes	-	-	-	6,451,234
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	2,134
Other	12,401	919	13,320	254,557
Building held for resale	-	-	-	410,000
Due from other governments	-	-	-	204,805
Due from other funds	22,051	-	22,051	111,241
	<u>22,051</u>	<u>-</u>	<u>22,051</u>	<u>111,241</u>
Total Assets	<u>\$ 858,360</u>	<u>\$ 1,598,731</u>	<u>\$ 2,457,091</u>	<u>\$ 28,675,593</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 8,101	\$ 50,695	\$ 58,796	\$ 493,340
Other	-	-	-	3,257
Due to other governments	-	-	-	6,682
Due to other funds	-	22,051	22,051	3,472,576
Deferred revenues	142,113	536,177	678,290	7,572,635
	<u>142,113</u>	<u>536,177</u>	<u>678,290</u>	<u>7,572,635</u>
Total Liabilities	<u>150,214</u>	<u>608,923</u>	<u>759,137</u>	<u>11,548,490</u>
Fund Balances				
Reserved for notes receivable	-	-	-	6,361,234
Reserved for debt service	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	410,000
Unreserved				
Designated	78,782	-	78,782	3,165,605
Undesignated	629,364	989,808	1,619,172	7,190,264
	<u>708,146</u>	<u>989,808</u>	<u>1,697,954</u>	<u>17,127,103</u>
Total Fund Balances	<u>708,146</u>	<u>989,808</u>	<u>1,697,954</u>	<u>17,127,103</u>
	<u>\$ 858,360</u>	<u>\$ 1,598,731</u>	<u>\$ 2,457,091</u>	<u>\$ 28,675,593</u>

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
\$ 3,101,180	\$ 43,493	\$ 2,837,807	\$ 5,219	\$ 3,954,195	\$ 4,738,740	\$ 222,531	\$ 382,791	\$ 15,285,956
-	-	-	-	-	-	-	-	-
9,289,920	422,652	8,253,097	636,736	1,230,915	4,414,288	162,656	311,336	24,721,600
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
443,944	-	-	22	-	250,000	-	-	693,966
\$ 12,835,044	\$ 466,145	\$ 11,090,904	\$ 641,977	\$ 5,185,110	\$ 9,403,028	\$ 385,187	\$ 694,127	\$ 40,701,522
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,975	\$ -	\$ 78,975
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,217,259	-	-	90,000	12	34	5	-	1,307,310
5,517,114	234,774	4,392,041	327,820	604,860	2,990,098	93,463	169,642	14,329,812
6,734,373	234,774	4,392,041	417,820	604,872	2,990,132	172,443	169,642	15,716,097
-	-	-	-	-	-	-	-	-
6,100,671	231,371	6,698,863	224,157	4,580,238	6,412,896	212,744	524,485	24,985,425
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,100,671	231,371	6,698,863	224,157	4,580,238	6,412,896	212,744	524,485	24,985,425
\$ 12,835,044	\$ 466,145	\$ 11,090,904	\$ 641,977	\$ 5,185,110	\$ 9,403,028	\$ 385,187	\$ 694,127	\$ 40,701,522

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
February 28, 2009

	Capital Projects				Total Nonmajor Governmental Funds
	Central Business Tax Increment District	Washington National Tax Increment District	Special Assessment	Total	
Assets					
Cash and equivalents	\$ 3,469,684	\$ 2,857	\$ 4,814,899	\$ 8,287,440	\$ 31,985,335
Investments	-	-	-	-	1,703,704
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	35,937,579
Notes	96,649	-	-	96,649	6,547,883
Allowance	(96,649)	-	-	(96,649)	(186,649)
Special assessments	-	-	886,662	886,662	886,662
Accrued interest	16,328	-	-	16,328	18,462
Other	-	-	-	-	254,557
Building held for resale	-	-	-	-	410,000
Due from other governments	-	-	-	-	204,805
Due from other funds	-	-	3,690	3,690	808,897
Total Assets	\$ 3,486,012	\$ 2,857	\$ 5,705,251	\$ 9,194,120	\$ 78,571,235
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 14,288	\$ 4,597	\$ 859	\$ 19,744	\$ 592,059
Other	-	-	-	-	3,257
Due to other governments	-	-	-	-	6,682
Due to other funds	144	250,000	328,944	579,088	5,358,974
Deferred revenues	-	-	886,661	886,661	22,789,108
Total Liabilities	14,432	254,597	1,216,464	1,485,493	28,750,080
Fund Balances					
Reserved for notes receivable	-	-	-	-	6,361,234
Reserved for debt service	-	-	-	-	24,985,425
Reserved for HUD Approved Projects	-	-	-	-	410,000
Unreserved					
Designated	3,471,580	(251,740)	4,488,787	7,708,627	10,874,232
Undesignated	-	-	-	-	7,190,264
Total Fund Balances	3,471,580	(251,740)	4,488,787	7,708,627	49,821,155
Total Liabilities and Fund Balances	\$ 3,486,012	\$ 2,857	\$ 5,705,251	\$ 9,194,120	\$ 78,571,235

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Year ended February 28, 2009

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library	Neighborhood Improvement
Revenues					
Taxes	\$ -	\$ 1,886,215	\$ 1,150,724	\$ -	\$ 40,000
Special assessments	-	-	-	-	-
Intergovernmental	1,956,273	-	-	-	-
Investment income	20,063	21,244	30,849	(749,988)	-
SSI reimbursement	-	-	-	-	-
Emergency assistance reimbursement	-	-	-	-	-
Miscellaneous	-	30,000	575	7,000	-
Total Revenues	1,976,336	1,937,459	1,182,148	(742,988)	40,000
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	1,474,090	-	-
Public works	1,645,299	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-
Housing and economic development	-	808,583	-	-	71,107
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Capital outlay					
Total Expenditures	1,645,299	808,583	1,474,090	-	71,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	331,037	1,128,876	(291,942)	(742,988)	(31,107)
Other Financing Sources (Uses)					
Bonds issued	-	-	-	-	-
Escrow funding	-	-	-	-	-
Premiums and discount	-	-	-	-	-
Transfers in (out)					
General	(772,500)	-	-	-	-
Community Development Block Grant	-	-	-	-	-
Community Development Loan	-	-	-	-	-
Town	-	-	-	-	-
General Assistance	-	-	-	-	-
General Obligation Debt Service	-	-	-	-	-
Special Assessment Capital Project	-	-	-	-	-
Maple Avenue Garage	-	(650,000)	-	-	-
Sherman Garage	-	-	-	-	-
Total Other Financing Sources (Uses)	(772,500)	(650,000)	-	-	-
Net Change in Fund Balances	(441,463)	478,876	(291,942)	(742,988)	(31,107)
Fund Balances -Beginning of Year	1,513,985	1,498,233	2,460,182	2,757,289	122,498
Fund Balances - End of Year	\$ 1,072,522	\$ 1,977,109	\$ 2,168,240	\$ 2,014,301	\$ 91,391

Special Revenue						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Employer Pension Contribution	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ 478,197	\$ 9,711,598	\$ 13,266,734
-	-	-	-	-	-	-
-	527,825	1,940,131	-	-	-	4,424,229
12,634	13,122	-	4,927	296	-	(646,853)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
157,265	-	13,114	-	-	-	207,954
169,899	540,947	1,953,245	4,927	478,493	9,711,598	17,252,064
-	-	-	-	-	-	-
-	-	-	-	-	9,711,598	11,185,688
-	-	-	-	-	-	1,645,299
-	-	-	-	-	-	-
44,395	255,746	2,010,945	27,213	444,000	-	3,661,989
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
44,395	255,746	2,010,945	27,213	444,000	9,711,598	16,492,976
125,504	285,201	(57,700)	(22,286)	34,493	-	759,088
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(24,000)	-	-	-	-	-	(796,500)
-	-	-	(57,700)	-	-	(57,700)
-	-	57,700	-	-	-	57,700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(650,000)
-	-	-	-	-	-	-
(24,000)	-	57,700	(57,700)	-	-	(1,446,500)
101,504	285,201	-	(79,986)	34,493	-	(687,412)
2,010,302	3,089,250	422,799	2,088,502	153,521	-	16,116,561
\$ 2,111,806	\$ 3,374,451	\$ 422,799	\$ 2,008,516	\$ 188,014	\$ -	\$ 15,429,149

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 Year Ended February 28, 2009 and March 31, 2008 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 367,567	\$ 956,854	\$ 1,324,421	\$ 14,591,155
Special assessments	-	-	-	-
Intergovernmental	83,872	-	83,872	4,508,101
Investment income	17,949	18,883	36,832	(610,021)
SSI reimbursement	-	29,163	29,163	29,163
Emergency assistance reimbursement	-	45,239	45,239	45,239
Miscellaneous	-	-	-	207,954
Total Revenues	469,388	1,050,139	1,519,527	18,771,591
Expenditures				
Current				
General management and support	88,392	994,167	1,082,559	1,082,559
Public safety	-	-	-	11,185,688
Public works	-	-	-	1,645,299
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	-
Housing and economic development	-	-	-	3,661,989
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay				
Total Expenditures	88,392	994,167	1,082,559	17,575,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	380,996	55,972	436,968	1,196,056
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Escrow funding	-	-	-	-
Premiums and discount	-	-	-	-
Transfers in (out)				
General	-	-	-	(796,500)
Community Development Block Grant	-	-	-	(57,700)
Community Development Loan	-	-	-	57,700
Town	-	125,000	125,000	125,000
General Assistance	(125,000)	-	(125,000)	(125,000)
General Obligation Debt Service	-	-	-	-
Special Assessment Capital Project	-	-	-	-
Maple Avenue Garage	-	-	-	(650,000)
Sherman Garage	-	-	-	-
Total Other Financing Sources (Uses)	(125,000)	125,000	-	(1,446,500)
Net Change in Fund Balances	255,996	180,972	436,968	(250,444)
Fund Balances -Beginning of Year	452,150	808,836	1,260,986	17,377,547
Fund Balances - End of Year	\$ 708,146	\$ 989,808	\$ 1,697,954	\$ 17,127,103

