

**CITY OF EVANSTON, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**  
**February 28, 2010**

**Prepared by Finance Department**

# CITY OF EVANSTON, ILLINOIS

## Table of Contents

---

INTRODUCTORY SECTION	PAGE
Principal Officials	2
Organization Chart	3
Letter of Transmittal	4
Certificate of Achievement for Excellence in Financial Reporting	13
 FINANCIAL SECTION  	
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	15
MANAGEMENT'S DISCUSSION AND ANALYSIS	18
<u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Assets	26
Statement of Activities	28
Governmental Funds Balance Sheet	30
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Proprietary Funds Statement of Net Assets	33
Proprietary Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	35
Proprietary Funds Statement of Cash Flows	36
Fiduciary Funds - Statement of Net Assets	38
Fiduciary Funds - Pension Trust Funds - Statement of Changes in Plan Net Assets	39
Notes to the Financial Statements	
Index for Notes to the Financial Statements	40
Notes to the Financial Statements	43
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Firefighters' Pension Fund, Police Pension Fund, and Illinois Municipal Retirement Fund - Schedules of Funding Progress and Post Employment Benefits	102
Firefighters' and Police Pension Funds - Schedules of Employer Contribution	103
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	104

# CITY OF EVANSTON, ILLINOIS

## Table of Contents

---

---

FINANCIAL SECTION (Continued)	PAGE
Notes to the Required Supplementary Information	
Digest of Changes - IMRF	105
Conversion from GAAP basis to Budgetary basis	105
 COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES  	
<u>GOVERNMENTAL FUND TYPES</u>	
Nonmajor Governmental Funds Combining Balance Sheet	110
Nonmajor Governmental Funds Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	115
 GENERAL FUND	
Schedule of Revenues - Budget and Actual (Budgetary Basis)	120
Schedule of Expenditures - Budget and Actual (Budgetary Basis)	127
 SPECIAL REVENUE FUNDS	
Motor Fuel Tax Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	129
Economic Development Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	130
Emergency Telephone System Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	131
Affordable Housing Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	132
Community Development Block Grant Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	133
Schedule of Expenditures - Budget and Actual (Budgetary Basis)	134
Special Service District No. 4 Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	137

# CITY OF EVANSTON, ILLINOIS

## Table of Contents

---

---

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued)	PAGE
Township - Town Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	138
Township - General Assistance Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	139
<b>DEBT SERVICE FUNDS</b>	
All Funds	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis)	140
<b><u>PROPRIETARY FUND TYPES</u></b>	
<b>WATER FUND</b>	
Schedule of Net Assets	143
Schedule of Changes in Net Assets - Reserved - Restricted Accounts	145
Operation and Maintenance Account - Schedule of Revenues, Expenses, and Changes in Unreserved Net Assets - Budget and Actual	146
Operation and Maintenance Account - Schedule of Operating Revenues Budget and Actual	147
<b>INTERNAL SERVICE FUNDS</b>	
All Funds	
Combining Statement of Net Assets	149
Combining Statement of Revenues, Expenses, and Changes in Net Assets	150
Combining Statement of Cash Flows	151
<b>AGENCY FUND</b>	
Special Assessment Agency Fund	
Statement of changes of Assets and Liabilities	154

# CITY OF EVANSTON, ILLINOIS

## Table of Contents

---

STATISTICAL SECTION (UNAUDITED)	PAGE
Net Assets by Component	157
Changes in Net Assets	158
Fund Balances - Governmental Funds	159
Changes in Fund Balances - Governmental Funds	160
Equalized Assessed Value and Actual Value of Taxable Property	161
Principal Property Tax Payers	162
Property Tax Levies and Collections (City) - Last Ten Levy Years	163
Ratio of General Bonded Debt Outstanding	164
Direct and Overlapping Governmental Activities	165
Pledged - Revenue Coverage	166
Demographic and Economic Statistics - Last Ten Years	167
Principal Employers	168
Full-Time Equivalent City Government Employees by Function	169
Property Tax Rates per \$100 - Direct and Overlapping Governments	170
Water Sold by Type of Customer (in 100 cubic feet)	171
Water Sold by Major Customers	172
Operating Indicators by Function/Program	173
Capital Assets Statistics by Function	174
TAX INCREMENT FINANCING DISTRICT REQUIREMENTS	
Independent Accountants' Report on Compliance - Tax Increment Financing Districts	176

# INTRODUCTORY SECTION

**CITY OF EVANSTON, ILLINOIS**

Principal Officials

February 28, 2010

---

**LEGISLATIVE**

**CITY COUNCIL**

Elizabeth B. Tishdal, Mayor

Judy Fiske  
Lionel Jean-Baptiste  
Melissa A. Wynne  
Donald N. Wilson

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

**EXECUTIVE**

Wally Bobkiewicz, City Manager

Marty Lyons, Assistant City Manager / Treasurer

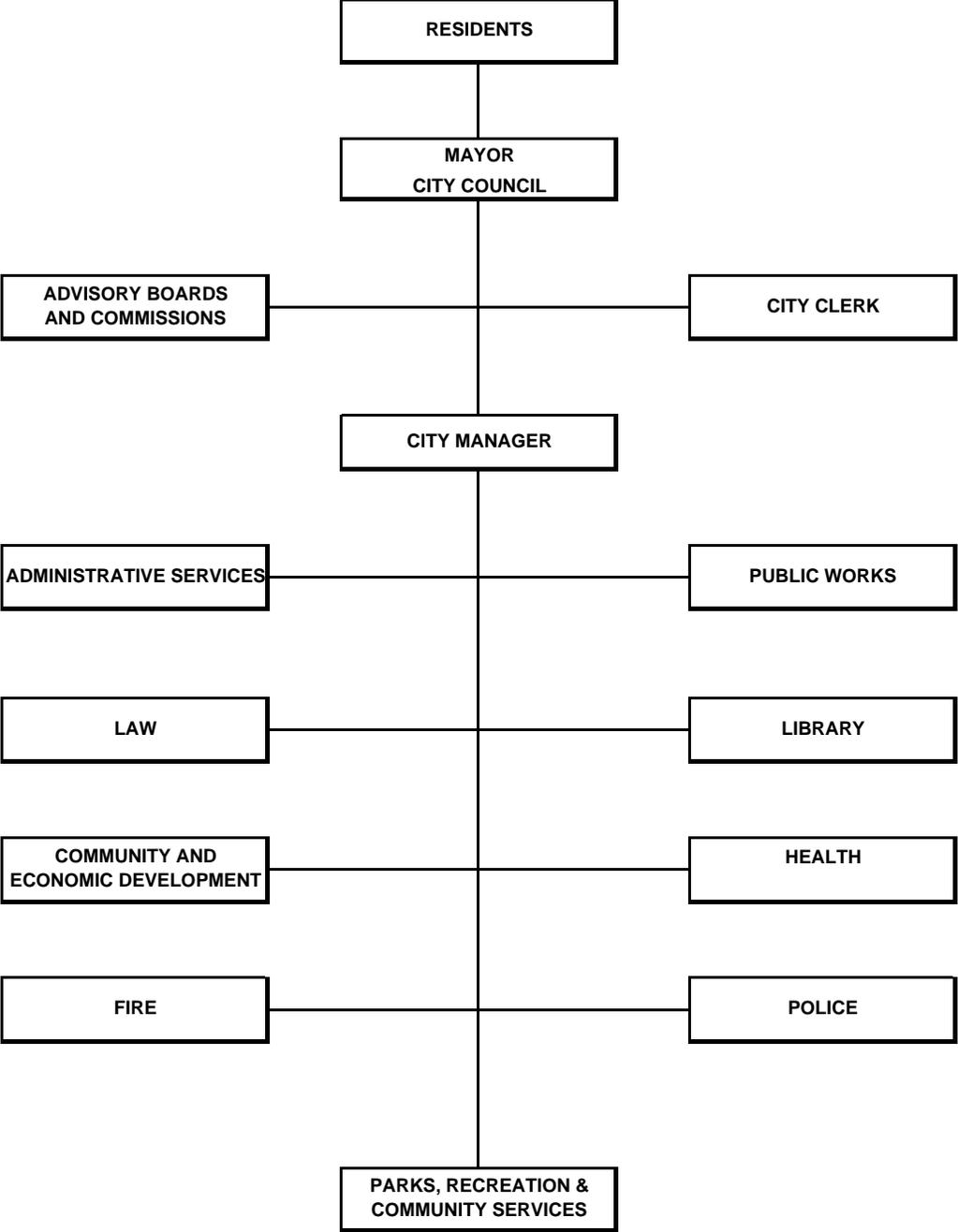
**ADMINISTRATIVE SERVICES DEPARTMENT**

Joellen Earl, Administrative Services Director

Steven Drazner, Finance Division Manager

Hitesh Desai, Accounting Manager

**CITY OF EVANSTON  
ORGANIZATION CHART**





City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

August 23, 2010

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, 2010 is hereby submitted. The CAFR is prepared by the City's Administrative Services 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 generally accepted accounting principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit, including the schedule of federal financial

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

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 has the same members as the City Council. The financial statements of Evanston Township are included in the reporting entity. Although the Township is a legally separate entity, it is considered a component unit; therefore, data from the Township is blended with data of the City.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended February 28, 2010, 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, 2010, 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

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

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.

Currently, about 4,100 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 estate property taxes.

The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected for a four-year term. The Aldermen each represent one of nine wards and are elected to terms of four years. The City Council is organized into four standing committees: Administration and Public Works, Human Services, Planning and Development, and Rules. The City Council has also established several special committees, commissions and advisory boards.

The City Manager is the Chief Administrative Officer of the City and is responsible for the management of all City operations under the direction of the City Council. The City Manager appoints and supervises the directors of the City's ten departments. The Administrative Services Department Director is responsible for the central financial and administrative functions of the City.

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

The City provides a broad range of municipal services, including police and fire protection, streets and parking, water and sewer service, public libraries, health services, lakefront beaches, parks and recreation activities, cultural events, and community and economic development activities.

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

**Budget Process:** The City's 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 Council recently passed an ordinance changing the fiscal year to a calendar year effective on year ending December 31, 2011. This will result in a ten months fiscal year from March 1, 2011 to December 31, 2011. The subsequent fiscal year will be full 12 calendar months cycle from January 1, 2012 to December 31, 2012. Because of this change resulting in a shorter ten month year, the City staff has already started a budget process for fiscal year 2011. The Council is expected to adopt the budget by November, 2010.

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 property taxes are budgeted as revenue in the year for which they are levied. 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.

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

Each fund is a separate self-balancing accounting entity. In the City, there are three categories of funds: governmental, proprietary, and fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of 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 other funds. In the fiscal year 2010/2011, the City projects that 38.6% (\$86.6 million) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, Employer Pension Contribution, Parking, Water, and Sewer Funds.

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

**Financial Control Procedures:** The City reports financial results based on generally accepted accounting principles as promulgated by the 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 Administrative Services Department. Disbursements are made only if expenditures are within the authorized budget.