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
\$ 9,225,591	\$ 438,563	\$ 11,915,288	\$ 673,499	\$ 1,221,091	\$ 5,101,110	\$ 200,426	\$ 495,268	\$ 29,270,836
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
63,320	354	42,268	2,509	56,005	72,812	2,462	108	239,838
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9,288,911	438,917	11,957,556	676,008	1,277,096	5,173,922	202,888	495,376	29,510,674
336,375	-	-	-	-	285	78,975	-	415,635
-	-	-	-	-	-	-	-	-
-	-	-	800,000	-	-	-	-	800,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,430,000	295,000	3,400,000	65,000	475,000	220,000	-	-	9,885,000
4,546,652	143,063	63,640	4,631	223,320	160,878	-	-	5,142,184
20,524	-	7,126	-	-	-	-	-	27,650
-	-	-	-	-	-	-	-	-
10,333,551	438,063	3,470,766	869,631	698,320	381,163	78,975	-	16,270,469
(1,044,640)	854	8,486,790	(193,623)	578,776	4,792,759	123,913	495,376	13,240,205
13,160,000	-	-	-	-	-	-	-	13,160,000
(13,280,204)	-	-	-	-	-	-	-	(13,280,204)
790,004	-	-	-	-	-	-	-	790,004
-	-	(325,000)	(24,100)	(141,600)	(151,900)	(120,400)	-	(763,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
328,944	-	-	-	-	-	-	-	328,944
-	-	(4,600,000)	-	-	-	-	-	(4,600,000)
-	-	(1,872,829)	-	-	(5,300,000)	-	-	(7,172,829)
998,744	-	(6,797,829)	(24,100)	(141,600)	(5,451,900)	(120,400)	-	(11,537,085)
(45,896)	854	1,688,961	(217,723)	437,176	(659,141)	3,513	495,376	1,703,120
6,146,567	230,517	5,009,902	441,880	4,143,062	7,072,037	209,231	29,109	23,282,305
\$ 6,100,671	\$ 231,371	\$ 6,698,863	\$ 224,157	\$ 4,580,238	\$ 6,412,896	\$ 212,744	\$ 524,485	\$ 24,985,425

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 Year ended February 28, 2009

	Capital Projects				Total Nonmajor Governmental Funds
	Central Business Tax Increment District	Washington National Tax Increment District	Special Assessment	Total	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 43,861,991
Special assessments	-	-	516,168	516,168	516,168
Intergovernmental	-	-	-	-	4,508,101
Investment income	46,203	161	61,040	107,404	(262,779)
SSI reimbursement	-	-	-	-	29,163
Emergency assistance reimbursement	-	-	-	-	45,239
Miscellaneous	-	-	-	-	207,954
Total Revenues	46,203	161	577,208	623,572	48,905,837
Expenditures					
Current					
General management and support	193	-	3,393	3,586	1,501,780
Public safety	-	-	-	-	11,185,688
Public works	-	57,314	-	57,314	1,702,613
Health and human resource development	-	-	-	-	800,000
Recreation and cultural opportunities	90,452	-	-	90,452	90,452
Housing and economic development	-	-	-	-	3,661,989
Debt service					
Principal	-	-	-	-	9,885,000
Interest	-	-	-	-	5,142,184
Fiscal agent fees	-	-	-	-	27,650
Capital outlay	384,925	-	-	384,925	384,925
Total Expenditures	475,570	57,314	3,393	536,277	34,382,281
Excess (Deficiency) of Revenues Over (Under) Expenditures	(429,367)	(57,153)	573,815	87,295	14,523,556
Other Financing Sources (Uses)					
Bonds issued	-	-	500,000	500,000	13,660,000
Escrow funding	-	-	-	-	(13,280,204)
Premiums and discount	-	-	14,602	14,602	804,606
Transfers in (out)					
General	-	-	-	-	(1,559,500)
Community Development Block Grant	-	-	-	-	(57,700)
Community Development Loan	-	-	-	-	57,700
Town	-	-	-	-	125,000
General Assistance	-	-	-	-	(125,000)
General Obligation Debt Service	-	-	(328,944)	(328,944)	(328,944)
Special Assessment Capital Project	-	-	-	-	328,944
Maple Avenue Garage	-	-	-	-	(5,250,000)
Sherman Garage	-	-	-	-	(7,172,829)
Total Other Financing Sources (Uses)	-	-	185,658	185,658	(12,797,927)
Net Change in Fund Balances	(429,367)	(57,153)	759,473	272,953	1,725,629
Fund Balances -Beginning of Year	3,900,947	(194,587)	3,729,314	7,435,674	48,095,526
Fund Balances - End of Year	\$ 3,471,580	\$ (251,740)	\$ 4,488,787	\$ 7,708,627	\$ 49,821,155

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 16,305,500	\$ 16,250,329	\$ (55,171)
Prior year levy	200,000	215,057	15,057
Total Property Taxes	16,505,500	16,465,386	(40,114)
Personal Property Replacement Tax	975,500	788,614	(186,886)
Other Taxes			
State Use Tax	956,100	1,068,907	112,807
Sales Tax - Home Rule	6,070,500	5,572,880	(497,620)
Auto Rental Tax	35,000	38,826	3,826
Athletic Contest Tax	550,000	722,693	172,693
Utility Tax	8,581,800	8,802,973	221,173
Cigarette Tax	405,000	374,153	(30,847)
Evanston Motor Fuel Tax	401,000	521,766	120,766
Liquor Tax	1,927,000	1,947,785	20,785
Parking Tax	1,700,000	1,905,988	205,988
Real Estate TransferTax	3,700,000	2,064,170	(1,635,830)
Amusement Tax	5,500	-	(5,500)
Total Other Taxes	24,331,900	23,020,141	(1,311,759)
Total Taxes	41,812,900	40,274,141	(1,538,759)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 2,695,000	\$ 2,598,005	\$ (96,995)
Business Licenses	170,500	76,941	(93,559)
Pet Licenses	44,000	22,555	(21,445)
Bicycle Licenses	-	85	85
Contractor Licenses	85,000	78,437	(6,563)
Rooming House Licenses	193,200	186,107	(7,093)
Liquor Licenses	345,100	328,529	(16,571)
One Day Liquor Licenses	-	2,075	2,075
Farmer's Market Licenses	26,400	28,670	2,270
Rental building register	146,000	56,896	(89,104)
Other Licenses	-	22	22
Long Term Care License	112,400	112,500	100
Resident Care home License	500	80	(420)
Building Permits	2,740,000	2,854,424	114,424
Plumbing Permits	150,000	104,575	(45,425)
Electrical Permits	160,000	134,424	(25,576)
Signs and Awnings	10,000	36,206	26,206
Other /Misc Permits	325,000	593,512	268,512
Elevator Permits	45,000	57,667	12,667
Heating Vent / AC Permits	260,000	226,610	(33,390)
Commercial Drive Permits	-	15,702	15,702
Right of Way Permits	70,000	179,648	109,648
Residents Parking Permit	212,000	131,245	(80,755)
Visitor Parking Permit	14,300	13,488	(812)
Fire supression / Alarm Permit	-	775	775
Annual Sign Fees	32,000	3,165	(28,835)
Plat PR. & Sign Approval HRG Fees	400	-	(400)
Alarm Panel Francise Fee	-	15,360	15,360
Northwestern / Centel Easement	47,000	56	(46,944)
Cable Franchise Fee	800,000	854,870	54,870
Azavar audit Fee	-	14,034	14,034
Nicor Franchise Fee	-	93,617	93,617
Total Licenses and Permits	8,683,800	8,820,280	136,480

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 9,100,000	\$ 8,857,994	\$ (242,006)
State Income Tax	6,600,000	6,821,169	221,169
State Highway Maintenance	135,000	75,413	(59,587)
Project access	-	3,750	3,750
Well Child & Immunization	-	744	744
Health basic services grant	76,200	127,670	51,470
Dental Sealant Grant	4,200	834	(3,366)
Summer Food Inspections	400	450	50
Kid Care Agreement	-	2,800	2,800
Illinois Tobacco Free Community	25,600	25,214	(386)
Teen Pregnancy Prevention Grant	60,600	58,013	(2,587)
Childhood Lead Poisoning Grant	1,000	362	(638)
Teen Parent Services Program	36,100	35,900	(200)
Insurance co pay	-	176	176
Prostate Cancer Awareness	10,000	9,525	(475)
Other State / County Grant	18,700	35,729	17,029
Tanning Parlor Inspection	100	300	200
Violence Crime Victim Asst. Grant	24,700	22,348	(2,352)
ICJIA Grant - Victim	47,000	-	(47,000)
District 65 Dental	1,500	-	(1,500)
Fire Department Training	10,000	3,860	(6,140)
Summer Youth	-	15,000	15,000
Leadbase Paint Control Grant	-	106,500	106,500
Federal Grant / Aid	136,700	77,357	(59,343)
Teen Readers	-	(1,618)	(1,618)
Commission on Aging Grant - Advocate	55,800	23,967	(31,833)
Civil Defence Grants (F.E.M.A.)	24,000	16,522	(7,478)
Police Training	8,000	14,582	6,582
HUD Emergency Shelter Grant	88,900	65,326	(23,574)
Law Enforcement Block Grant	57,200	(20,934)	(78,134)
Other Federal Aid	11,600	12,800	1,200
Total Intergovernmental - Revenue from Other Agencies	<u>16,533,300</u>	<u>16,391,753</u>	<u>(141,547)</u>

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Charges for Services			
Recreation			
Recreation - program	\$ 4,606,500	\$ 4,595,719	\$ (10,781)
Recreation - deferral	-	(58)	(58)
Recreation - unreconciled	-	34,639	34,639
Total Recreation	4,606,500	4,630,300	23,800
Library			
State Per Capita Grant	90,900	44,941	(45,959)
Library Video Rental	33,000	39,205	6,205
Non-Residents Card	3,000	2,500	(500)
Library Material Replacement Charged	21,000	16,066	(4,934)
Library Material Reserves	7,500	9,199	1,699
Library Miscellaneous Revenues	1,000	1,604	604
Library Copy Machines Charges	27,000	24,101	(2,899)
Library Meeting Room Rental	7,500	10,858	3,358
North Branch Rental Inc.	-	32,112	32,112
Total Library	190,900	180,586	(10,314)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Charges for Services			
Other Service Charges			
Sanitation Classes	\$ 11,000	\$ 9,045	\$ (1,955)
Dental Clinic Fees	126,000	109,355	(16,645)
Health Clinic Fees - Food Establishment	162,000	201,073	39,073
S.T.D.O.	-	31	31
Dental Check up	8,000	2,577	(5,423)
Emergency Dental Exam	200	-	(200)
X-Rays	-	20	20
Amalgam Filling	100	-	(100)
Resin Filling	5,600	705	(4,895)
Sedative Filling	100	-	(100)
Extraction	500	230	(270)
Pulpotomy	1,500	140	(1,360)
Sealant Office Visit	600	100	(500)
Additional Sealant	100	49	(51)
Temporary License Fee	4,000	7,477	3,477
Food Delivery Vehicle	8,300	5,812	(2,488)
Scavenger Truck	2,300	-	(2,300)
Beverage Snack Vending Machine	27,800	26,524	(1,276)
Tobacco License	11,000	20,765	9,765
BeeKeeper Licenses	-	25	25
Birth Certificate	95,000	77,365	(17,635)
Death Certificate - 16 . 23	47,000	38,507	(8,493)
Funeral Director License	6,600	6,480	(120)

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Temp Funeral Direct License	\$ 5,000	\$ 4,822	\$ (178)
SWANCC Recycling	100,000	99,002	(998)
Recycling Service Charged	1,692,400	1,538,430	(153,970)
Recycling Service Charge - Penalty	10,000	23,878	13,878
Sanitation Special Pickup Fees	80,000	89,854	9,854
Weights & Measures Examinations	1,000	635	(365)
Senior Taxi Coupon Sales	95,000	119,186	24,186
Fire Cost Recovery Charge	10,000	6,075	(3,925)
Other Services Charges	-	1,584	1,584
Recycling - Material Sales	-	9,426	9,426
Condo Conversion Application Fee	40,000	9,600	(30,400)
Historic preservation	8,000	3,956	(4,044)
Ambulance Service	875,000	886,802	11,802
Towing Charges	-	(8,955)	(8,955)
Police Report Fees	16,000	17,302	1,302
Wood Recycling	14,000	27,910	13,910
Zoning Fees	40,000	41,958	1,958
Fire Report Fees	1,300	1,406	106
Fire Building inspections	6,000	10,150	4,150
Alarm Panel Subscription Fees	110,000	189,060	79,060
Skokie Animal Board Fee	300	5,205	4,905
Background check Daycare Prov. Plan Review	-	(442)	(442)
	8,000	5,032	(2,968)
Total Other Service Charges	3,629,700	3,588,156	(41,544)
Total Charges for Services	8,427,100	8,399,042	(28,058)
Fines			
Ticket Fines - Parking	3,547,500	3,567,227	19,727
Regular Fines	200,000	284,591	84,591
Boot Release Fee	95,900	34,851	(61,049)
Fire False Alarm Fines	155,000	120,170	(34,830)
Police False Alarm Fines	-	13,190	13,190
Housing Code Violation Fines	-	35,143	35,143
Permit Penalty Fees	15,000	6,680	(8,320)
Administrative Adjudication Fine	120,000	187,348	67,348
Library Fines & Fees	208,000	193,082	(14,918)
Total Fines	4,341,400	4,442,282	100,882

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Investment Income	\$ 550,000	\$ 240,988	\$ (309,012)
Miscellaneous			
Charges to Other Funds			
Community Development Fund	856,000	939,976	83,976
Home Fund	34,300	49,016	14,716
Emergency Telephone System Fund	126,000	126,000	-
Economic Development Fund	390,000	390,000	-
Sherman Garage	42,000	42,000	-
Parking Fund	-	-	-
Water Fund - Administrative Expense	764,600	764,600	-
Sewer Fund	413,800	413,800	-
Total Charges to Other Funds	2,626,700	2,725,392	98,692
Miscellaneous			
Other Revenues			
Property Sales and Rentals	70,000	187,462	117,462
Donation	-	5,100	5,100
Damage to City Signage	4,000	1,668	(2,332)
Damage to City property	20,000	17,748	(2,252)
Damage to Street Lights	-	26,386	26,386
Damage to city trees	-	500	500
Damage to Other City Property	8,000	-	(8,000)
Miscellaneous Revenue	270,700	64,182	(206,518)
Taxicab Revenue	4,000	7,375	3,375
Teen baby nursery	41,000	-	(41,000)
Payment in Lieu of Taxes	132,000	52,302	(79,698)
Fund Balance Applied	4,536,100	-	(4,536,100)
Fees and Merchandise	-	14,015	14,015
Trash Cart Sales	30,000	26,012	(3,988)
Parking Permits - Ryan Field	12,000	19,549	7,549
Change in Reserves	-	282,727	282,727
Contributions from Northwestern	550,000	550,000	-
Total Other Revenues	5,677,800	1,255,026	(4,422,774)
Total Miscellaneous	8,304,500	3,980,418	(4,324,082)
Total Revenues	\$ 88,653,000	\$ 82,548,904	\$ (6,104,096)

Concluded

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
General Management and Support			
City Council	\$ 411,800	\$ 385,921	\$ 25,879
City Manager	5,680,281	4,436,371	1,243,910
City Clerk	190,200	207,805	(17,605)
Law Department	773,700	673,549	100,151
Human Resources	2,308,800	1,613,728	695,072
Finance	4,900,100	5,381,446	(481,346)
Facilities management	-	5,091	(5,091)
Total General Management and Support	14,264,881	12,703,911	1,560,970
Public Safety			
Police	23,332,270	24,095,643	(763,373)
Fire	13,897,730	14,358,172	(460,442)
Total Public Safety	37,230,000	38,453,815	(1,223,815)
Public Works			
Public Works Director	290,000	276,910	13,090
Municipal Service Center	435,300	442,916	(7,616)
City Engineer	1,576,100	1,459,163	116,937
Traffic Engineer	2,959,300	2,634,658	324,642
Streets	4,039,800	4,774,250	(734,450)
Sanitation	7,064,900	6,729,689	335,211
Total Public Works	16,365,400	16,317,586	47,814

Continued

CITY OF EVANSTON, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Health and Human Resource Development			
Health and Human Services Director	\$ 311,500	\$ 229,276	\$ 82,224
Health Department	1,782,100	1,162,502	619,598
Emergency assistance services	-	133,241	(133,241)
Mental health and community purchased services	1,032,300	1,085,175	(52,875)
Commission on Aging	159,400	229,317	(69,917)
Subsidized Taxicab Program	292,000	267,529	24,471
Human Relations	496,900	496,280	620
Grants	-	142,312	(142,312)
Total Health and Human Resource Development	<u>4,074,200</u>	<u>3,745,632</u>	<u>328,568</u>
Recreation and Cultural Opportunities			
Library	4,805,000	4,902,158	(97,158)
Recreation	8,133,300	7,923,553	209,747
Parks and forestry	4,347,800	4,249,832	97,968
Ecology Center	556,200	465,621	90,579
Arts Council	1,011,700	909,704	101,996
Total Recreation and Cultural Opportunities	<u>18,854,000</u>	<u>18,450,868</u>	<u>403,132</u>
Housing and Economic Development			
Community Development administration	259,700	212,567	47,133
Planning and zoning	514,100	481,249	32,851
Housing rehabilitation and property standards	1,046,400	946,415	99,985
Building code compliance	1,764,000	1,661,247	102,753
Total Housing and Economic Development	<u>3,584,200</u>	<u>3,301,478</u>	<u>282,722</u>
Total Expenditures	<u>\$ 94,372,681</u>	<u>\$ 92,973,290</u>	<u>\$ 1,399,391</u>

Concluded

CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 2,100,000	\$ 1,956,273	\$ (143,727)
Interest	55,000	20,063	(34,937)
Total Revenues	2,155,000	1,976,336	(178,664)
Expenditures			
Public Works	2,350,000	1,645,299	704,701
Excess (Deficiency) of Revenues over (under) Expenditures	(195,000)	331,037	526,037
Other Financing (Uses)			
Operating transfers (out) General Fund	(772,500)	(772,500)	-
Net Change in Fund Balance	<u>\$ (967,500)</u>	(441,463)	<u>\$ 526,037</u>
Fund Balances			
Beginning of year		<u>1,513,985</u>	
End of year		<u>\$ 1,072,522</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, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,776,800	\$ 1,886,215	\$ 109,415
Interest	-	21,244	21,244
Miscellaneous	-	30,000	30,000
Total Revenue	1,776,800	1,937,459	160,659
Expenditures			
Housing and economic development	1,178,000	808,583	369,417
Excess of Revenues over Expenditures	598,800	1,128,876	530,076
Other Financing Sources (Uses)			
Operating transfers in (out)			
Maple Avenue Garage Fund	(650,000)	(650,000)	-
Net Change in Fund Balance	<u>\$ (51,200)</u>	478,876	<u>\$ 530,076</u>
Fund Balances			
Beginning of year		<u>1,498,233</u>	
End of year		<u>\$ 1,977,109</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, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,073,700	\$ 1,150,724	\$ 77,024
Interest	25,000	30,849	5,849
Miscellaneous	-	575	575
Total Revenue	1,098,700	1,182,148	83,448
Expenditures			
Public Safety	1,981,100	1,474,090	507,010
Net Change in Fund Balance	<u>\$ (882,400)</u>	(291,942)	<u>\$ 590,458</u>
Fund Balance			
Beginning of year		<u>2,460,182</u>	
End of year		<u>\$ 2,168,240</u>	

CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Affordable Housing Demo Tax	\$ 90,000	\$ 60,000	\$ (30,000)
Developer Contributions	500,000	75,000	(425,000)
Rehab Payments	10,000	-	(10,000)
Interest	10,000	12,634	2,634
Miscellaneous	1,000	22,265	21,265
Total Revenue	611,000	169,899	(441,101)
Expenditures			
Housing and economic development	321,000	44,395	276,605
Excess (Deficiency) of Revenues over (under) Expenditures	290,000	125,504	(164,496)
Other Financing (Uses)			
Transfers in (out)			
Debt Service Fund	(24,000)	(24,000)	-
Net Change in Fund Balance	\$ 266,000	101,504	\$ (164,496)
Fund Balance			
Beginning of year		2,010,302	
End of year		\$ 2,111,806	

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, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,074,176	\$ 1,940,131	\$ (134,045)
Miscellaneous	-	13,114	13,114
Total Revenues	2,074,176	1,953,245	(120,931)
Expenditures			
Housing and economic development	2,074,176	2,010,945	63,231
Excess (Deficiency) of Revenues over (under) Expenditures	-	(57,700)	(57,700)
Other Financing (Uses)			
Transfers			
Community Development Loan	-	57,700	57,700
	-	57,700	57,700
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance			
Beginning of year		422,799	
End of year		<u>\$ 422,799</u>	

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 329,225	\$ 330,608	\$ (1,383)
Housing Advocacy Program	15,051	15,051	-
MBE/Small Business Assistance	52,000	52,000	-
Total Administration/Planning	396,276	397,659	(1,383)
Economic Development			
Evanston Community Development Corp.	55,000	59,609	(4,609)
Technology Innovation Center	15,000	15,000	-
Total Economic Development	70,000	74,609	(4,609)
Housing			
Adaptive Devices	-	444	(444)
Community Development Planning	30,000	-	30,000
Demolition/Vacant Lot Cleanup Program	7,000	21,044	(14,044)
Housing Code Compliance	375,000	374,965	35
Housing Rehab Administration	319,000	319,000	-
Minor Repairs/Painting Assistance - E.N.A.W.	140,000	138,825	1,175
Neighborhood Storefront Imp Program	35,000	23,126	11,874
Total Housing	906,000	877,404	28,596