## **MAJOR INITIATIVES**

The City Manager's Office will: complete reorganization activities to increase the City's legislative and intergovernmental presence at the regional, state and federal level, will complete the re-launch of the City's award winning web-site, and will continue to strengthen relations with Northwestern University.

The Law Department will: Provide legal support to all City departments including but not limited to the preparation of ordinances, resolutions and agreements and contracts as needed to effectively operate the City. The department will provide legal counsel to the City Council and the Township Board of Trustees. In 2009-10 the department began the transition of litigation in-house to improve cost effectiveness, results, and responsiveness; and working with the City Clerk's office began the implementation of new Illinois Freedom of Information Act policies, procedures, and training programs for all City departments.

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

The Administrative Services Department will: procure a new financial and human resources software application to increase efficiencies and reduce operating costs; continue to receive the GFOA award for excellence in financial reporting and budgeting; conduct internal control audits; provide training for purchasing policies and procedures; work with Departments to support reorganizations approved in the fiscal year 2010/2011 budget; conduct a classification and compensation study; complete the implementation of Accela license and permit software, procure a new software application to improve parking sticker and permit sales.

The Community and Economic Development Department will: continue promoting economic development, neighborhood revitalization and affordable housing including the major initiative of administering the \$18 million Neighborhood Stabilization Program 2 Grant designed to mitigate major foreclosures in two separate City census tracks. The department will also complete zoning amendments implementing the downtown plan; complete the final neighborhood plan within the West Evanston Master Plan; continue implementing the permits and license system.

The Police Department will: purchase new cameras and related equipment for use within the Evanston community; continue towards the replacement of the current firing range. The department will also perform a complete upgrade of the E911 facility located in the Police department. The department will continue neighborhood policing efforts that have resulted in a crime rate decrease of more than 15%.

The Fire Department will: conduct a self assessment of its Insurance Services Organization rating; coordinate emergency management for all City locations; provide advanced pediatric life support training to all paramedics, implement a broadcast callback notification system to alert members.

The Health Department will: outreach to at least 2,000 individuals regarding environmental health issues; plan and execute one public health emergency preparedness exercise; survey all risk category 1 food establishments to determine baseline food safety; provide a training seminar to home day care businesses focusing on universal precautions; expand summer youth employment program opportunities; sponsor and coordinate the annual youth summit; establish and grow the youth commission; coordinate continued workforce development group meetings to develop city based employment program.

The Public Works Department will: implement revisions in the delivery of sanitation services; develop a five year street maintenance plan; complete construction of a new salt dome; improve employee and fiscal accountability by expanding City Works management program to cover street maintenance activities; develop a citywide

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

pedestrian safety plan that encompasses engineering, education and enforcement; implement a comprehensive recycling program for business/commercial districts and major parks, complete a comprehensive fleet maintenance plan.

The Library Department will: reorganize the technical services functions to gain efficiencies by purchasing the majority of books shelf-ready; review space needs and allocation of the main Library to ensure responsible upkeep and maintenance; identify technology applications to streamline processes in circulation, interlibrary loan and support services; update the collection development plan to help ensure a strong and vibrant collection.

The Parks, Recreation and Community Services will: continue to increase collaborations with local social service agencies to provide educational and program experiences; upgrade the RecTrac registration system; develop an informational brochure listing volunteer opportunities in the Department, promote the sale of extra boat racks; develop and promote a "green market" concept for the 2001 Farmer's Market; continue the three year cycle of elm injections; continue the implementation process of the Lakefront Master Plan; work with City staff and community groups to promote programs and events; develop and launch EcoTravelers, a new camp designed for grades 3-4; work with the Sustainability Coordinator to reduce energy consumption in City owned buildings; modify employee timekeeping and tracking in the computer maintenance management system.

## **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. City property tax revenues remained stable during this year, however economically sensitive revenues such as sales tax, income tax, utility taxes and real-estate transfer taxes were down compared to the previous year. The City's 2010-11 budget reflected these decreases and the City reduced General Fund expenses to match decreased revenues.

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

City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

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

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended February 28, 2009. 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.

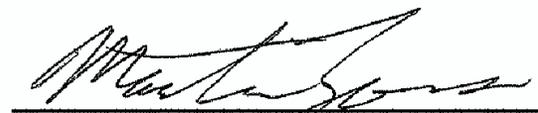
City Manager's Office  
2100 Ridge Avenue  
Evanston, Illinois 60201  
T 847.328.2100  
TTY 847.448.8064  
[www.cityofevanston.org](http://www.cityofevanston.org)

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual March 1, 2009 budget. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization.

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

Sincerely,

  
\_\_\_\_\_  
Wally Bobkiewicz  
City Manager

  
\_\_\_\_\_  
Martin Lyons  
Assistant City Manager/Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Evanston  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
February 28, 2009

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.



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, reading "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, 2010, 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, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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 28, 2009, which are not presented with the accompanying financial statements. In our report dated August 20, 2009, 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 2009 amounts reported in the schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended February 28, 2009, 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.

*Baker Tilly Viechow Krouse, LLP*

Oak Brook, Illinois  
August 23, 2010



## MANAGEMENT'S DISCUSSION AND ANALYSIS

**FEBRUARY 28, 2010**

---

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 \$13,842,065 or 4.9% from the prior fiscal year reported . The governmental net assets decreased by \$5,901,147 or 7.3% from prior year and the business-type activities net assets increased by \$19,743,212 or 9.8% from prior year.
- B. The governmental activities revenue increased by \$2,646,538 or 2.0% from the prior year. The expenditures increased by \$2,430,074 or 1.9%.
- C. The business-type activities revenue decreased by \$1,959,881 or 5.6%. The expenditures decreased by \$259,457 or 1.0% from the prior year.
- D. The total cost of all City programs increased by \$2,170,617 or 1.4%.

### USING THIS ANNUAL REPORT

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

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

### REPORTING THE CITY AS A WHOLE

#### Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 26 - 29 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

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

The City has three kinds of funds:

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

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

Budgetary comparison statement for General Fund is included in the required supplementary section of this report. Budgetary comparison schedules for various special revenue funds and the debt service funds can be found in the supplementary information section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic government fund financial statements are presented on pages 30 -31 of this report.

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

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both short-term and long-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the Water Fund and the Township. Individual fund information for internal service funds is found in combining schedules in a later section of this report.

The basic proprietary fund financial statements are presented on pages 33 - 37 of this report.

*Fiduciary funds* such as the 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 101 - 105 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 110. Additional information on capital assets and long-term debt can be found on page 63 and 72 respectively.

## Financial Analysis of the City as a Whole

The City's combined net assets increased by \$13,842,065 from prior year. This is an increase from \$283,027,403 to \$296,869,468.

### STATEMENT OF NET ASSETS

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 107,966,203	\$ 130,202,506	\$ 32,307,260	\$ 35,759,899	\$ 140,273,463	\$ 165,962,405
Capital Assets	157,591,213	152,418,411	331,797,574	332,618,681	489,388,787	485,037,092
Total Assets	<u>265,557,416</u>	<u>282,620,917</u>	<u>364,104,834</u>	<u>368,378,580</u>	<u>629,662,250</u>	<u>650,999,497</u>
Long-Term Liabilities	152,220,199	158,340,533	139,124,716	161,850,922	291,344,915	320,191,455
Other Liabilities	38,183,404	43,225,424	3,264,463	4,555,215	41,447,867	47,780,639
Total Liabilities	<u>190,403,603</u>	<u>201,565,957</u>	<u>142,389,179</u>	<u>166,406,137</u>	<u>332,792,782</u>	<u>367,972,094</u>
Net Assets						
Investment in Capital assets, net of Debt	41,109,175	30,384,446	192,920,612	172,398,892	234,029,787	202,783,338
Restricted	23,645,043	25,078,442	3,378,465	1,987,334	27,023,508	27,065,776
Unrestricted	10,399,595	25,592,072	25,416,578	27,586,217	35,816,173	53,178,289
Total Net Assets	<u>\$ 75,153,813</u>	<u>\$ 81,054,960</u>	<u>\$ 221,715,655</u>	<u>\$ 201,972,443</u>	<u>\$ 296,869,468</u>	<u>\$ 283,027,403</u>

The City's total revenues increased by \$686,567 or 0.4%. The City's total expenditures for all programs increased by \$2,170,617, or 1.4%. Governmental activity total revenue increased \$2,646,538 primarily due to an increase in Capital Grants and property taxes. Expenditures in the governmental activities increased by \$2,430,074, primarily due to higher amounts spent in Housing and Economic development. The revenue for business-type activities decreased slightly from \$34,755,915 to \$32,796,034 or \$1,959,881. This is mainly due to a decrease in Water and Sewer revenues. In summary, overall revenues increased by \$686,657 from \$167,020,878 to \$167,707,535.

Governmental Funds: The governmental activities experienced a net assets balance decrease of \$5,901,147. This was primarily due to \$13,176,138 transfers from Central Business Tax Increment District to Parking Fund offset by \$7,799,142 net operating revenue.

Business Funds: The business-type activity fund balance experienced an increase in net assets of \$19,743,212. This is primarily due to surpluses in the Water & Sewer Funds of \$6,018,157 and \$13,725,055 from the consolidated Parking Fund. The surplus in the Water Fund was the result of additional investment in fixed assets. The surplus in the Sewer Fund and Parking Fund was due to debt retirement.

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

**STATEMENT OF CHANGES IN NET ASSETS**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenue						
Program Revenues:						
Charges for services	\$ 25,935,527	\$ 28,274,175	\$ 32,709,014	\$ 34,178,159	\$ 58,644,541	\$ 62,452,334
Operating grants and contributions	5,897,899	5,117,149	-	-	5,897,899	5,117,149
Capital grants and contributions	4,037,167	113,000	-	-	4,037,167	113,000
General Revenues:						
Sales taxes	14,880,164	15,499,781	-	-	14,880,164	15,499,781
Property taxes	58,839,049	56,217,108	-	-	58,839,049	56,217,108
Utility taxes	7,856,422	8,802,973	-	-	7,856,422	8,802,973
Other taxes	16,744,138	17,880,644	-	(27,898)	16,744,138	17,852,746
Investment income	721,135	360,133	87,020	605,654	808,155	965,787
Total Revenue	<u>134,911,501</u>	<u>132,264,963</u>	<u>32,796,034</u>	<u>34,755,915</u>	<u>167,707,535</u>	<u>167,020,878</u>
Expenses						
General management and support	19,772,716	18,017,293	-	-	19,772,716	18,017,293
Public safety	50,488,218	49,484,161	-	-	50,488,218	49,484,161
Public works	18,509,233	21,627,529	-	-	18,509,233	21,627,529
Health and human resources development	4,760,324	4,545,632	-	-	4,760,324	4,545,632
Recreation and cultural opportunities	20,066,105	20,001,518	-	-	20,066,105	20,001,518
Housing and economic development	9,120,080	6,964,810	-	-	9,120,080	6,964,810
Interest	4,395,683	4,041,342	-	-	4,395,683	4,041,342
Water	-	-	9,133,593	9,390,801	9,133,593	9,390,801
Sewer	-	-	8,778,917	8,725,626	8,778,917	8,725,626
Motor vehicle parking system	-	-	8,840,601	8,896,141	8,840,601	8,896,141
Total Expense	<u>127,112,359</u>	<u>124,682,285</u>	<u>26,753,111</u>	<u>27,012,568</u>	<u>153,865,470</u>	<u>151,694,853</u>
Increase in net assets before transfers	7,799,142	7,582,678	6,042,923	7,743,347	13,842,065	15,326,025
Transfers	(13,700,289)	(9,468,972)	13,700,289	9,468,972	-	-
Increase/(Decrease) in Net Assets	(5,901,147)	(1,886,294)	19,743,212	17,212,319	13,842,065	15,326,025
Net Assets - Beginning	<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>
Net Assets - Ending	<u>\$ 75,153,813</u>	<u>\$ 81,054,960</u>	<u>\$ 221,715,655</u>	<u>\$ 201,972,443</u>	<u>\$ 296,869,468</u>	<u>\$ 283,027,403</u>

**Financial Analysis of the City's Funds**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statement with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported fund balances of \$69,223,932 as a year-end total which includes \$20,500,163 unreserved/undesignated, \$18,185,695 unreserved/designated and \$30,538,074 reserved. The reserved fund balance consists of amounts required to be set aside by external authorities as well as capital (unspendable) assets.

(Unaudited)

### *Major Governmental Funds*

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund slightly decreased by \$839,267 primarily due to a decrease in revenues mostly offset by reduced expenditures and an increase in transfers to the General Fund. Some revenues that came in better than anticipated were the property tax, motor fuel tax and parking tax. Real estate transfer tax, utility tax, building permits and state income tax revenues were significantly lower than budgeted. All departments spent less than budgeted amounts with the exception of Police and Fire who were \$1,124,093 over budget primarily due to overtime and contractual payouts.

The Capital Improvements fund accounts for the City's governmental funds capital improvement program. The program includes improvements to public buildings, paving of city streets, improvement and development of recreation facilities and other improvements. The fund balance of the Capital Improvements fund decreased by \$7,748,709, from \$13,190,483 to \$5,441,774. This planned spend down of assets was necessary to utilize previously received bond proceeds in a timely manner. For fiscal year 2010-11 funding for capital projects will be roughly equal to total anticipated expenses in order to maintain a fund balance necessary to begin each capital construction season, yet avoid needless interest payments.

The Employer Pension Contribution Fund is used to account for the recognition of applicable tax revenues and employer contributions to the Pension Trust Funds. These contributions represent the City's pension expense for police and firefighters. This fund has qualified to be a major fund this year mainly because of an increase of \$3,920,373 in revenues and expenditures.

### *Combined Non-Major Governmental Funds*

Combined non-major fund balances totaled \$43,594,609, a decrease of \$6,226,546 from prior year of \$49,821,155. The decrease in fund balance in these funds was principally attributable to the transfer from Central Business Tax Increment District to the Parking Fund. Non-major funds with materially annual surpluses include Library Endowment, Township, Southwest TIF, Washington National TIF, Howard Ridge TIF, West Evanston TIF and Howard Hartrey TIF. Non-major funds with significant annual deficits include the Motor Fuel, Home and General obligation debt.

### *Proprietary Funds*

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

The main proprietary funds operated by the City are the Water, Sewer, and Parking Funds. The Water and Sewer funds have combined increase of \$6,018,157 in the net assets primarily due to the accrual method of accounting and applying debt principal payments against the outstanding debt liability. The Parking fund added \$13,725,055 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 \$3,531,670 from \$5,205,080 as of February 28, 2009 to \$1,673,410 as of February 28, 2010 due to higher activity in both the Law and Human Resources department where a large number of liability and worker's compensation claims were settled in fiscal year 2009-10. The 2010-11 budget includes a substantial increase in interfund revenues to help fund this higher claim volume.

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

Total actual revenues for the General Fund were \$78,632,786 while total expenditures were \$87,027,842. 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 \$2,641,358 due to early retirements and other cost saving measures in various operating divisions. The actual net deficiency in revenues under expenditures was offset by \$6,461,572 transfers from other funds.

### ***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, 2010, was \$489,388,787. The total increase in governmental funds was \$5,172,802 and the total decrease in business type activity was \$821,107. The overall percent increase in capital assets was 0.9% 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 \$151,470,000, of which \$40,236,120 was for business type activities paid by the City's Parking and Sewer Funds. During the current year, the City did not issue general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should see Note 9 in the Notes to the Financial Statements.

### ***Bond Ratings***

The City's general obligation bonds are rated 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 difficult 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, however the City maintained it's distance between state and federal employment levels. 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.

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

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

## BASIC FINANCIAL STATEMENTS

**CITY OF EVANSTON, ILLINOIS**

Statement of Net Assets

February 28, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 44,033,376	\$ 20,336,886	\$ 64,370,262
Investments	2,430,292	-	2,430,292
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	44,574,809	-	44,574,809
Accounts	-	4,129,472	4,129,472
Notes	5,383,108	-	5,383,108
Special assessments	1,101,204	-	1,101,204
Accrued interest	35,767	16,212	51,979
Other	2,541,786	62,228	2,604,014
Due from other governments	7,593,633	1,157,451	8,751,084
Internal balances	(1,046,886)	1,046,886	-
Inventories	343,789	851,751	1,195,540
Restricted assets			
Cash and equivalents and investments	-	4,452,374	4,452,374
Other assets	565,325	254,000	819,325
Property held for resale	410,000	-	410,000
Capital assets			
Capital assets not being depreciated	30,828,440	5,581,244	36,409,684
Capital assets (net of accumulated depreciation)	126,762,773	326,216,330	452,979,103
<b>Total Assets</b>	<b>265,557,416</b>	<b>364,104,834</b>	<b>629,662,250</b>

The accompanying notes are an integral part of this statement.

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Liabilities			
Vouchers payable	\$ 3,498,176	\$ 651,806	\$ 4,149,982
Accrued payroll	2,738,368	-	2,738,368
Interest payable	1,099,923	286,017	1,385,940
Other payables	161,999	-	161,999
Due to other governments	387	-	387
Due to pension funds	5,434,853	-	5,434,853
Payable from restricted assets			
Vouchers payable	-	1,327,238	1,327,238
Interest payable	-	986,537	986,537
Unearned revenue	25,249,698	12,865	25,262,563
Noncurrent liabilities			
Payable from restricted assets - due within one year	-	11,120,590	11,120,590
Due within one year	14,253,593	3,201,375	17,454,968
Due in more than one year	137,966,606	124,802,751	262,769,357
<b>Total Liabilities</b>	<b>190,403,603</b>	<b>142,389,179</b>	<b>332,792,782</b>
Net Assets			
Investment in capital assets, net of related debt	41,109,175	192,920,612	234,029,787
Restricted			
Culture and recreation	1,162,794	-	1,162,794
Capital improvements	-	800,000	800,000
Debt service	22,060,188	1,202,323	23,262,511
Tax Increment Financing	-	1,376,142	1,376,142
Other	422,061	-	422,061
Unrestricted	10,399,595	25,416,578	35,816,173
<b>Total Net Assets</b>	<b>\$ 75,153,813</b>	<b>\$ 221,715,655</b>	<b>\$ 296,869,468</b>

**CITY OF EVANSTON, ILLINOIS**

Statement of Activities

Year ended February 28, 2010

<u>Functions/Programs</u>	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
General management and support	\$ 19,772,716	\$ 13,087,058	\$ -
Public safety	50,488,218	1,342,818	99,379
Public works	18,509,233	483,329	1,935,756
Health and human resource development	4,760,324	1,495,173	925,610
Recreation and cultural opportunities	20,066,105	4,902,196	-
Housing and economic development	9,120,080	4,624,953	2,937,154
Interest	4,395,683	-	-
Total governmental activities	127,112,359	25,935,527	5,897,899
Business-type activities:			
Water	9,133,593	12,694,477	-
Sewer	8,778,917	13,242,839	-
Motor vehicle parking system	8,840,601	6,771,698	-
Total business-type activities	26,753,111	32,709,014	-
Total	\$ 153,865,470	\$ 58,644,541	\$ 5,897,899

General revenues:

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

Total general revenues and transfers

Change in net assets

Net assets - beginning

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
\$ -	\$ (6,685,658)	\$ -	\$ (6,685,658)
-	(49,046,021)	-	(49,046,021)
3,776,532	(12,313,616)	-	(12,313,616)
-	(2,339,541)	-	(2,339,541)
-	(15,163,909)	-	(15,163,909)
260,635	(1,297,338)	-	(1,297,338)
-	(4,395,683)	-	(4,395,683)
<u>4,037,167</u>	<u>(91,241,766)</u>	<u>-</u>	<u>(91,241,766)</u>
-	-	3,560,884	3,560,884
-	-	4,463,922	4,463,922
-	-	(2,068,903)	(2,068,903)
<u>-</u>	<u>-</u>	<u>5,955,903</u>	<u>5,955,903</u>
<u>\$ 4,037,167</u>	<u>(91,241,766)</u>	<u>5,955,903</u>	<u>(85,285,863)</u>
	58,839,049	-	58,839,049
	7,804,573	-	7,804,573
	1,339,100	-	1,339,100
	14,880,164	-	14,880,164
	5,912,082	-	5,912,082
	7,856,422	-	7,856,422
	1,688,383	-	1,688,383
	721,135	87,020	808,155
	(13,700,289)	13,700,289	-
	<u>85,340,619</u>	<u>13,787,309</u>	<u>99,127,928</u>
	(5,901,147)	19,743,212	13,842,065
	<u>81,054,960</u>	<u>201,972,443</u>	<u>283,027,403</u>
<u>\$</u>	<u>75,153,813</u>	<u>\$ 221,715,655</u>	<u>\$ 296,869,468</u>