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Neighborhood Revitalization			
Accessible Curb Ramp Program	\$ -	\$ 53,174	\$ (53,174)
Alley Paving Program	80,000	80,000	-
Curb/Sidewalk Replacement	75,000	42,918	32,082
Curb/Ramp ADA 2008	75,000	-	75,000
Disposition 1817	-	7,929	(7,929)
Evanston Day Nursery Energy Imp	10,000	-	10,000
Family Focus Center Improvements	6,600	-	6,600
F/J Landscape Redesign	95,400	57,488	37,912
F/J Kitchen	-	27,952	(27,952)
Handyman Assistance/Elderly Home Repair	-	13,019	(13,019)
Special Assessments/Alley Paving	10,000	18,288	(8,288)
YMCA Elevator Rehab	40,000	51,614	(11,614)
 Total Neighborhood Revitalization	 392,000	 352,382	 39,618

Continued

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued
 Year ended February 28, 2009

	Original and Final Budget	Actual	Variance
Public Services			
Adaptive Equip for Disabled	\$ 3,500	\$ 2,095	\$ 1,405
Adopt a Fancy Can	3,500	3,311	189
Community Unity 1	3,000	3,000	-
Connections for the Homeless	3,000	3,000	-
Divine Wisdom Institute	1,700	1,700	-
Evanston Community Defender	45,000	45,000	-
Evanston Legal Services CCLAF		-	-
Ex-Offender/Homeless Program	3,200	3,200	-
Girl Scouts	4,000	4,000	-
Graffiti Removal Program	30,000	30,000	-
Interfaith Housing Program/ Home Sharing	13,000	13,000	-
Interfaith Action Council	1,000	1,000	-
Legacy Project Shorefront		-	-
Legal Assist Foundation	9,000	9,000	-
Meals at Home	8,000	8,000	-
Metropolitan Family Service		-	-
Food Partners		-	-
Music Inst.	1,500	1,500	-
North Shore Senior Center	23,000	23,000	-
Open studio Art	2,000	2,000	-
Preschool Playground		-	-
Safer Neighborhood Area Project-Implementation	2,000	1,969	31
Safer Neighborhood Area Project-Staff Straining	6,500	6,500	-
Second Baptist	9,000	9,000	-
Senior Crime Prevention	15,000	15,000	-
Shorefront NFP Legacy Project		-	-
Smith Park Renovations		-	-
South Evanston Neighborhood Assoc.	1,500	2,116	(616)
Summer Youth Employment	45,000	45,000	-
YAM Annual College Retreat		-	-
Youth Job Center of Evanston	47,000	47,000	-
YWCA Shelter Project	29,500	29,500	-
Total Public Services	309,900	308,891	1,009
Total Expenditures	\$ 2,074,176	\$ 2,010,945	\$ 63,231

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, 2009

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 328,489	\$ 328,489	\$ -
Prior year levy	-	5,407	5,407
Interest	-	296	296
Total Revenues	328,489	334,192	5,703
Expenditures			
Housing and economic development	445,000	444,000	1,000
Net Change in Fund Balance	<u>\$ (116,511)</u>	(109,808)	<u>\$ 6,703</u>
Fund Balance			
Beginning of year		<u>420,042</u>	
End of year		<u>\$ 310,234</u>	

CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year February 28, 2009 and March 31, 2008 for City and Township respectively

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 308,703	\$ 367,567	\$ 58,864
Interest	18,000	17,949	(51)
Replacement tax	50,000	83,872	33,872
Total Revenues	376,703	469,388	92,685
Expenditures			
General management and support	193,453	88,392	105,061
Excess of Revenues over Expenditures	183,250	380,996	197,746
Other Financing (Uses)			
Operating transfers (out)			
General Assistance Fund	(125,000)	(125,000)	-
Net Change in Fund Balance	\$ 58,250	255,996	\$ 197,746
Fund Balance			
Beginning of year		452,150	
End of year		\$ 708,146	

CITY OF EVANSTON, ILLINOIS

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year February 28, 2009 and March 31, 2008 for City and Township respectively

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 967,209	\$ 956,854	\$ (10,355)
Interest	20,000	18,883	(1,117)
SSI reimbursement	5,000	29,163	24,163
Emergency assistance reimbursement	65,000	45,239	(19,761)
Total Revenues	1,057,209	1,050,139	(7,070)
Expenditures			
General management and support	1,106,848	994,167	(112,681)
(Deficiency) of Revenues (under) Expenditures	(49,639)	55,972	105,611
Other Financing Sources			
Transfers in Town Fund	125,000	125,000	-
Net Change in Fund Balance	<u>\$ 75,361</u>	180,972	<u>\$ 105,611</u>
Fund Balance			
Beginning of year		<u>808,836</u>	
End of year		<u><u>\$ 989,808</u></u>	

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual (Budgetary Basis)
 Year Ended February 28, 2009

	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	\$ 10,141,385	\$ 10,116,288	\$ 433,300	\$ 437,906	\$10,935,956	\$ 8,974,988	\$ 755,398	\$ 674,545
Prior year levy, net	-	(68,594)	-	13,895	-	232,951	-	-
Investment income	225,000	63,320	600	354	120,000	42,268	10,000	2,509
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>10,366,385</u>	<u>10,111,014</u>	<u>433,900</u>	<u>452,155</u>	<u>11,055,956</u>	<u>9,250,207</u>	<u>765,398</u>	<u>677,054</u>
Expenditures								
General management and support	200	336,375	500	-	335,000	-	-	-
Health and human resources development	-	-	-	-	-	-	800,000	800,000
Debt Service								
Principal	5,895,000	6,376,046	305,000	305,000	3,400,000	-	-	-
Interest	4,519,128	4,593,912	128,313	128,313	102,000	(55,361)	-	-
Fiscal agent fees	230,000	20,523	-	-	40,000	7,126	-	-
Total Expenditures	<u>10,644,328</u>	<u>11,326,856</u>	<u>433,813</u>	<u>433,313</u>	<u>3,877,000</u>	<u>(48,235)</u>	<u>800,000</u>	<u>800,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(277,943)</u>	<u>(1,215,842)</u>	<u>87</u>	<u>18,842</u>	<u>7,178,956</u>	<u>9,298,442</u>	<u>(34,602)</u>	<u>(122,946)</u>
Other Financing Sources (Uses)								
Operating transfers in (out)								
Bond Proceeds	-	13,160,000	-	-	-	-	-	-
Escrow Funding	-	(13,839,563)	-	-	-	-	-	-
Premiums and discounts	-	1,349,363	-	-	-	-	-	-
General	-	-	-	-	(325,000)	(325,000)	(24,100)	(24,100)
Economic Development	-	-	-	-	-	-	-	-
Special Assessment	328,944	328,944	-	-	-	-	-	-
Maple Avenue Garage	-	-	-	-	(4,600,000)	(4,600,000)	-	-
Sherman Garage	-	-	-	-	(1,872,829)	(1,872,829)	-	-
	<u>328,944</u>	<u>998,744</u>	<u>-</u>	<u>-</u>	<u>(6,797,829)</u>	<u>(6,797,829)</u>	<u>(24,100)</u>	<u>(24,100)</u>
Net Changes in Fund Balances	<u>\$ 51,001</u>	<u>(217,098)</u>	<u>\$ 87</u>	<u>18,842</u>	<u>\$ 381,127</u>	<u>2,500,613</u>	<u>\$ (58,702)</u>	<u>(147,046)</u>
Fund Balances								
Beginning of year		<u>1,173,659</u>		<u>13,991</u>		<u>337,195</u>		<u>62,286</u>
End of year		<u>\$ 956,561</u>		<u>\$ 32,833</u>		<u>\$ 2,837,808</u>		<u>\$ (84,760)</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
\$ 1,580,750	\$ 1,230,915	\$ 3,406,527	\$ 4,530,995	\$ 223,987	\$ 179,460	\$ 265,479	\$ 371,774	\$ 27,742,782	\$ 26,516,871
-	-	-	27,621	-	1,218	-	868	-	207,959
160,000	56,005	100,000	72,812	-	2,462	-	108	615,600	239,838
-	-	-	-	-	-	-	-	-	-
1,740,750	1,286,920	3,506,527	4,631,428	223,987	183,140	265,479	372,750	28,358,382	26,964,668
-	-	50,000	285	16,000	78,975	-	-	401,700	415,635
-	-	-	-	-	-	-	-	800,000	800,000
505,000	512,088	285,000	289,000	-	-	-	-	10,390,000	7,482,134
197,818	159,271	149,328	120,229	-	-	-	-	5,096,587	4,946,364
-	-	120,000	-	-	-	16,000	-	406,000	27,649
702,818	671,359	604,328	409,514	16,000	78,975	16,000	-	17,094,287	13,671,782
1,037,932	615,561	2,902,199	4,221,914	207,987	104,165	249,479	372,750	11,264,095	13,292,887
-	-	-	-	-	-	-	-	-	13,160,000
-	-	-	-	-	-	-	-	-	(13,839,563)
-	-	-	-	-	-	-	-	-	1,349,363
(141,600)	(141,600)	(151,900)	(151,900)	(120,400)	(120,400)	-	-	(763,000)	(763,000)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	328,944	328,944
-	-	-	-	-	-	-	-	(4,600,000)	(4,600,000)
-	-	(5,300,000)	(5,300,000)	-	-	-	-	(7,172,829)	(7,172,829)
(141,600)	(141,600)	(5,451,900)	(5,451,900)	(120,400)	(120,400)	-	-	(12,206,885)	(11,537,085)
<u>\$ 896,332</u>	473,961	<u>\$(2,549,701)</u>	(1,229,986)	<u>\$ 87,587</u>	(16,235)	<u>\$ 249,479</u>	372,750	<u>\$ (942,790)</u>	1,755,801
	<u>2,808,862</u>		<u>5,809,463</u>		<u>159,784</u>		<u>10,042</u>		<u>10,375,282</u>
	<u>\$ 3,282,823</u>		<u>\$ 4,579,477</u>		<u>\$ 143,549</u>		<u>\$ 382,792</u>		<u>\$ 12,131,083</u>

PROPRIETARY FUND TYPES

CITY OF EVANSTON, ILLINOIS

Nonmajor Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year ended February 28, 2009