**CITY OF EVANSTON, ILLINOIS**

Governmental Funds

Balance Sheet  
February 28, 2010

Assets	General	Capital Improvements	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
Cash and equivalents	\$ 8,980,446	\$ 8,257,572	\$ -	\$ 25,119,177	\$ 42,357,195
Investments	-	-	-	2,430,292	2,430,292
Receivables					
Property taxes (net of allowance)	15,055,056	-	11,234,421	18,285,332	44,574,809
Notes (net of allowance)	-	-	-	5,383,108	5,383,108
Special assessments	-	-	-	1,101,204	1,101,204
Accrued interest	-	14,495	-	21,272	35,767
Other	2,091,194	-	-	424,574	2,515,768
Property held for resale	-	-	-	410,000	410,000
Due from other governments	7,071,845	10,441	142,512	368,835	7,593,633
Due from other funds	1,206,245	125,258	-	2,203,671	3,535,174
Other assets	26,301	-	-	-	26,301
<b>Total Assets</b>	<b>\$ 34,431,087</b>	<b>\$ 8,407,766</b>	<b>\$ 11,376,933</b>	<b>\$ 55,747,465</b>	<b>\$ 109,963,251</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Vouchers payable	\$ 1,342,117	\$ 1,107,255	\$ -	\$ 889,957	\$ 3,339,329
Accrued payroll	2,738,368	-	-	-	2,738,368
Compensated absences payable	70,289	-	-	-	70,289
Other	157,853	-	-	4,146	161,999
Due to other governments	-	-	-	387	387
Due to other funds	1,806,681	1,848,186	5,355,333	708,073	9,718,273
Deferred revenues	8,128,230	10,551	6,021,600	10,550,293	24,710,674
<b>Total Liabilities</b>	<b>14,243,538</b>	<b>2,965,992</b>	<b>11,376,933</b>	<b>12,152,856</b>	<b>40,739,319</b>
<b>Fund Balances</b>					
Reserved	1,584,855	-	-	28,543,219	30,128,074
Reserved for HUD Approved Projects	-	-	-	410,000	410,000
Unreserved designated					
General fund	5,426,913	-	-	-	5,426,913
Capital improvement funds	-	5,441,774	-	-	5,441,774
Capital project funds	-	-	-	3,833,828	3,833,828
Special revenue funds	-	-	-	3,483,180	3,483,180
Unreserved undesignated					
Special revenue funds	-	-	-	7,324,382	7,324,382
General fund	13,175,781	-	-	-	13,175,781
<b>Total Fund Balances</b>	<b>20,187,549</b>	<b>5,441,774</b>	<b>-</b>	<b>43,594,609</b>	<b>69,223,932</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,431,087</b>	<b>\$ 8,407,766</b>	<b>\$ 11,376,933</b>	<b>\$ 55,747,465</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	152,227,240
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.	(145,854,050)
OPEB liability payable is not due and payable in the current period and therefore, is not reported in the governmental funds.	(1,016,796)
Interest accrual from last interest payment (December 1, 2009 or January 1, 2010) to February 28, 2010.	(1,099,923)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets.	1,673,410
<b>Net assets of governmental activities</b>	<b>\$ 75,153,813</b>

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended February 28, 2010

	General	Capital Improvements	Employer Pension Contribution	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 40,231,207	\$ -	\$ 13,631,971	\$ 30,863,068	\$ 84,726,246
Licenses and permits	7,279,181	-	-	-	7,279,181
Special assessments	-	-	-	240,324	240,324
Intergovernmental	15,566,317	260,635	-	4,868,776	20,695,728
Charges for services	8,680,166	-	-	-	8,680,166
Fines and forfeits	4,150,610	-	-	-	4,150,610
Investment income	17,048	47,597	-	649,909	714,554
Miscellaneous	3,824,800	350,639	-	466,140	4,641,579
<b>Total Revenues</b>	<b>79,749,329</b>	<b>658,871</b>	<b>13,631,971</b>	<b>37,088,217</b>	<b>131,128,388</b>
<b>Expenditures</b>					
<b>Current</b>					
General management and support	14,575,634	87,998	-	1,519,843	16,183,475
Public safety	34,200,821	107,633	13,631,971	1,029,990	48,970,415
Public works	12,862,044	275,977	-	2,923,769	16,061,790
Health and human resource development	3,940,324	-	-	820,000	4,760,324
Recreation and cultural opportunities	17,998,527	101,380	-	-	18,099,907
Housing and economic development	3,332,818	-	-	5,787,262	9,120,080
<b>Debt service</b>					
Principal	83,055	243,764	-	7,196,700	7,523,519
Interest	56,945	-	-	4,895,887	4,952,832
Fiscal agent fees	-	-	-	5,150	5,150
Capital outlay	-	7,344,150	-	616,174	7,960,324
<b>Total Expenditures</b>	<b>87,050,168</b>	<b>8,160,902</b>	<b>13,631,971</b>	<b>24,794,775</b>	<b>133,637,816</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(7,300,839)</b>	<b>(7,502,031)</b>	<b>-</b>	<b>12,293,442</b>	<b>(2,509,428)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	6,461,572	-	-	4,557,358	11,018,930
Transfers out	-	(246,678)	-	(23,077,346)	(23,324,024)
<b>Total Other Financing Sources (Uses)</b>	<b>6,461,572</b>	<b>(246,678)</b>	<b>-</b>	<b>(18,519,988)</b>	<b>(12,305,094)</b>
<b>Net Change in Fund Balances</b>	<b>(839,267)</b>	<b>(7,748,709)</b>	<b>-</b>	<b>(6,226,546)</b>	<b>(14,814,522)</b>
<b>Fund Balances -Beginning of Year</b>	<b>21,026,816</b>	<b>13,190,483</b>	<b>-</b>	<b>49,821,155</b>	<b>84,038,454</b>
<b>Fund Balances - End of Year</b>	<b>\$ 20,187,549</b>	<b>\$ 5,441,774</b>	<b>\$ -</b>	<b>\$ 43,594,609</b>	<b>\$ 69,223,932</b>

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, 2010

---

---

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

Net change in fund balances - total governmental funds	\$ (14,814,522)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,448,213
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.	7,219,074
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.	(905,698)
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.	(375,840)
Change in Interest accrual for the fiscal year ended February 28, 2010.	59,296
Internal service funds are reported separately in the fund financial statements.	<u>(3,531,670)</u>
Change in net assets of governmental activities	<u><u>\$ (5,901,147)</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Statement of Net Assets  
February 28, 2010

Assets	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
<b>Current Assets</b>					
Cash and equivalents	\$ 5,216,960	\$ -	\$ 15,119,926	\$ 20,336,886	\$ 1,676,181
Restricted cash and equivalents and investments	1,851,327	2,601,047	-	4,452,374	-
Receivables					
Accounts - billed	1,131,964	228,447	-	1,360,411	-
Accounts - unbilled	798,234	1,970,827	-	2,769,061	-
Accrued interest	16,212	-	-	16,212	-
Other	1,389	1,388	59,451	62,228	26,018
Due from other governments	1,157,451	-	-	1,157,451	-
Due from other funds	-	95,608	1,859,353	1,954,961	-
Inventories	671,374	180,377	-	851,751	343,789
Prepaid Expenses	-	-	-	-	539,024
<b>Total Current Assets</b>	<b>10,844,911</b>	<b>5,077,694</b>	<b>17,038,730</b>	<b>32,961,335</b>	<b>2,585,012</b>
<b>Noncurrent Assets</b>					
Capital Assets					
Capital assets not being depreciated	2,460,964	18,006	3,102,274	5,581,244	-
Capital assets being depreciated	72,116,684	243,148,955	78,946,257	394,211,896	20,161,437
Less accumulated depreciation	(19,396,579)	(34,918,510)	(13,680,477)	(67,995,566)	(14,797,464)
<b>Total Capital Assets</b>	<b>55,181,069</b>	<b>208,248,451</b>	<b>68,368,054</b>	<b>331,797,574</b>	<b>5,363,973</b>
Other Assets					
Notes Receivable	-	-	254,000	254,000	-
<b>Total Noncurrent Assets</b>	<b>55,181,069</b>	<b>208,248,451</b>	<b>68,622,054</b>	<b>332,051,574</b>	<b>5,363,973</b>
<b>Total Assets</b>	<b>66,025,980</b>	<b>213,326,145</b>	<b>85,660,784</b>	<b>365,012,909</b>	<b>7,948,985</b>

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	\$ 474,544	\$ 4,639	\$ 172,623	\$ 651,806	\$ 158,847
Vouchers payable - restricted	53,263	1,272,765	1,210	1,327,238	-
Interest payable	-	-	286,017	286,017	-
Interest payable - restricted	11,878	974,659	-	986,537	-
Revenue bonds payable	458,333	-	-	458,333	-
Revenue bonds payable - restricted	91,667	-	-	91,667	-
Compensated absences payable	229,383	53,752	39,907	323,042	84,911
General obligation bonds payable	-	-	2,420,000	2,420,000	-
General obligation bonds payable - restricted	-	2,710,260	-	2,710,260	-
Claims payable	-	-	-	-	2,233,072
Notes payable - Sewer IEPA Loans - restricted	57,873	8,260,790	-	8,318,663	-
Due to other funds	236,456	100,641	570,978	908,075	298,640
Deferred revenue	12,865	-	-	12,865	539,024
<b>Total Current Liabilities</b>	<b>1,626,262</b>	<b>13,377,506</b>	<b>3,490,735</b>	<b>18,494,503</b>	<b>3,314,494</b>
Long-Term Liabilities					
Notes payable - Sewer IEPA Loans	1,099,578	85,952,303	-	87,051,881	-
General obligation bonds payable	-	10,245,860	24,860,000	35,105,860	-
OPEB liability payable	63,126	16,560	16,698	96,384	20,785
Revenue bonds payable	1,170,000	-	-	1,170,000	-
Unamortized bond discount/premium	13,548	321,774	689,642	1,024,964	-
Compensated absences payable	244,298	63,058	46,306	353,662	-
Claims payable	-	-	-	-	2,940,296
<b>Total Long-Term Liabilities</b>	<b>2,590,550</b>	<b>96,599,555</b>	<b>25,612,646</b>	<b>124,802,751</b>	<b>2,961,081</b>
<b>Total Liabilities</b>	<b>4,216,812</b>	<b>109,977,061</b>	<b>29,103,381</b>	<b>143,297,254</b>	<b>6,275,575</b>
Net Assets					
Invested in capital assets, net of related debt	51,764,736	100,757,464	40,398,412	192,920,612	5,363,973
Restricted for debt service	1,202,323	-	-	1,202,323	-
Restricted for capital improvements	800,000	-	-	800,000	-
Restricted - TIF	-	-	1,376,142	1,376,142	-
Unrestricted	8,042,109	2,591,620	14,782,849	25,416,578	(3,690,563)
<b>Total net assets</b>	<b>\$ 61,809,168</b>	<b>\$ 103,349,084</b>	<b>\$ 56,557,403</b>	<b>\$ 221,715,655</b>	<b>\$ 1,673,410</b>

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Year ended February 28, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Operating Revenues					
Charges for services	\$ 12,203,588	\$ 13,231,579	\$ 6,723,563	\$ 32,158,730	\$ 5,411,592
Miscellaneous	490,889	11,260	48,135	550,284	53,426
<b>Total Operating Revenues</b>	<b>12,694,477</b>	<b>13,242,839</b>	<b>6,771,698</b>	<b>32,709,014</b>	<b>5,465,018</b>
Operating Expenses Excluding Depreciation					
Administration	785,180	1,613,823	697,403	3,096,406	-
Operations	6,971,580	463,837	3,971,917	11,407,334	7,717,353
<b>Total Operating Expenses Excluding Depreciation</b>	<b>7,756,760</b>	<b>2,077,660</b>	<b>4,669,320</b>	<b>14,503,740</b>	<b>7,717,353</b>
Operating Income (Loss) Before Depreciation	4,937,717	11,165,179	2,102,378	18,205,274	(2,252,335)
Depreciation	1,249,299	3,203,543	1,990,850	6,443,692	1,402,897
Operating Income (Loss)	3,688,418	7,961,636	111,528	11,761,582	(3,655,232)
Nonoperating Revenues (Expenses)					
Investment income	48,126	12,691	26,203	87,020	6,581
Interest expense	(88,176)	(3,554,538)	(2,180,431)	(5,823,145)	-
Bond expenses and amortization of discount	1,129	-	-	1,129	-
Amortization of bond premium	-	56,824	-	56,824	-
Other expenses	(25,133)	-	-	(25,133)	-
Gain (loss) on disposition of assets	(15,354)	-	-	(15,354)	116,981
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(79,408)</b>	<b>(3,485,023)</b>	<b>(2,154,228)</b>	<b>(5,718,659)</b>	<b>123,562</b>
Income (Loss) before transfers and contributions	3,609,010	4,476,613	(2,042,700)	6,042,923	(3,531,670)
Capital Contribution - Governmental Activities	-	626,138	769,057	1,395,195	-
Transfers In (Out)					
Insurance	-	-	-	-	63,297
Fleet	-	-	-	-	(63,297)
Central Business Tax Increment District	-	-	13,176,138	13,176,138	-
Washington National Tax Increment District	-	-	2,600,052	2,600,052	-
General	(2,693,604)	-	(777,492)	(3,471,096)	-
<b>Total Transfers In (Out)</b>	<b>(2,693,604)</b>	<b>-</b>	<b>14,998,698</b>	<b>12,305,094</b>	<b>-</b>
Change in Net Assets	915,406	5,102,751	13,725,055	19,743,212	(3,531,670)
Total Net Assets - Beginning of Year	60,893,762	98,246,333	42,832,348	201,972,443	5,205,080
Total Net Assets - End of Year	\$ 61,809,168	\$103,349,084	\$ 56,557,403	\$ 221,715,655	\$ 1,673,410

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Statement of Cash Flows  
Year ended February 28, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers and users	\$ 11,380,164	13,428,445	\$ 6,757,105	\$ 31,565,714	\$ 5,472,537
Receipts from interfund services provided	132,410	348,705	-	481,115	251,582
Payments to suppliers	(7,517,668)	(821,142)	(4,433,267)	(12,772,077)	(4,040,727)
Payments to employees	(745,754)	(1,590,323)	(677,101)	(3,013,178)	(4,002,380)
Payments for interfund services provided	-	-	(487,656)	(487,656)	-
Net Cash Provided by (Used for) Operating Activities	3,249,152	11,365,685	1,159,081	15,773,918	(2,318,988)
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In (Out)					
Insurance	-	-	-	-	63,297
Fleet	-	-	-	-	(63,297)
Central Business Tax Increment District	-	-	13,176,138	13,176,138	-
Washington Tax Increment District	-	-	2,600,052	2,600,052	-
General	(2,693,604)	-	(777,492)	(3,471,096)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,693,604)	-	14,998,698	12,305,094	-
<b>Cash Flows from Capital and Related Financing Activities</b>					
Sale of capital assets	-	-	-	-	116,981
Acquisition and construction of capital assets	(3,528,233)	(999,793)	-	(4,528,026)	(537,486)
Principal paid on revenue bonds	(525,000)	-	-	(525,000)	-
Interest paid on revenue bonds	(88,175)	-	-	(88,175)	-
Principal paid on general obligation bonds	-	(2,528,300)	(12,667,361)	(15,195,661)	-
Interest paid on general obligation bonds	-	(905,018)	(2,502,124)	(3,407,142)	-
Principal paid on IEPA loans	-	(7,962,378)	-	(7,962,378)	-
Interest paid on IEPA loans	-	(2,649,520)	-	(2,649,520)	-
Proceeds from IEPA loans	1,157,451	400,248	-	1,557,699	-
Net Cash (Used for) Capital and Related Financing Activities	(2,983,957)	(14,644,761)	(15,169,485)	(32,798,203)	(420,505)
<b>Cash Flows from Investing Activities</b>					
Interest income	47,826	12,691	26,203	86,720	6,581
Net Cash Provided by Investing Activities	47,826	12,691	26,203	86,720	6,581
<b>Net Increase (Decrease) in Cash and Equivalents</b>	(2,380,583)	(3,266,385)	1,014,497	(4,632,471)	(2,732,912)
<b>Cash and Equivalents</b>					
Beginning of year	9,448,870	5,867,432	14,105,429	29,421,731	4,409,093
End of year	\$ 7,068,287	\$ 2,601,047	\$ 15,119,926	\$ 24,789,260	\$ 1,676,181
<b>Reconciliation</b>					
Cash and equivalents					
Current Cash	\$ 5,216,960	\$ -	\$ 15,119,926	\$ 20,336,886	\$ 1,676,181
Restricted Current Cash	1,851,327	2,601,047	-	4,452,374	-
	\$ 7,068,287	\$ 2,601,047	\$ 15,119,926	\$ 24,789,260	\$ 1,676,181

**CITY OF EVANSTON, ILLINOIS**

Proprietary Funds

Statement of Cash Flows - Continued  
Year ended February 28, 2010

	Business-type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water	Sewer	Motor Vehicle Parking System	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 3,688,418	\$ 7,961,636	\$ 111,528	\$ 11,761,582	\$ (3,655,232)
Depreciation	1,249,299	3,203,543	1,990,850	6,443,692	1,402,897
Changes in assets and liabilities					
Increase/decrease in A/R miscellaneous	(168,532)	186,994	-	18,462	(283)
Other receivables	(1,158,646)	-	(19,593)	(1,178,239)	7,802
Notes receivables	-	-	5,000	5,000	-
Accounts receivable	-	(1,388)	-	(1,388)	-
Interfund receivable	6,887	-	(438,063)	(431,176)	-
Inventories	(31,690)	7,677	-	(24,013)	(76,217)
Compensated absences	(2,991)	11,544	8,455	17,008	4,522
Accounts payable	-	-	-	-	(77,278)
Interfund payable	125,523	348,705	(49,593)	424,635	251,582
OPEB liability payable	42,417	11,956	11,847	66,220	8,586
Deferred revenue	12,865	-	-	12,865	-
Vouchers payable	(211,681)	(163,105)	(364,957)	(739,743)	(135)
Vouchers payable (restricted)	(299,336)	(155,632)	1,210	(453,758)	-
Interest payable	(3,381)	(46,245)	(97,603)	(147,229)	-
Claims payable	-	-	-	-	(185,232)
Net Cash Provided by (Used for) Operating Activities	\$ 3,249,152	\$ 11,365,685	\$ 1,159,081	\$ 15,773,918	\$ (2,318,988)

Note: Capital contribution to the Proprietary Fund from the governmental activities is considered a non cash activity.

# CITY OF EVANSTON, ILLINOIS

## Fiduciary Funds

### Statement of Net Assets February 28, 2010

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	<u>\$ 8,599,839</u>
Receivables	
Accrued interest	266,187
Contribution receivable - Due from other funds	<u>5,434,853</u>
Total Receivables	<u>5,701,040</u>
Investments, at fair value	
U.S. Government obligations	44,169,775
Common stock	10,605,889
Mutual funds	<u>46,234,135</u>
Total Investments	<u>101,009,799</u>
Total Assets	<u>115,310,678</u>
Liabilities	
Vouchers payable	<u>20,616</u>
Total Liabilities	<u>20,616</u>
Net assets held in trust	<u>\$ 115,290,062</u>

The accompanying notes are an integral part of this statement.

## CITY OF EVANSTON, ILLINOIS

### Fiduciary Funds - Pension Trust Funds

#### Statement of Changes in Plan Net Assets Year ended February 28, 2010

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 13,631,971
Plan members	2,244,279
Other-Donations, Legal Sett., Surplus Sales	10,599
Total contributions	<u>15,886,849</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	13,734,953
Investment income	<u>2,547,716</u>
Total investment income	16,282,669
Less investment expense	<u>320,823</u>
Net investment income	<u>15,961,846</u>
Total additions	<u>31,848,695</u>
Deductions	
Benefits	13,339,652
Refunds of contributions	24,014
Administrative expense	<u>62,781</u>
Total deductions	<u>13,426,447</u>
Net increase	18,422,248
Net assets held in trust for pension benefits	
Beginning of year	<u>96,867,814</u>
End of year	<u>\$ 115,290,062</u>

The accompanying notes are an integral part of this statement.

**CITY OF EVANSTON, ILLINOIS**

**Index for Notes to the Financial Statements**

---

	<u>Page</u>
Note 1. Summary of Significant Accounting Policies	
A. Reporting Entity	43
B. Government-wide and Fund Financial Statements	44
C. Fund Accounting	45
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	46
E. Cash and Equivalents	49
F. Investments	49
G. Inventories	49
H. Capital Assets	49
I. Compensated Absences	50
J. Long-Term Obligations	50
K. Self-Insurance	51
L. Property Taxes	51
M. Fund Equity	52
N. Interfund Transactions	52
O. Use of Estimates	52
P. Property held for resale	52
Q. Effect of New Accounting Standards on Current Period Financial Statements	52
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	53
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	53
Note 3. Stewardship, Compliance, and Accountability	
A. Budgetary Information	55
B. Deficit Fund Equity	56
Note 4. Deposits with Financial Institutions and Investments	
A. Types of Accounts and Securities	57
B. Pooling of Cash and Investments	57
C. Types of Investments	58
D. Deposits	60
E. Reconciliation of Unrestricted and Restricted Cash and Investments	60

**CITY OF EVANSTON, ILLINOIS**

**Index for Notes to the Financial Statements**

---

	<u>Page</u>
(continued from previous page)	
Note 5. Receivables	
A. Summary of Receivables	62
B. Notes Receivable – Special Revenue Funds	62
Note 6. Capital Assets	
A. Capital Asset Activity	63
B. Construction Commitments	65
Note 7. Interfunds	
A. Interfund Accounts	66
B. Interfund Transfers	69
Note 8. Operating Leases	71
Note 9. Long-Term Debt	
A. Changes in Long-Term Debt	72
B. General Obligation Bonds Payable	74
C. Special Service District Bonds Payable	76
D. Revenue Bonds Payable	76
E. Notes Payable – IEPA Loans	77
F. Prior Years' General Obligation Bond Defeasances	77
G. Post Employment benefits other than Pensions (Defined Benefit Plan)	79
H. Capital Leases	81
Note 10. Fund Equity	
A. Restrictions of Net Assets - Water Fund	82
B. Restricted Net Assets - Fiduciary Funds	82
C. Reservations of Fund Equity	83
D. Unrestricted Fund Equity - Designated	84
Note 11. Individual Fund Activities	
A. General Obligation Debt Service Fund	85
B. Water Fund	85
C. Special Service District No. 4	85
Note 12. Risk Management – Claims and Judgments	86

**CITY OF EVANSTON, ILLINOIS**

**Index for Notes to the Financial Statements**

---

	<u>Page</u>
(continued from previous page)	
Note 13. Contingencies	87
Note 14. Joint Ventures	
A. Solid Waste Agency of Northern Cook County	87
B. Evanston Housing Corporation	89
Note 15. Deferred Compensation Plan	90
Note 16. Defined Benefit Pension Plans	
Illinois Municipal Retirement Fund	
A. Plan Description	91
B. Funding Status and Progress	91
C. Annual Pension Cost	92
Police and Firefighters' Pension Plans	
D. Plan Descriptions	93
E. Summary of Significant Accounting Policies	
- Basis of Accounting	95
- Method Used to Value Investments	95
F. Contributions and Reserves	95
G. Concentration of Investments	97
H. Five-Year Trend Information – Pension Trust Funds	97
I. Pensions - Detailed Statement of Net Assets	98
J. Pensions - Detailed Statement of Changes in Net Assets	99
K. Pensions - Actuarial Valuations	100

## **CITY OF EVANSTON, ILLINOIS**

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

For the Fiscal Year Ending February 28, 2010

---

#### **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, 2010

---

#### **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, 2009. 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, 2010

---

#### **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, 2010

---

**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, 2010

---

**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.

The Employer Pension Contribution Fund accounts for the recognition of applicable tax revenues and employer contributions to the Pension Trust funds.