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Sherman Garage	Total Nonmajor Proprietary Funds
Operating Revenues			
Charges for services	\$ 1,451,066	\$ 1,637,599	\$ 3,088,665
Miscellaneous	-	51,057	51,057
Total Operating Revenues	1,451,066	1,688,656	3,139,722
Operating Expenses Excluding Depreciation			
Operations	1,718,400	1,565,051	3,283,451
Total Operating Expenses Excluding Depreciation	1,718,400	1,565,051	3,283,451
Operating Income (Loss) Before Depreciation	(267,334)	123,605	(143,729)
Depreciation	733,931	1,023,172	1,757,103
Operating Income (Loss)	(1,001,265)	(899,567)	(1,900,832)
Nonoperating Revenues (Expenses)			
Investment income	119,529	150,946	270,475
Interest expense	(74,870)	(1,698,445)	(1,773,315)
Bond expenses and amortization of discount	(4,060)	-	(4,060)
Amortization of bond premium	-	81,333	81,333
Total Nonoperating Revenues (Expenses)	40,599	(1,466,166)	(1,425,567)
(Loss) Before Transfers and Contributions	(960,666)	(2,365,733)	(3,326,399)
Capital Contribution	-	13,936	13,936
Transfers In (Out)			
General Fund	650,000	-	650,000
Central Business Tax Increment District Fund	-	1,872,829	1,872,829
Washington Tax Increment District Fund	-	5,300,000	5,300,000
Economic Development Fund	4,600,000	-	4,600,000
Parking Fund	(28,936,069)	(4,901,718)	(33,837,787)
Transfers In (Out)	(23,686,069)	2,271,111	(21,414,958)
Change in Net Assets	(24,646,735)	(80,686)	(24,727,421)
Total Net Assets - Beginning of Year	24,646,735	80,686	24,727,421
Total Net Assets - End of Year	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

CITY OF EVANSTON, ILLINOIS

Nonmajor Proprietary Funds

Statement of Cash Flows
Year ended February 28, 2009

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Sherman Garage	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 1,457,883	\$ 1,688,656	\$ 3,146,539
Receipts from interfund services provided	-	727,072	727,072
Payments to suppliers	(1,364,974)	(1,618,864)	(2,983,838)
Payments for interfund services provided	(168,616)	(4,282,738)	(4,451,354)
Net Cash (Used for) Operating Activities	<u>(75,707)</u>	<u>(3,485,874)</u>	<u>(3,561,581)</u>
Cash Flows from Noncapital Financing Activities			
Transfers In (Out)			
General Fund	650,000	-	650,000
Central Business Tax Increment District Fund	-	1,872,829	1,872,829
Washington Tax Increment District Fund	-	5,300,000	5,300,000
Parking Fund	(7,378,460)	(5,270,730)	(12,649,190)
Economic Development Fund	4,600,000	-	4,600,000
Net Cash Provided by (used for) Noncapital Financing Activities	<u>(2,128,460)</u>	<u>1,902,099</u>	<u>(226,361)</u>
Cash Flows from Capital and Related Financing Activities			
Net proceeds from bond refundings	-	55,000	55,000
Principal paid on general obligation bonds	(4,000,000)	(5,340,000)	(9,340,000)
Interest paid on general obligation bonds	(74,870)	(1,334,957)	(1,409,827)
Proceeds from bond premium	-	813,334	813,334
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,074,870)</u>	<u>(5,806,623)</u>	<u>(9,881,493)</u>
Cash Flows from Investing Activities			
Interest income	119,529	150,946	270,475
Net Cash Provided by Investing Activities	<u>119,529</u>	<u>150,946</u>	<u>270,475</u>
Net (Decrease) in Cash and Equivalents	(6,159,508)	(7,239,452)	(13,398,960)
Cash and Equivalents			
Beginning of year	6,159,508	7,239,452	13,398,960
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation			
Cash and equivalents			
Unrestricted	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF EVANSTON, ILLINOIS

Nonmajor Proprietary Funds

Statement of Cash Flows - Continued
Year ended February 28, 2009

	Business-type Activities-Enterprise Fund		
	Maple Avenue Garage Fund	Sherman Garage	Total Nonmajor Proprietary Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (loss)	\$ (1,001,265)	\$ (899,567)	\$ (1,900,832)
Depreciation	733,931	1,023,172	1,757,103
Changes in assets and liabilities			
Other receivables	(3,580)	-	(3,580)
Interfund receivable	-	727,072	727,072
Accrued interest receivable	10,397	-	10,397
Interfund payable	(168,616)	(4,282,738)	(4,451,354)
Vouchers payable	353,426	(53,813)	299,613
Net Cash Provided by (Used for) Operating Activities	\$ (75,707)	\$ (3,485,874)	\$ (3,561,581)

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets

February 28, 2009

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Assets					
Current Assets					
Cash and equivalents	\$ 2,429,493	\$ 347,866	\$ 2,792,676	\$ 1,436,143	\$ 7,006,178
Restricted cash and equivalents and investments	-	673,537	616,556	1,152,599	2,442,692
Receivables					
Accounts - billed	941,803	-	-	-	941,803
Accounts - unbilled	821,253	-	-	-	821,253
Other Receivables	-	-	-	6,887	6,887
Accrued interest	-	-	15,017	-	15,017
Inventory	639,684	-	-	-	639,684
Total Current Assets	4,832,233	1,021,403	3,424,249	2,595,629	11,873,514
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	74,048	-	-	3,452,049	3,526,097
Capital assets being depreciated	67,068,536	-	-	-	67,068,536
Less accumulated depreciation	(18,207,726)	-	-	-	(18,207,726)
Total Capital Assets	49,490,273	-	-	3,452,049	52,942,322
Total Assets	\$ 54,322,506	\$ 1,021,403	\$ 3,424,249	\$ 6,047,678	\$ 64,815,836

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Net Assets
February 28, 2009

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Liabilities and Net Assets					
Current Liabilities					
Vouchers payable	\$ 361,238	\$ -	\$ -	\$ 324,987	\$ 686,225
Vouchers payable - restricted	-	-	-	352,599	352,599
Interest payable - restricted	-	15,259	-	-	15,259
Revenue bonds payable	437,500	-	-	-	437,500
Revenue bonds payable - restricted	-	87,500	-	-	87,500
Due to other funds	104,046	-	-	-	104,046
Other Payable	6,887	-	-	-	6,887
Compensated absences payable	309,768	-	-	-	309,768
Total Current Liabilities	1,219,439	102,759	-	677,586	1,999,784
Long-Term Liabilities					
Revenue bonds payable	1,720,000	-	-	-	1,720,000
OPEB liability	20,709	-	-	-	20,709
Compensated absences payable	166,904	-	-	-	166,904
Unamortized bond discount on bonds payable	14,677	-	-	-	14,677
Total Long-Term Liabilities	1,922,290	-	-	-	1,922,290
Total Liabilities	3,141,729	102,759	-	677,586	3,922,074
Net Assets					
Invested in capital assets, net of related debt	47,318,096	-	-	3,452,049	50,770,145
Restricted for debt service	-	570,778	616,556	-	1,187,334
Restricted for Capital Improvements	-	-	-	800,000	800,000
Unrestricted	3,862,681	347,866	2,807,693	1,118,043	8,136,283
Total Net Assets	51,180,777	918,644	3,424,249	5,370,092	60,893,762
Total Liabilities and Net Assets	\$ 54,322,506	\$ 1,021,403	\$ 3,424,249	\$ 6,047,678	\$ 64,815,836

CITY OF EVANSTON, ILLINOIS

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts
Year ended February 28, 2009

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
Increases				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ -	\$ -	\$ 3,088,671	\$ 3,088,671
Investment earnings	23,342	61,028	65,311	149,681
Total Increases	23,342	61,028	3,153,982	3,238,352
Decreases				
Bond principal	512,500	-	-	512,500
Bond interest	107,687	-	-	107,687
Purchase of capital assets	-	-	3,948,687	3,948,687
Payment of expense	300	90	273,384	273,774
Total Decreases	620,487	90	4,222,071	4,842,648
Net Increase (Decrease)	(597,145)	60,938	(1,068,089)	(1,604,296)
Net Assets				
Beginning of year	1,515,789	3,363,311	6,438,181	11,317,281
End of year	\$ 918,644	\$ 3,424,249	\$ 5,370,092	\$ 9,712,985

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, 2009

(With Comparative Totals for the Year Ended February 29, 2008)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 13,325,600	\$ 13,208,340	\$ 12,791,917
Miscellaneous	402,200	476,856	446,705
Total Operating Revenues	13,727,800	13,685,196	13,238,622
Operating Expenses Excluding Depreciation			
Administration	885,300	674,624	668,969
Operations			
Pumping	2,323,800	2,380,075	2,130,547
Filtration	2,219,600	1,944,713	1,798,666
Meter maintenance	341,200	341,754	313,627
Distribution	1,522,500	1,270,249	1,236,655
Other	934,300	981,720	936,511
Total Operating Expenses Excluding Depreciation	8,226,700	7,593,135	7,084,975
Operating Income Before Depreciation	5,501,100	6,092,061	6,153,647
Depreciation	-	1,417,334	1,405,617
Operating Income	5,501,100	4,674,727	4,748,030
Nonoperating Revenues (Expenses)			
Investment income	100,000	43,956	163,197
Interest expense	-	(107,687)	(125,746)
Bond expenses and amortization of discount	-	1,129	1,129
Net book value of capital assets disposed	-	(27,898)	-
Total Nonoperating Revenues (Expenses)	100,000	(90,500)	38,580
Income Before Transfers	5,601,100	4,584,227	4,786,610
Transfers In (Out)			
Transfer In	-	-	2,000,000
Transfer Out	(2,778,600)	(2,778,600)	(4,693,600)
Total Transfers In (Out)	(2,778,600)	(2,778,600)	(2,693,600)
Net Income	\$ 2,822,500	1,805,627	2,093,010
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		1,480,203	(1,611,437)
Increase in Unreserved Net Assets		3,285,830	481,573
Unreserved Net Assets			
Beginning of year		47,894,947	47,413,374
End of year		\$ 51,180,777	\$ 47,894,947

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

Year ended February 28, 2009

(With Comparative Totals for the Year Ended February 29, 2008)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 6,292,800	\$ 5,698,960	\$ 6,012,643
Skokie	3,238,800	2,689,305	3,158,396
Northwest Water Commission	3,794,000	4,820,075	3,620,878
Total Charges for Services	13,325,600	13,208,340	12,791,917
Miscellaneous			
Fees and outside work	80,000	156,678	97,437
Fees, merchandise and other	322,200	320,178	349,268
Total Miscellaneous	402,200	476,856	446,705
Total Operating Revenues	\$ 13,727,800	\$ 13,685,196	\$ 13,238,622

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, 2009

Assets	Fleet Services	Insurance	Totals
Current Assets			
Cash and equivalents	\$ 613,614	\$ 3,795,479	\$ 4,409,093
Receivables - other	33,537	-	33,537
Inventories	267,572	-	267,572
Total Unrestricted Current Assets	914,723	3,795,479	4,710,202
Capital Assets			
Cost	20,308,430	-	20,308,430
Accumulated depreciation	(14,079,046)	-	(14,079,046)
Total Capital Assets	6,229,384	-	6,229,384
Total Assets	7,144,107	3,795,479	10,939,586
Liabilities and Fund Equity			
Current Liabilities			
Vouchers payable	195,576	40,684	236,260
Compensated absences payable	80,389	-	80,389
Claims payable	-	2,395,337	2,395,337
Due to other funds	43,518	3,540	47,058
Total Current Liabilities	319,483	2,439,561	2,759,044
Long-Term Liabilities			
OPEB Liability	12,199	-	12,199
Claims payable	-	2,963,263	2,963,263
Total Long-Term Liabilities	12,199	2,963,263	2,975,462
Total Liabilities	331,682	5,402,824	5,734,506
Net Assets (Deficit)			
Invested in capital assets, net of related debt	6,229,384	-	6,229,384
Unrestricted	583,041	(1,607,345)	(1,024,304)
Total net assets (deficit)	\$ 6,812,425	\$ (1,607,345)	\$ 5,205,080