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, 2010

---

#### 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, 2010

---

#### **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 for the pension funds are mostly comprised of treasury obligations, government agency obligations, fixed income and equity mutual funds, and stocks. Investments of the pension trust funds are carried at fair value. Investments with over one year to maturity are reported at fair value. All other investments are stated at cost or, for U.S. government securities, amortized cost. These securities may be purchased at a premium or discount which is amortized over the life of the investment. This valuation method approximates fair value.

##### **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, 2010

---

**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:

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

**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, 2010

---

**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 (55% 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, 2009 and February 28, 2010 and all property tax collections received within 60 days after the end of the fiscal year. A 2% allowance for loss is reflected in the City financial statements.

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 2008 property tax levy that will not be collected within 60 days of the Township's March 31, 2009 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, 2010

---

**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. Property Held for Resale**

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

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, and Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. Application of these standards in future years may restate portions of these financial statements.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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 \$145,854,050 difference are as follows:

General obligation bonds payable	\$ 111,233,880
Bonds premium liability	4,539,606
Compensated absences payable	11,348,688
Capital lease	708,552
Pension contributions payable	<u>18,023,324</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities.	<u>\$ 145,854,050</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 \$6,448,213 difference are as follows:

Capital outlay	\$ 13,992,849
Depreciation expense	<u>(7,544,636)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 6,448,213</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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 \$7,219,074 difference are as follows:

Principal repayments:

General obligation debt	\$ 6,597,256
SSD#5 Bond	295,000
Capital lease	<u>326,818</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities

\$ 7,219,074

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 (\$905,698) difference are as follows:

Compensated absences	\$ (690,147)
Amortization income	497,853
Pension contributions	<u>(713,404)</u>

Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities

\$ (905,698)

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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 property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the General Fund - Budget and Actual (Budgetary Basis) Schedule of Revenues, Expenditures, and Changes in Fund Balance, GAAP revenues and expenditures have been adjusted to the budgetary basis.

**Blended Component Unit**

The Township prepares its annual appropriation ordinance, which is synonymous with its budget, using the modified accrual basis of accounting. The appropriation ordinance was adopted June 23, 2008. It covers both Township funds.

The Township follows procedures similar to those of the City in establishing the budgetary data reflected in the financial statements. The budget was not amended during the current fiscal year.

The following City and Township funds do not have legally adopted budgets:

**Special Revenue**

Library Endowment, Neighborhood Improvement, Affordable Housing, HOME, Community Development Loan, Employer Pension Contribution

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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.

The following funds had an excess of actual budgetary expenditures over original and final budget for the year ended February 28, 2010:

<u>Fund</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
Special Service District #5 Debt Service	\$ 440,976	\$ 433,813	\$ 7,163
Howard Hartrey Tax Increment District	736,941	702,830	34,111
Washington National Tax Increment District	757,561	604,322	153,239
Special Service District #4 Fund	512,274	445,000	67,274
Town Fund	396,305	182,012	214,293

**B. DEFICIT FUND EQUITY**

The Insurance Fund, an internal service fund, had a net deficit of \$4,128,203 as of February 28, 2010. The City plans to use current resources to pay for future liabilities.

## **CITY OF EVANSTON, ILLINOIS**

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

For the Fiscal Year Ending February 28, 2010

---

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

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

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

It is the policy of the City to invest public funds in a manner whereby its investment objectives are prioritized in the following order: Safety of Principal, Liquidity, and Rate of Return. The City also seeks to maintain diversification of investments to avoid overconcentration of any one specific issuer or business sector. To mitigate interest rate risk, the City tries to structure the investment portfolio to meet daily cash flow needs so as to avoid needing to sell securities on the open market. The City seeks to attain market rates of return consistent with constraints imposed by safety and cash flow needs. The City invests to conform to all state and local statutes governing the investment of public funds. More detail is available in the City's investment policy. Library has investments in equities which is not permissible under the state statutes.

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

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

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

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

**C. Types of Investments**

As of February 28, 2010, 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	\$ 6,928,021	\$ 6,928,021	\$ -	\$ -
Illinois Funds	14,041,659	14,041,659	-	-
Mutual Funds	2,430,292	-	-	2,430,292
<b>Total Governmental and Enterprise Investment Fund</b>	<b>\$ 23,399,972</b>	<b>\$ 20,969,680</b>	<b>\$ -</b>	<b>\$ 2,430,292</b>

IMET Money Market	\$ 741,020
First Bank Money Market	1,306,433
JP Morgan Money Market	4,633,674
Vanguard Money Market	246,894
<b>Total Money Market / Liquid Assets</b>	<b>\$ 6,928,021</b>

Township Investment Type	Investment Maturities (In Years)			Equities
	Fair Value	Less Than 1 Year	1 - 10 More Years	
Illinois Funds	\$ 1,794,636	\$ 1,794,636	\$ -	\$ -
<b>Total Township Investment</b>	<b>\$ 1,794,636</b>	<b>\$ 1,794,636</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

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

**C. Types of Investments - continued**

Fire and Police Pension Investment Type	Investment Maturities (In Years)			Equities
	Fair Value	Less Than 1 Year	1 - 10 More Years	
Money Market / Liquid Assets	\$ 6,089,980	\$ 6,089,980	\$ -	\$ -
Mutual Funds	46,234,135	-	1,594,610	44,639,525
U.S. Treasuries	19,207,535	-	19,207,535	-
Federal Home Loan Bank	4,063,314	41,320	4,021,994	-
Federal Home Loan Mortgage Corp	6,390,009	64,684	6,325,325	-
Fannie Mae	9,187,703	202,250	8,985,453	-
Ginnie Mae	5,321,214	306	5,320,908	-
Common Stock	10,605,889	-	-	10,605,889
<b>Total Fire and Police Investment</b>	<b>\$ 107,099,779</b>	<b>\$ 6,398,540</b>	<b>\$ 45,455,825</b>	<b>\$ 55,245,414</b>

JP Morgan Trust Money Market	\$ 505,000
Smith Barney Money Market	1,017,387
JP Morgan Money Market	643,507
Schwab Money Market	360,870
MB Bank Money Market	3,433,403
IMET Money Market Convenience	129,813
<b>Total Money Market / Liquid Assets</b>	<b>\$ 6,089,980</b>

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

*Credit Risk.* State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not impose further limits on investment choices. The Illinois Funds and Money Markets were rated 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, 2010

---

#### 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 and certificates of deposits. At February 28, 2010, the carrying amount of the City's deposits, including cash on hand of \$12,572, was \$45,877,965. The financial institutions' balances totaled \$47,701,080.

##### Township

At March 31, 2009, the carrying amount of the Township's deposits was \$180,354. The financial institutions' balances totaled \$185,005.

##### Fiduciary

Deposits consist of deposits in interest-bearing and noninterest-bearing accounts. At February 28, 2010, the carrying amount of the Pension's deposits was \$2,509,860. The financial institutions' balances totaled \$2,639,294.

##### 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, 2010

---

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

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

Unrestricted cash and equivalents	\$ 64,370,262
Unrestricted investments	2,430,292
Restricted cash and equivalents and investments	<u>4,452,374</u>
Total Cash and Investments – Primary Government	71,252,928
Fiduciary funds cash and equivalents	8,599,839
Fiduciary funds investments	<u>101,009,799</u>
Total Cash and Investments	<u>\$ 180,862,566</u>
Carrying amount of deposits – from Note 4 D	\$ 48,568,179
Investments – from Note 4 C	<u>132,294,387</u>
Total	<u>\$ 180,862,566</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

**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	Capital Improvements	Employer Pension Contribution	Water	Sewer	Motor Vehicle Parking System	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 15,362,302	\$ -	\$ 11,466,603	\$ -	\$ -	\$ -	\$ 18,658,502	\$ 45,487,407
Accounts	-	-	-	1,930,198	2,199,274	-	-	4,129,472
Notes	-	-	-	-	-	-	5,473,108	5,473,108
Special assessments	-	-	-	-	-	-	1,101,204	1,101,204
Accrued interest	-	14,495	-	16,212	-	-	21,272	51,979
Other	2,091,194	-	-	1,389	1,388	59,451	450,592	2,604,014
Gross receivables	17,453,496	14,495	11,466,603	1,947,799	2,200,662	59,451	25,704,678	58,847,184
Less: allowance for uncollectibles	307,246	-	232,182	-	-	-	463,170	1,002,598
Net total receivables	<u>\$ 17,146,250</u>	<u>\$ 14,495</u>	<u>\$ 11,234,421</u>	<u>\$ 1,947,799</u>	<u>\$ 2,200,662</u>	<u>\$ 59,451</u>	<u>\$ 25,241,508</u>	<u>\$ 57,844,586</u>

Out of the total Notes Receivable, \$5,394,000 is estimated not to be paid during the next year. Out of the total Special Assessment receivable, \$878,000 is estimated not to be paid during the next year.