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Year ended February 28, 2009

	Fleet Services	Insurance	Totals
Operating Revenues			
Charges for Services			
General Fund	\$ 3,839,594	\$ 1,800,000	\$ 5,639,594
Sewer Fund	258,600	-	258,600
Water Fund	331,200	-	331,200
Motor Vehicle Parking System Fund	99,206	-	99,206
Miscellaneous	836	11,060	11,896
Total Operating Revenues	<u>4,529,436</u>	<u>1,811,060</u>	<u>6,340,496</u>
Operating Expenses			
General support	314,532	-	314,532
Major maintenance	3,497,043	-	3,497,043
Vehicle body maintenance	384	-	384
General liability claims	-	(705,888)	(705,888)
Workers compensation claims	-	3,016,295	3,016,295
Other	-	761,293	761,293
Total Operating Expenses	<u>3,811,959</u>	<u>3,071,700</u>	<u>6,883,659</u>
Operating Income (Loss) Before Depreciation	717,477	(1,260,640)	(543,163)
Depreciation	<u>1,225,265</u>	<u>-</u>	<u>1,225,265</u>
Operating Income (Loss)	<u>(507,788)</u>	<u>(1,260,640)</u>	<u>(1,768,428)</u>
Nonoperating Revenues (Expenses)			
Investment income	14,140	73,995	88,135
Gain (loss) on disposition of assets	<u>112,671</u>	<u>-</u>	<u>112,671</u>
Total Nonoperating Revenues (Expenses)	<u>126,811</u>	<u>73,995</u>	<u>200,806</u>
Change in Net Assets	(380,977)	(1,186,645)	(1,567,622)
Total Net Assets (Deficit) - Beginning of Year	<u>7,193,402</u>	<u>(420,700)</u>	<u>6,772,702</u>
Total Net Assets (Deficit)- End of Year	<u>\$ 6,812,425</u>	<u>\$ (1,607,345)</u>	<u>\$ 5,205,080</u>

CITY OF EVANSTON, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
Year ended February 28, 2009

	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 4,523,198	\$ 1,811,060	\$ 6,334,258
Receipts from interfund services provided	2,470	-	2,470
Payments to suppliers	(3,453,272)	(1,306,818)	(4,760,090)
Payments to employees	(329,447)	(3,016,295)	(3,345,742)
Payments for interfund services provided	-	2,474	2,474
Net Cash Provided by (used for) Operating Activities	<u>742,949</u>	<u>(2,509,579)</u>	<u>(1,766,630)</u>
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	112,671	-	112,671
Acquisition and construction of capital assets	(1,755,496)	-	(1,755,496)
Net Cash Used for Capital and Related Financing Activities	<u>(1,642,825)</u>	<u>-</u>	<u>(1,642,825)</u>
Cash Flows from Investing Activities			
Sale of investments	1,057,590	5,871,041	6,928,631
Interest income	14,140	73,995	88,135
Net Cash provided by Investing Activities	<u>1,071,730</u>	<u>5,945,036</u>	<u>7,016,766</u>
Net Increase in Cash and Cash Equivalents	171,854	3,435,457	3,607,311
Cash and Equivalents			
Beginning of year	<u>441,760</u>	<u>360,022</u>	<u>801,782</u>
End of year	<u>\$ 613,614</u>	<u>\$ 3,795,479</u>	<u>\$ 4,409,093</u>

Continued

CITY OF EVANSTON, ILLINOIS

Combining Statement of Cash Flows - Continued

Internal Service Funds
Year ended February 28, 2009

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash			
Provided by (Used for) Operating Activities			
Operating Income	\$ (507,788)	\$ (1,260,640)	\$ (1,768,428)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	1,225,265	-	1,225,265
Changes in assets and liabilities			
Increase/decrease in A/R miscellaneous	(7,802)	-	(7,802)
Other receivables	1,564	-	1,564
Interfund receivable	2,470	-	2,470
Inventories	105,458	-	105,458
Compensated absences	(21,231)	-	(21,231)
OPEB Liability	6,316	-	6,316
Accounts payable	(59,827)	18,439	(41,388)
Interfund payable	-	2,474	2,474
Vouchers payable	(1,476)	-	(1,476)
Claims payable	-	(1,269,852)	(1,269,852)
Net Cash Provided By (Used For) Operating Activities	\$ 742,949	\$ (2,509,579)	\$ (1,766,630)

Concluded

AGENCY FUND

CITY OF EVANSTON, ILLINOIS

Special Assessment Agency Fund

Statement of changes of Assets and Liabilities
Year Ending February 28, 2009

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

STATISTICAL SECTION (UNAUDITED)

Statistical Section

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

Contents

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Financial Trends

162 - 165

These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.

Revenue Capacity

166 - 168

These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.

Debt Capacity

169 - 171

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.

Demographic and Economic Information

172 - 173

These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.

Operating Information

174 - 179

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.

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					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities						
Invested in Capital Assets, net of related debt	\$ (9,753)	\$ 426	\$ 34,428	\$ 31,133	\$ 31,542	\$ 37,278
Restricted	33,415	32,811	31,169	30,034	23,168	26,238
Unrestricted	<u>32,861</u>	<u>43,010</u>	<u>15,408</u>	<u>25,171</u>	<u>28,231</u>	<u>17,539</u>
Total Governmental Activities net assets	<u>\$ 56,523</u>	<u>\$ 76,247</u>	<u>\$ 81,005</u>	<u>\$ 86,338</u>	<u>\$ 82,941</u>	<u>\$ 81,055</u>
Business-type Activities						
Invested in Capital Assets, net of related debt	\$ 103,339	\$ 114,442	\$ 129,084	\$ 140,621	\$ 159,185	\$ 172,399
Restricted	11,158	11,274	10,449	9,374	1,986	1,987
Unrestricted	<u>23,332</u>	<u>21,478</u>	<u>23,483</u>	<u>21,417</u>	<u>23,589</u>	<u>27,586</u>
Total Business-type Activities net assets	<u>\$ 137,829</u>	<u>\$ 147,194</u>	<u>\$ 163,016</u>	<u>\$ 171,412</u>	<u>\$ 184,760</u>	<u>\$ 201,972</u>
Primary Government						
Invested in Capital Assets, net of related debt	\$ 93,586	\$ 114,868	\$ 163,512	\$ 171,754	\$ 190,727	\$ 209,677
Restricted	44,573	44,085	41,618	39,408	25,154	28,225
Unrestricted	<u>56,193</u>	<u>64,488</u>	<u>38,891</u>	<u>46,588</u>	<u>51,820</u>	<u>45,125</u>
Total Primary Governemnt net assets	<u>\$ 194,352</u>	<u>\$ 223,441</u>	<u>\$ 244,021</u>	<u>\$ 257,750</u>	<u>\$ 267,701</u>	<u>\$ 283,027</u>

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

CITY OF EVANSTON, ILLINOIS

Changes in Net Assets

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses						
Governmental Activities						
General government	\$ 15,791	\$ 14,451	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017
Public Safety	39,237	31,168	45,951	46,368	48,763	49,484
Public Works	13,065	14,225	14,632	16,505	21,566	21,628
Health & Human Resource Development	5,370	5,843	4,781	6,108	4,982	4,546
Housing & Economic Development	5,973	6,757	6,850	7,924	7,090	6,965
Culture and Recreation	17,129	18,276	19,792	18,303	20,634	20,002
Interest on Long-term Debt	4,900	5,086	5,874	6,926	5,522	4,041
Total governmental activities expenses	<u>101,465</u>	<u>95,806</u>	<u>117,417</u>	<u>122,085</u>	<u>128,630</u>	<u>124,683</u>
Business-type Activities						
Water	8,992	8,176	8,760	8,778	8,668	9,391
Sewer	8,964	8,781	9,219	9,588	8,972	8,726
Motor vehicle parking system	3,468	4,777	2,904	2,963	2,403	8,896
Sherman garage	-	-	-	1,613	4,270	-
Maple avenue garage	3,028	3,148	3,096	2,910	2,682	-
Total Business-type Activities	<u>24,452</u>	<u>24,882</u>	<u>23,979</u>	<u>25,852</u>	<u>26,996</u>	<u>27,013</u>
Total primary government expenses	<u>\$ 125,917</u>	<u>\$ 120,688</u>	<u>\$ 141,396</u>	<u>\$ 147,937</u>	<u>\$ 155,625</u>	<u>\$ 151,696</u>
Program Revenues						
Governmental Activities						
Charges for Services						
General government	\$ 12,750	\$ 13,262	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348
Culture and Recreation	3,739	3,731	4,310	4,353	4,521	4,637
Other activities	6,799	9,253	10,293	8,779	14,518	10,817
Operating grants and contributions	3,480	3,713	3,441	3,679	5,982	4,589
Capital Grants and Contributions	1,459	212	1,127	185	118	113
Total governmental activities program revenues	<u>28,227</u>	<u>30,171</u>	<u>32,231</u>	<u>30,626</u>	<u>37,778</u>	<u>33,504</u>
Business-type activities						
Charges for Services						
Water	13,478	13,187	13,961	12,639	13,239	13,685
Sewer	15,436	14,913	16,077	14,394	14,239	13,774
Sherman garage	-	-	-	779	1,950	-
Motor vehicle parking system	3,266	3,011	2,965	3,059	3,084	6,719
Maple avenue garage fund	1,263	1,512	1,622	1,417	1,430	-
Total Business-type activities program revenues	<u>33,443</u>	<u>32,623</u>	<u>34,625</u>	<u>32,288</u>	<u>33,941</u>	<u>34,178</u>
Total primary government program revenues	<u>\$ 61,670</u>	<u>\$ 62,794</u>	<u>\$ 66,856</u>	<u>\$ 62,914</u>	<u>\$ 71,719</u>	<u>\$ 67,682</u>
Net (expense)/revenue						
Governmental activities	(73,238)	(65,635)	(85,186)	(91,459)	(90,852)	(91,179)
Business-type activities	<u>8,991</u>	<u>7,741</u>	<u>10,646</u>	<u>6,436</u>	<u>6,945</u>	<u>7,165</u>
Total Primary Government net expense	<u>(64,247)</u>	<u>(57,894)</u>	<u>(74,540)</u>	<u>(85,023)</u>	<u>(83,906)</u>	<u>(84,014)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property taxes	\$ 75,929	\$ 79,715	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217
Sales taxes	345	345	-	14,387	16,172	15,500
Investment earnings	1,710	1,547	2,997	3,752	3,653	360
Miscellaneous	2,096	4,996	1,412	17,287	25,799	26,684
Transfers	<u>(4,335)</u>	<u>(1,244)</u>	<u>(4,277)</u>	<u>(616)</u>	<u>(5,116)</u>	<u>(9,469)</u>
	75,745	85,359	89,942	96,793	87,455	89,292
Fund Balance Applied	-	-	-	-	-	-
Total governmental activities	<u>75,745</u>	<u>85,359</u>	<u>89,942</u>	<u>96,793</u>	<u>87,455</u>	<u>89,292</u>
Business-type activities						
Investment earnings	343	380	896	1,344	1,287	606
Miscellaneous	-	-	-	-	-	(28)
Transfers	<u>4,335</u>	<u>1,244</u>	<u>4,277</u>	<u>616</u>	<u>5,116</u>	<u>9,469</u>
Total business-type activities	<u>4,678</u>	<u>1,624</u>	<u>5,173</u>	<u>1,960</u>	<u>6,403</u>	<u>10,047</u>
Total primary government	<u>\$ 80,423</u>	<u>\$ 86,983</u>	<u>\$ 95,115</u>	<u>\$ 98,753</u>	<u>\$ 93,858</u>	<u>\$ 99,339</u>
Changes in Net Assets						
Governmental activities	\$ 2,507	\$ 19,724	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,887)
Business-type activities	<u>13,669</u>	<u>9,365</u>	<u>15,819</u>	<u>8,396</u>	<u>13,348</u>	<u>17,212</u>
Total primary government	<u>\$ 16,176</u>	<u>\$ 29,089</u>	<u>\$ 20,575</u>	<u>\$ 13,730</u>	<u>\$ 9,951</u>	<u>\$ 15,325</u>