**B. Notes Receivable – Special Revenue Funds**

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

Interest Rates	Beginning of Year	Loans Made	Loan Repayments	End of Year
0% - 8%	<u>\$ 6,361,234</u>	<u>\$ 855,236</u>	<u>\$ 1,833,362</u>	<u>\$ 5,383,108</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

**NOTE 6. CAPITAL ASSETS**

**A. Capital Asset Activity**

Capital asset activity for the year ended February 28, 2010, was as follows:

	Beginning of Year	Additions	Deletions	End of Year
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,556,620	\$ -	\$ -	\$ 6,556,620
Right of way	18,695,896	-	-	18,695,896
Artwork	40,000	75,000	-	115,000
Construction in progress	5,932,768	4,707,106	5,178,950	5,460,924
Total capital assets, not being depreciated	31,225,284	4,782,106	5,178,950	30,828,440
Capital assets, being depreciated:				
Buildings and improvements	80,359,175	5,401,683	-	85,760,858
Office equipment and furniture	10,430,461	831,400	-	11,261,861
Machinery and equipment	21,769,296	1,059,557	691,815	22,137,038
Infrastructure	110,398,887	7,149,710	-	117,548,597
Library collections	11,338,479	376,301	1,499,351	10,215,429
Capitalized leases	1,765,014	-	326,818	1,438,196
Total capital assets being depreciated	236,061,312	14,818,651	2,517,984	248,361,979
Less accumulated depreciation for:				
Buildings and improvements	28,865,354	1,847,953	-	30,713,307
Office equipment and furniture	9,050,364	865,605	-	9,915,969
Machinery and equipment	15,123,429	1,570,353	684,479	16,009,303
Infrastructure	52,644,810	3,853,679	-	56,498,489
Library collections	8,500,486	693,291	1,499,351	7,694,426
Capitalized leases	683,742	116,652	32,682	767,712
Total accumulated depreciation	114,868,185	8,947,533	2,216,512	121,599,206
Total capital net assets being depreciated, net	121,193,127	5,871,118	301,472	126,762,773
Governmental activities capital assets, net	\$152,418,411	\$10,653,224	\$ 5,480,422	\$ 157,591,213

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

**NOTE 6. CAPITAL ASSETS - Continued**

**A. Capital Asset Activity - Continued**

	Beginning of Year	Additions	Deletions	End of Year
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,297,937	\$ -	\$ -	\$ 3,297,937
Construction in progress	13,049,389	5,047,200	16,173,034	1,923,555
Artwork	251,624	108,128	-	359,752
<b>Total capital assets, not being depreciated</b>	<b>16,598,950</b>	<b>5,155,328</b>	<b>16,173,034</b>	<b>5,581,244</b>
Capital assets, being depreciated:				
Land improvements	3,563,393	-	-	3,563,393
Buildings and improvements	72,508,938	982,621	-	73,491,559
Leasehold improvements	302,752	-	-	302,752
Plant	32,088,841	3,642,300	75,799	35,655,342
Transmission and distribution system	34,402,194	1,481,647	-	35,883,841
Sewer system and underground lines	231,242,411	10,549,078	-	241,791,489
Equipment	2,815,833	-	-	2,815,833
Parking meters	707,688	-	-	707,688
<b>Total capital assets being depreciated</b>	<b>377,632,050</b>	<b>16,655,646</b>	<b>75,799</b>	<b>394,211,897</b>
Less accumulated depreciation for:				
Land improvements	968,818	34,264	-	1,003,082
Buildings and improvements	9,837,270	1,875,390	-	11,712,660
Leasehold improvements	293,761	4,691	-	298,452
Plant	11,446,630	737,171	60,445	12,123,356
Transmission and distribution system	6,232,867	502,726	-	6,735,593
Sewer system and underground lines	30,566,863	3,163,447	-	33,730,310
Equipment	1,832,145	82,086	-	1,914,231
Parking meters	433,965	43,918	-	477,883
<b>Total accumulated depreciation</b>	<b>61,612,319</b>	<b>6,443,693</b>	<b>60,445</b>	<b>67,995,567</b>
<b>Total capital net assets being depreciated, net</b>	<b>316,019,731</b>	<b>10,211,953</b>	<b>15,354</b>	<b>326,216,330</b>
<b>Business-type activities capital assets, net</b>	<b>\$332,618,681</b>	<b>\$15,367,281</b>	<b>\$16,188,388</b>	<b>\$ 331,797,574</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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	\$ 955,297
Public safety	598,486
Public works	4,929,934
Recreation and cultural opportunities	<u>2,463,816</u>
Total depreciation expense – governmental activities	<u><u>\$ 8,947,533</u></u>

Business – type activities:

Water	\$ 1,249,299
Sewer	3,203,543
Motor Vehicle Parking	<u>1,990,850</u>
Total depreciation expense – business – type activities	<u><u>\$ 6,443,692</u></u>

**B. Construction Commitments**

The value of construction contracts signed, where the work has not yet been performed at February 28, 2010, is as follows:

Capital Improvement Fund	\$ 409,187
Water Fund	780,434
Sewer Fund	<u>18,316</u>
Total Construction Commitments	<u><u>\$ 1,207,937</u></u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

**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, 2010 interfund receivables and payables consist of the following:

Funds	Due from Other Funds	Due to Other Funds
<b>Governmental Funds</b>		
General Fund		
Emergency Telephone System	\$ -	\$ 1,683,821
Economic Development	-	23,340
Fleet Service	291,117	-
Insurance	7,523	-
Community Development Block Grant	13,430	-
Community Development Loan	224	-
Capital Improvements	142,508	-
Motor Vehicle Parking System	570,978	-
Water	139,620	-
Sewer	40,845	-
Neighborhood Improvement Fund	-	20,000
Firefighters Pension	-	31,885
Police Pension	-	47,635
Total General Fund	<u>1,206,245</u>	<u>1,806,681</u>
Capital Improvements		
Community Development Block Grant	50,000	-
Special Assessment CP Fund	75,258	-
Motor Vehicle Parking System	-	1,700,000
Neighborhood Improvement Fund	-	5,678
General Fund	-	142,508
Total Capital Improvements	<u>125,258</u>	<u>1,848,186</u>
Employer Pension Contribution		
Firefighters Pension	-	2,417,282
Police Pension	-	2,938,051
Total Employer Pension Contribution	<u>-</u>	<u>5,355,333</u>
<b>Nonmajor Governmental Funds</b>		
Economic Development		
General Fund	23,340	-
Community Development Loan	160	-
Emergency Telephone System	250,000	-
Total Economic Development	<u>273,500</u>	<u>-</u>
Emergency Telephone System		
General Fund	1,683,821	-
Economic Development	-	250,000
Total Emergency Telephone System	<u>1,683,821</u>	<u>250,000</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2010

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Nonmajor Governmental Funds - Continued		
Community Development Block Grant		
General Fund	\$ -	\$ 13,430
Capital Improvements	-	50,000
Special Assessment CP Fund	-	89,229
Total Community Development Block Grant	<u>-</u>	<u>152,659</u>
Community Development Loan		
General Fund	-	224
Economic Development	-	160
Total Community Development Loan	<u>-</u>	<u>384</u>
Neighborhood Improvement Fund		
General Fund	20,000	-
Capital Improvements	5,678	-
Total Neighborhood Improvement Fund	<u>25,678</u>	<u>-</u>
Howard Hartrey Tax increment District		
Motor Vehicle Parking System		10,144
Debt Service Fund	-	21,315
Total Howard Hartrey Tax increment District	<u>-</u>	<u>31,459</u>
Special Service District No. 4		
Debt Service Fund	-	70,000
Town		
General Assistance	-	3,437
General Assistance		
Town	3,437	-
Washington Natl. Tax Increment District Debt Svc.		
Motor Vehicle Parking System	-	9,008
Debt Service Fund	-	16,091
Total Washington Natl. Tax Increment District Debt Svc.	<u>-</u>	<u>25,099</u>
Debt Service Fund		
Special Service District No. 4	70,000	-
Howard Hartrey Tax Increment District	21,315	-
Washington Natl. Tax Increment District Debt Svc.	16,091	-
Sewer	19,372	-
Motor Vehicle Parking System	-	99,777
Total Debt Service	<u>126,778</u>	<u>99,777</u>
Special Assessment CP Fund		
Community Development Block Grant	89,229	-
Water	1,228	-
Capital Improvements	-	75,258
Total Special Assessment	<u>90,457</u>	<u>75,258</u>
Total Nonmajor Governmental Funds	<u>2,203,671</u>	<u>708,073</u>
Total Governmental Funds	<u>3,535,174</u>	<u>9,718,273</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2010

NOTE 7. INTERFUNDS - Continued

A. Interfund Accounts - Continued

Funds	Due from Other Funds	Due to Other Funds
Enterprise Funds		
Water		
General Fund	\$ -	\$ 139,620
Special Assessment CP Fund	-	1,228
Sewer	-	95,608
Total Water	<u>-</u>	<u>236,456</u>
Sewer		
General Fund	-	40,845
Debt Service	-	19,372
Water	95,608	-
Motor Vehicle Parking System	-	40,424
Total Sewer	<u>95,608</u>	<u>100,641</u>
Motor Vehicle Parking System		
General Fund	-	570,978
Washington Natl. Tax Increment District Debt Svc.	9,008	-
Howard Hartrey Tax Increment District	10,144	-
Sewer	40,424	-
Capital Improvements	1,700,000	-
Debt Service	99,777	-
Total Motor Vehicle Parking System	<u>1,859,353</u>	<u>570,978</u>
Total Enterprise Funds	<u>1,954,961</u>	<u>908,075</u>
Internal Service Funds		
Fleet Services		
General Fund	-	291,117
Insurance		
General Fund	-	7,523
Total Internal Service Funds	<u>-</u>	<u>298,640</u>
Trust and Agency Funds		
Firefighters Pension		
Employer Pension Contribution	2,417,282	-
General Fund	31,885	-
Total Firefighters Pension	<u>2,449,167</u>	<u>-</u>
Police Pension		
Employer Pension Contribution	2,938,051	-
General Fund	47,635	-
Total Police Pension	<u>2,985,686</u>	<u>-</u>
Total Trust and Agency Funds	<u>5,434,853</u>	<u>-</u>
Total Primary Government	<u>\$ 10,924,988</u>	<u>\$ 10,924,988</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2010

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, 2010 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 Debt Svc.	324,996	-
Washington Natl. Tax Increment District Debt Svc.	151,872	-
Howard Hartrey Tax Increment District	141,588	-
Southwest Tax Increment District	24,120	-
Capital Improvement Fund	100,000	-
General Obligation Debt Service Fund	500,004	-
Water Fund	2,693,604	-
Howard Ridge Tax Increment District	120,396	-
Motor Fuel Tax Fund	772,500	-
Motor Vehicle Parking System	777,492	-
Neighborhood Improvement	141,000	-
Economic Development	690,000	-
Total General Fund	<u>6,461,572</u>	<u>-</u>
Capital Improvements		
Neighborhood Improvement Fund	-	146,678
General Fund	-	100,000
Total Capital Improvement	<u>-</u>	<u>246,678</u>
Nonmajor Governmental Funds		
Neighborhood Improvement Fund		
General Fund	-	141,000
Capital Improvements	146,678	-
Total Neighborhood Improvement Fund	<u>146,678</u>	<u>141,000</u>
Affordable Housing Fund		
General Fund	-	24,000
Economic Development		
General Fund	-	690,000
Town		
General Assistance	-	125,004
General Assistance		
Town	125,004	-
General Obligation Debt Service Fund		
General Fund	-	500,004
Special Assessment	311,604	-
Total General Obligation Debt	<u>311,604</u>	<u>500,004</u>
Central Business Tax Increment District Debt Svc.		
General Fund	-	324,996
Motor Vehicle Parking System	-	13,176,138
Central Business Tax Increment District CIP	3,448,830	-
Total Central Business Tax Increment District Debt Svc.	<u>3,448,830</u>	<u>13,501,134</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2010