Source: City Finance department

Note: A Ten Year History is not yet available.

CITY OF EVANSTON, ILLINOIS

Fund Balances, Governmental Funds

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 745	\$ 3,104	\$ 2,820	\$ 4,614	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275
Unreserved	9,327	11,341	12,438	13,110	14,375	15,209	18,804	24,866	24,840	19,752
Total general fund	<u>\$ 10,072</u>	<u>\$ 14,445</u>	<u>\$ 15,258</u>	<u>\$ 17,724</u>	<u>\$ 19,040</u>	<u>\$ 23,157</u>	<u>\$ 24,831</u>	<u>\$ 26,193</u>	<u>\$ 25,948</u>	<u>\$ 21,027</u>
All Other Governmental Funds										
Reserved	\$ 26,867	\$ 23,014	\$ 25,683	\$ 29,211	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757
Unreserved, reported in										
Special revenue funds	5,033	6,371	7,507	60,514	4,617	5,249	5,171	5,587	6,649	10,356
Capital Projects Funds	14,494	27,222	12,648	-	58,816	49,476	31,696	23,965	25,620	20,899
Total all other governmental funds	<u>\$ 46,394</u>	<u>\$ 56,607</u>	<u>\$ 45,838</u>	<u>\$ 89,725</u>	<u>\$ 92,183</u>	<u>\$ 85,486</u>	<u>\$ 70,804</u>	<u>\$ 61,293</u>	<u>\$ 62,008</u>	<u>\$ 63,012</u>

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 62,382	\$ 67,585	\$ 68,749	\$ 58,814	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035
Licenses, fees and permits	5,333	6,436	7,405	6,459	6,699	6,773	9,164	8,061	10,276	8,820
Fines and penalties	2,625	2,782	3,242	3,742	4,163	3,999	3,781	4,029	4,660	4,442
Charges for services	4,860	5,491	5,515	6,262	5,997	6,053	6,905	7,167	7,732	8,399
Special Assessments	-	-	-	208	217	365	546	565	520	516
Intergovernmental	7,259	5,448	5,859	19,116	18,586	21,618	21,106	21,402	22,625	21,013
Investment Earnings	2,477	3,297	2,458	1,255	1,650	1,540	2,970	3,695	3,402	272
Other Revenues	4,399	4,300	4,976	6,859	6,953	9,451	5,812	5,578	5,116	4,679
Total Revenues	89,335	95,339	98,204	102,715	108,098	116,543	125,945	127,634	130,098	132,176
Expenditures										
General Government	9,732	10,107	13,025	12,565	13,365	14,666	15,601	14,539	18,190	16,498
Public Safety	22,505	23,928	25,454	32,093	33,896	36,323	39,094	39,690	42,466	49,999
Public Works	12,678	12,037	11,655	10,847	11,119	12,070	13,242	14,282	18,868	18,913
Recreation and cultural opportunities	11,730	12,107	13,028	13,712	14,287	15,493	16,526	16,683	19,118	18,942
Health and Human Development	4,342	4,744	4,621	4,839	5,272	5,801	4,566	5,850	4,982	4,546
Housing and Economic Development	7,013	5,620	6,293	5,662	5,882	6,717	6,646	7,683	7,089	6,963
Pensions	8,537	8,801	9,277	4,209	2,688	1,372	4,628	5,645	-	-
Capital Outlay	6,047	10,464	16,837	13,301	9,941	18,208	42,087	18,986	12,416	8,209
Debt Service										
Interest	4,529	4,770	4,339	4,846	5,163	5,027	5,857	6,927	5,128	5,143
Fiscal agent fees	-	-	-	-	-	359	323	517	42	28
Principal	6,188	6,325	6,300	6,585	9,385	7,885	7,690	11,530	10,815	9,885
Total governmental activities expenditure	93,301	98,903	110,829	108,659	110,998	123,921	156,260	142,332	139,114	139,126
Net (expense)/revenue										
Governmental activities	(3,966)	(3,564)	(12,625)	(5,944)	(2,900)	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)
Other financing sources (uses)										
Proceeds from borrowing	\$ 37,251	\$ 15,314	\$ -	\$ 57,066	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340
Payment/Proceeds from refunding	(32,221)	-	-	-	-	-	-	-	-	-
Capitalized interest income	-	-	-	773	-	-	355	-	-	839
Capitalized interest expense	-	-	-	(773)	-	-	(355)	-	-	-
Proceeds sale property/other	45	-	318	40	-	-	-	-	-	-
Reduction in long term debt	-	-	-	(100)	-	-	-	-	-	-
Escrow funding	-	-	-	(4,072)	(12,718)	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)
Transfers in	7,705	3,526	5,619	8,259	9,762	6,020	7,032	6,529	8,975	5,927
Transfers (out)	(5,174)	(2,210)	(3,893)	(9,572)	(15,287)	(15,062)	(14,432)	(10,528)	(15,344)	(14,794)
Total Other financing sources (uses)	7,606	16,630	2,044	51,621	6,674	4,796	17,306	6,549	9,485	3,032
Net Changes in Fund Balance	\$ 3,640	\$ 13,066	\$ (10,581)	\$ 45,677	\$ 3,774	\$ (2,582)	\$ (13,009)	\$ (8,149)	\$ 469	\$ (3,917)
Debt Service as a percentage of noncapital expenditures	12.28%	12.55%	11.32%	11.99%	14.40%	12.21%	11.87%	14.96%	12.58%	11.48%

Source: City Finance department

CITY OF EVANSTON, ILLINOIS

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

Levy Year <u>Ended</u>	Residential <u>Property</u>	Farm <u>Property</u>	Commercial <u>Property</u>	Industrial <u>Property</u>	Railroad <u>Property</u>	Total Equalized Assessed <u>Value</u>	Total Actual <u>Value</u>	Total Tax <u>Rate</u>
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
2006	1,707,669,215	16,895	476,821,737	60,920,888	464,011	2,245,892,746	6,737,678,238	1.527
2007	2,149,123,958	16,895	560,536,782	62,154,048	508,346	2,772,340,029	8,317,020,087	1.283

Note: Property is reassessed once every three years. Equalized Assessed value is approximately 1/3 of actual value. Tax rates are per \$100 of Equalized assessed value.

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Principal Property Tax Payers

Current year and Nine Years Ago

Tax Payer	2008 (2007 EAV)			Tax Payer	1999 (1998 EAV)		
	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV		Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV
Golub & Company	29,797,204	1	1.07%	Rotary International	14,877,560	1	1.09%
Rotary International	22,909,065	2	0.83%	Individual Taxpayer	9,083,061	2	0.66%
RECP CBRE	22,617,724	3	0.82%	Church & Chgo Ltd Prtn	8,617,141	3	0.63%
Sherman Plaza LLC	20,703,729	4	0.75%	The OMNI Orrington Hotel	7,907,493	4	0.58%
Church St Plaza	18,678,155	5	0.67%	Taxpayer of Record	6,476,664	5	0.47%
Church & Chgo Ltd Prtn	15,530,484	6	0.56%	Taxpayer of Record	6,420,409	6	0.47%
Omni Orrington Hotel	14,454,696	7	0.52%	Bank One Bank Buildings	5,054,708	7	0.37%
Evanston Plaza Freed	14,046,480	8	0.51%	SB Yen Management Group	3,753,722	8	0.27%
Parliament Enterprises	13,329,516	9	0.48%	L.Solomon	3,372,609	9	0.25%
Evanston Hotel Assoc.	12,867,965	10	0.46%	First Dearborn Prop.	3,181,747	10	0.23%
Total	184,935,018		6.67%		68,745,114		5.02%
Total EAV	2,772,640,029			Total EAV	1,370,237,932		

Source: Evanston GIS Cook County 2007 AV by PIN Summary

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
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	33,249,612	96.66%	437,287	33,686,899	97.93%
2007	35,550,694	34,061,461	95.81%	400,850	34,462,311	96.94%
2008	38,044,671	See Note	See Note	See Note	See Note	See Note

Source: City Finance department

Note: Levy Year 2008 is collected beyond fiscal year end 2009 through 12/31/09

CITY OF EVANSTON, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Net Debt to Equalized Assessed Valuation	Net General Obligation Bonded Debt Per Capita
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
2008	74,239	2,245,892,746	181,750,000	6,146,567	81,455,000	94,148,433	4.19%	1,268.18
2009	74,239	2,772,340,029	171,945,001	7,317,930	62,079,183	102,547,888	3.70%	1,381.32

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 defensed 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, 2009

	Total Outstanding	Percentage of Debt Applicable to City of Evanston	City of Evanston's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	<u>\$ 115,961,136</u>	100.000%	<u>\$ 115,961,136</u>
Other bonded debt			
County of Cook	2,953,610,000	1.557%	45,987,708
Cook County Forest Preserve District	121,270,000	1.557%	1,888,174
Metropolitan Water Reclamation District	1,441,076,915	1.589%	22,898,712
High School District 202	20,806,445	88.620%	18,438,672
School District 65	34,520,000	88.620%	30,591,624
Skokie Park District	<u>10,910,000</u>	0.678%	<u>73,970</u>
Total Overlapping Debt	<u>4,582,193,360</u>		<u>119,878,860</u>
Total Direct and Overlapping Debt	<u>\$ 4,698,154,496</u>		<u>\$ 235,839,996</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		
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
2008	13,787,014	7,138,056	6,648,959	485,000	128,713	10.83
2009	13,878,833	7,866,909	6,011,924	510,000	110,913	9.68

Note:

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

Source: Various City departments

CITY OF EVANSTON, ILLINOIS

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population</u>	Per Capita Personal <u>Income</u>	Median <u>Age</u>	Education Level in Years <u>of Schooling</u>	School <u>Enrollment</u>	Unemployment <u>Rate</u>
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%
2008	74,239	39,103	32.5	13.6	9,550.0	4.6%
2009	74,239	-	32.5	13.6	9,550.0	4.7%

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Ten Years Ago

<u>Employer</u>	<u>2009</u>			<u>Employer</u>	<u>1999</u>		
	<u>Employees</u>	<u>%</u>	<u>Rank</u>		<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	5,325	36%	1	Northwestern University	5,650	38%	1
Evanston Northwestern Healthcare	3,780	25%	2	Evanston Northwestern Healthcare	3,400	23%	2
St. Francis Hospital	1,649	11%	3	St. Francis Hospital	2,000	13%	3
City of Evanston	1,000	7%	4	Evanston School District 65	1,100	7%	4
Evanston School District 65	700	5%	5	City of Evanston	780	5%	5
School district 202	566	4%	6	Presbyterian Homes/McGaw Care	500	3%	6
Presbyterian Homes/McGaw Care	533	4%	7	School District 202	480	3%	7
Rotary International	460	3%	8	Rotary International	410	3%	8
Jewel/Osco Food Stores	455	3%	9	Mather Foundation	400	3%	9
C.E. Neihoff & Co.	450	3%	10	National Louis University	300	2%	10
Total	<u>14,918</u>				<u>15,020</u>		

Source: City Economic Development Division
Morris Robinson

CITY OF EVANSTON, ILLINOIS

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Function/Program</u>										
General Government										
City Clerk	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	8.05	7.55	7.55	7.55	7.25	7.25	7.25	7.25	13.70	31.53
MBIS	16.75	17.75	20.75	21.50	21.80	22.80	24.80	23.80	25.50	-
Legal	6.50	7.50	7.50	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Human Resources	9.00	8.00	8.00	8.00	7.00	7.00	7.00	8.00	8.00	8.00
Finance	23.50	26.00	27.00	26.00	24.50	24.50	26.50	25.50	26.50	29.50
Facilities Management	23.00	23.00	24.00	23.00	23.00	23.10	21.10	21.20	-	-
Community Development	36.00	38.00	38.00	36.00	34.00	36.00	36.00	36.00	36.00	35.00
Police	211.00	211.80	214.80	212.30	213.80	217.50	219.50	221.75	220.75	220.75
Fire	109.00	109.00	109.00	109.00	109.00	109.00	110.00	111.00	111.00	112.00
Human & Health Services	45.93	45.73	45.03	41.73	39.54	39.30	39.30	40.15	29.68	24.90
Public Works	92.51	91.50	90.50	90.00	90.00	90.25	91.25	90.25	108.45	105.45
Human Relations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	-	-
Library	65.52	65.52	66.37	67.17	66.20	66.65	67.18	67.19	66.69	69.35
Recreation, Parks & Forestry	93.38	112.22	124.82	122.25	113.94	119.20	121.30	119.90	115.90	112.75
Total General Fund	<u>747.14</u>	<u>770.57</u>	<u>790.32</u>	<u>777.50</u>	<u>762.03</u>	<u>775.55</u>	<u>784.18</u>	<u>784.99</u>	<u>771.17</u>	<u>758.23</u>
Emergency Telephone System	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
CDBG	2.00	2.00	3.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic Development Fund	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.30	2.30
Downtown II TIF Fund	-	-	-	-	-	-	-	1.00	-	-
Maple Ave. Garage	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Parking Systems	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.50	14.50	14.50
Special Engineering	-	-	-	-	-	-	-	-	-	-
Water	42.50	44.00	44.00	44.00	44.00	43.00	43.00	43.00	43.00	43.00
Sewer	13.50	14.00	14.00	14.00	14.00	14.00	13.50	14.00	14.00	14.00
Fleet Services	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	15.00	15.00
Insurance Fund	-	-	-	2.00	1.30	1.30	1.30	1.30	1.00	2.00
Total Other Funds	<u>91.45</u>	<u>94.45</u>	<u>95.95</u>	<u>96.45</u>	<u>96.75</u>	<u>95.75</u>	<u>97.25</u>	<u>99.25</u>	<u>95.80</u>	<u>97.80</u>
Total All Funds	<u>838.59</u>	<u>865.02</u>	<u>886.27</u>	<u>873.95</u>	<u>858.78</u>	<u>871.30</u>	<u>881.43</u>	<u>884.24</u>	<u>866.97</u>	<u>856.03</u>

Source: City of Evanston Budget Division

CITY OF EVANSTON, ILLINOIS

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

Last Ten Levy Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Government Unit										
City of Evanston	1.888	1.934	2.033	1.628	1.610	1.698	1.528	1.491	1.527	1.283
Consolidated Elections	-	0.023	-	0.032	-	0.029	-	0.014	-	0.012
Cook County	0.911	0.854	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446
Cook County Forest Preserve District	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	-
Metropolitan Water Reclamation District	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263
North Shore Mosquito Abatement District	0.011	0.011	0.011	0.010	0.009	0.009	0.008	0.008	0.009	0.008
Evanston Township	0.072	0.072	0.077	0.064	0.062	0.065	0.056	0.055	0.058	0.050
Community College 535	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158	0.166	0.141
School District 202	2.905	2.865	2.977	2.469	2.349	2.444	2.078	2.023	2.099	1.750
School District 65	4.126	4.073	4.232	3.516	3.343	3.475	2.978	2.890	3.045	2.535
Total tax rate for property not in park district or special service district	10.642	10.532	10.859	9.126	8.680	8.960	7.810	7.552	7.750	6.541
Percent of total tax rate levied by City of Evanston	17.7%	18.4%	18.7%	17.8%	18.5%	19.0%	19.6%	19.7%	19.7%	19.6%

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>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Residential	2,875,669	2,842,137	2,711,271	2,734,202	2,639,717	2,506,887	2,720,807	2,388,360	2,375,942	2,260,284
Industrial	42,440	42,748	41,895	37,076	36,015	22,010	20,096	16,307	16,579	15,722
Commercial	1,306,272	1,252,818	1,337,280	1,395,576	1,415,895	1,318,236	1,267,657	1,278,334	1,240,591	1,193,241
Government	97,565	101,021	113,349	112,007	90,908	86,096	109,121	96,777	100,278	89,420
Total	4,321,946	4,238,724	4,203,795	4,278,861	4,182,535	3,933,229	4,117,681	3,779,778	3,733,390	3,558,667
Total direct rate per 100 cubic feet	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 1.52

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

<i>Type of Customer</i>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Evanston residents/businesses	\$ 6,774,380	\$ 6,811,100	\$ 6,606,091	\$ 6,711,004	\$ 6,665,158	\$ 6,559,026	\$ 6,706,644	\$ 5,804,517	\$ 6,012,643	\$ 5,430,019
Village of Skokie	2,908,102	2,918,766	2,859,685	3,011,018	2,959,732	2,802,720	3,018,734	2,891,834	3,158,396	2,689,304
Northwest Water Commission	3,367,773	3,283,048	3,247,291	3,434,685	3,367,253	3,377,407	3,750,200	3,497,989	3,620,878	4,820,074
Total	<u>\$13,050,255</u>	<u>\$13,012,914</u>	<u>\$12,713,067</u>	<u>\$13,156,707</u>	<u>\$12,992,143</u>	<u>\$12,739,153</u>	<u>\$13,475,578</u>	<u>\$12,194,340</u>	<u>\$12,791,917</u>	<u>\$12,939,397</u>

Source: City Water department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Function/Program</u>										
Police										
Violent Offenses	349	393	270	314	293	266	226	224	282	299
Property Offenses	4,819	4,858	4,174	4,122	3,318	3,145	2,965	2,942	2,825	2,739
911 Calls Received	27,893	29,052	37,201	55,125	55,383	56,650	56,650	55,795	59,135	56,717
Fire										
Emergency responses	7,432	7,566	7,925	8,003	8,106	7,624	8,135	8,173	8,517	9,134
Fires extinguished	259	247	227	218	225	199	287	220	192	185
Inspections	2,600	-	2,940	3,071	2,664	2,194	1,496	1,320	1,050	1,810
Other Public Works										
Street resurfacing (estimated miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Parks and Recreation										
Athletic field usage (hours)	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	15,561	15,165	17,121
Picnic permits issued	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	319	373	403
Library										
Volumes in collection	437,104	455,481	463,263	477,768	491,064	520,458	486,031	495,575	458,017	502,019
Total volumes borrowed	858,343	839,701	878,990	887,773	868,837	880,561	893,841	897,141	867,743	945,952
Water										
New connections	44	55	68	47	70	59	74	104	61	57
Water main breaks	59	53	34	65	41	45	78	48	36	52
Average daily consumption (millions of gallons)	50.33	47.16	37.16	36.22	37.74	37.31	41.44	41.41	42.91	40.09
Peak daily consumption (millions of gallons)	80.74	69.12	75.50	75.50	73.17	60.98	80.46	66.49	66.00	65.40

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

	Calendar Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Function/Program</u>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	162	162	161	161	161	161	161	162	162	165
Fire Stations	5	5	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	147.0	147.0	147.0	147.0	147.0	147.0	147.0	147.0	147	147
Streetlights	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641	5,641
Parks and Recreation										
Acreage	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	51	51	51	51	51
Baseball/softball diamonds	18	18	18	18	18	18	18	18	18	18
Soccer/football fields	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	159.0	159.0	159.0	159.0	159.0	159.0	159.0	159.0	157	157
Fire hydrants	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,370	1,370
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

TAX INCREMENT FINANCING DISTRICT
REQUIREMENTS

INDEPENDENT AUDITOR'S COMPLIANCE REPORT

To Honorable Elizabeth B. Tisdahl, 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, 2009, and have issued our report dated August 20, 2009. 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.



Oak Brook, Illinois
August 20, 2009