NOTE 7. INTERFUNDS - Continued

B. Interfund Transfers - Continued

Funds	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Central Business Tax Increment District CIP		
Central Business Tax Increment District Debt Svc.	\$ -	\$ 3,448,830
Southwest Tax Increment District		
General Fund	-	24,120
Howard Hartrey Tax Increment District		
General Fund	-	141,588
Howard Ridge Tax Increment District		
General Fund	-	120,396
Washington Natl. Tax Increment District Debt Svc.		
General Fund	-	151,872
Washington Natl. Tax Increment District CIP	-	525,242
Motor Vehicle Parking System	-	2,600,052
Total Washington National Tax Increment District	-	3,277,166
Washington Natl. Tax Increment District CIP		
Washington Natl. Tax Increment District Debt Svc.	525,242	-
Special Assessment		
General Obligation Debt	-	311,604
Motor Fuel Tax		
General Fund	-	772,500
 Total Nonmajor Governmental Funds	 4,557,358	 23,077,346
 Total Governmental Funds	 11,018,930	 23,324,024
Enterprise Funds		
Water		
General Fund	-	2,693,604
Motor Vehicle Parking System		
General Fund	-	777,492
Central Business Tax Increment District Debt Svc.	13,176,138	-
Washington Natl. Tax Increment District Debt Svc.	2,600,052	-
Total Motor Vehicle Parking System	15,776,190	777,492
 Total Enterprise Funds	 15,776,190	 3,471,096
Internal Service Funds		
Fleet Services		
Insurance	63,297	-
Insurance		
Fleet Services	-	63,297
 Total Internal Service Funds	 63,297	 63,297
 Total Primary Government	 \$ 26,858,417	 \$ 26,858,417

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

<u>Leasing Co.</u>	<u>Expiration</u>	<u>Number of Machines</u>	<u>Monthly Payment</u>	<u>Annual lease payment</u>	<u>Type of Machines</u>
Great America Leasing	4/25/2010	6	2,541	\$ 5,082	Copiers
Secap Finance	12/31/2014	1	255	3,060	Postage Machine

Minimum annual lease payments are as follows:

Fiscal year ending 2011	\$ 8,142
Fiscal year ending 2012	3,060
Fiscal year ending 2013	3,060
Fiscal year ending 2014	3,060
Fiscal year ending 2015	<u>2,550</u>
	<u>\$ 19,872</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ending February 28, 2010

NOTE 9. LONG-TERM DEBT

A. Changes in Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 3/1/2009	Issued	Payments	Balance 2/28/2010	Due Within One Year
<b>G.O. Debt Governmental Activities</b>							
Series 2002C	5.00%-5.80%	1/1/2022	\$ 6,520,000	\$ -	\$ 1,000,000	\$ 5,520,000	\$ 1,000,000
Series 2003	2.00%-5.00%	1/1/2010	580,000	-	580,000	-	-
Series 2003B	2.00%-5.25%	1/1/2023	3,475,000	-	330,000	3,145,000	365,000
Series 2004	2.00%-5.00%	12/1/2023	12,790,000	-	150,000	12,640,000	785,000
Series 2004B	2.00%-5.25%	12/1/2017	6,425,000	-	1,120,000	5,305,000	1,150,000
Series 2004B (SSA#5)	5.00%-5.80%	1/1/2016	2,450,000	-	295,000	2,155,000	315,000
Series 2005	3.25%-5.00%	12/1/2025	15,785,000	-	585,000	15,200,000	525,000
Series 2006	3.85%-5.00%	12/1/2026	10,050,000	-	120,000	9,930,000	125,000
Series 2006B	4.00%-4.25%	12/1/2023	14,430,000	-	-	14,430,000	-
Series 2007	4.00%-5.00%	12/1/2016	20,935,000	-	1,145,000	19,790,000	1,105,000
Series 2008A	3.00%-5.00%	12/1/2021	3,800,000	-	195,000	3,605,000	195,000
Series 2008C	3.00%-5.00%	12/1/2028	9,965,580	-	341,700	9,623,880	349,740
Series 2008D	3.25%-5.00%	12/1/2016	11,225,000	-	1,335,000	9,890,000	1,390,000
Subtotal Governmental Activity G.O. Debt			<u>118,430,580</u>	<u>-</u>	<u>7,196,700</u>	<u>111,233,880</u>	<u>7,304,740</u>
Capital lease			1,035,370	-	326,818	708,552	344,793
Bonds premium liability			5,037,459	-	497,853	4,539,606	-
OPEB liability			653,155	384,426	-	1,037,581	-
Pension contributions			17,309,920	14,355,974	13,642,570	18,023,324	-
Compensated absences payable- City			10,819,893	5,823,884	5,139,889	11,503,888	4,370,988
Claims payable			5,358,600	1,100,162	1,285,394	5,173,368	2,233,072
Subtotal Other G.A. Liabilities			<u>40,214,397</u>	<u>21,664,446</u>	<u>20,892,524</u>	<u>40,986,319</u>	<u>6,948,853</u>
Total Governmental Activity Debt & Liabilities			<u>\$ 158,644,977</u>	<u>\$ 21,664,446</u>	<u>\$ 28,089,224</u>	<u>\$ 152,220,199</u>	<u>\$ 14,253,593</u>
<b>G.O. Debt Business-type Activities</b>							
Series 2003 Parking System	2.00%-5.00%	1/1/2010	\$ 620,000	\$ -	\$ 620,000	\$ -	\$ -
Series 2005 Sherman Garage	3.25%-5.00%	12/1/2025	10,615,000	-	870,000	9,745,000	890,000
Series 2005 Sewer	3.25%-5.00%	12/1/2025	250,000	-	-	250,000	-
Series 2007 Sewer	4.00%-5.00%	12/1/2016	5,015,000	-	890,000	4,125,000	970,000
Series 2007 Parking	4.00%-5.00%	12/1/2016	1,205,000	-	105,000	1,100,000	110,000
Series 2008B Sherman Garage	3.00%-5.00%	12/1/2018	27,755,000	-	11,320,000	16,435,000	1,420,000
Series 2008C Sewer	3.00%-5.00%	12/1/2028	2,429,420	-	83,300	2,346,120	85,260
Series 2008D Sewer	3.25%-5.00%	12/1/2016	7,790,000	-	1,555,000	6,235,000	1,655,000
Subtotal Business Activity G.O. Debt			<u>55,679,420</u>	<u>-</u>	<u>15,443,300</u>	<u>40,236,120</u>	<u>5,130,260</u>
Water Revenue Bond Series 1999	4.125-4.375%	1/1/2014	1,395,000	-	255,000	1,140,000	265,000
Water Revenue Bond Series 2002	2.00-3.75%	1/1/2012	850,000	-	270,000	580,000	285,000
Subtotal Water Revenue Bonds			<u>2,245,000</u>	<u>-</u>	<u>525,000</u>	<u>1,720,000</u>	<u>550,000</u>
Subtotal IEPA Loans	2.535-3.59%	Various	<u>101,775,223</u>	<u>1,557,699</u>	<u>7,962,378</u>	<u>95,370,544</u>	<u>8,318,663</u>
Unamortized bond Premium and discount			14,677	-	1,130	13,547	-
Bonds premium liability			1,142,295	-	130,878	1,011,417	-
Compensated absences payable- City			659,697	63,887	46,880	676,704	323,042
OPEB Liability			30,165	66,219	-	96,384	-
Subtotal Other Business Activity Liabilities			<u>1,846,834</u>	<u>130,106</u>	<u>178,888</u>	<u>1,798,052</u>	<u>323,042</u>
Total Business Debt & Liabilities			<u>\$ 161,546,477</u>	<u>\$ 1,687,805</u>	<u>\$ 24,109,566</u>	<u>\$ 139,124,716</u>	<u>\$ 14,321,965</u>
Total Governmental & Business Debt & Liabilities			<u>\$ 320,191,454</u>	<u>\$ 23,352,251</u>	<u>\$ 52,198,790</u>	<u>\$ 291,344,915</u>	<u>\$ 28,575,558</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

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

**Business type activities - Water Revenue Bonds**

Business type activities revenue bonds are payable from revenues derived from Water service fees. The City has pledged future revenues, net of operating expenses, to repay original principal totaling \$5,855,000 in revenue bonds issued in 1999 and 2002. Proceeds from the bonds provided financing for Water CIP projects. The bonds are payable solely from revenues through 2014. Annual payment for principal and interest on the bonds are expected to require \$621,268 of net revenues for Fiscal Year 2010-11. The total principal and interest remaining to be paid on the bonds is \$1,879,988. Principal and interest paid for the current year totaled \$616,556 on customer revenues of \$4,937,717.

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	\$ 1,140,000
10/1/2002	1/1/2012	Various	2,355,000	<u>580,000</u>
Total Business type Activities- Water Revenue Bonds				<u>\$ 1,720,000</u>

**Business type activities - IEPA Loans**

Business type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$161,753,948 in IEPA loans issued in 1993 through 2009. Proceeds from the loans provided financing for the Long Term Sewer and Water Improvement Program. The IEPA loans are payable solely from revenues and are payable through 2029. Annual principal and interest on the loans are expected to require \$10,821,368 of net revenues for the Fiscal year 2010-11. The total principal and interest remaining to be paid on the loans is \$112,210,555. Principal and interest paid for the current year and total customer net revenues were \$10,644,389 and \$11,165,179 respectively.

IEPA loans payable consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance</u>
Various	Various	Various	\$ 161,753,948	<u>\$ 95,370,544</u>
Total Business type Activities- IEPA Loan Debt				<u>\$ 95,370,544</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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 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, 2010

---

**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
2011	\$ 7,304,740	\$ 4,730,853	\$ 5,130,260	\$ 1,917,550
2012	7,801,800	4,479,259	5,223,200	1,676,927
2013	8,259,840	4,242,123	5,955,160	1,427,545
2014	8,636,900	3,976,401	4,163,100	1,134,543
2015	9,942,980	3,640,288	3,192,020	894,096
2016-2020	34,715,020	12,739,941	15,219,980	2,088,750
2021-2025	25,732,820	5,514,150	677,180	273,712
2026-2029	8,839,780	870,560	675,220	86,432
Total	<u>\$ 111,233,880</u>	<u>\$ 40,193,575</u>	<u>\$ 40,236,120</u>	<u>\$ 9,499,555</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

**C. Special Service District Bonds Payable**

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

Special Service District bond is included within the total of General Obligation Bonds. Annual debt service requirements to maturity for special service district bonds are as follows:

Year Ending February 28	Governmental Activities	
	Principal	Interest
2011	\$ 315,000	\$ 125,976
2012	325,000	107,706
2013	340,000	88,756
2014	380,000	68,876
2015	390,000	46,606
2016	405,000	23,566
Total	<u>\$ 2,155,000</u>	<u>\$ 461,486</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 February 28	Business-type Activities	
	Principal	Interest
2011	\$ 550,000	\$ 71,268
2012	575,000	49,344
2013	290,000	26,032
2014	305,000	13,344
Total	<u>\$ 1,720,000</u>	<u>\$ 159,988</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

**E. Notes Payable -IEPA Loans**

During the fiscal year ended February 28, 2010, the City currently has 27 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer and water system; the loans do not constitute a full faith and credit obligation of the City. They will be repaid with equal installments consisting of principal plus simple interest, on unpaid principal balances, over a period of 20 years. Initial principal balances will consist of disbursements and interest accrued during construction. Repayments begin not later than six months after completion of construction.

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

<u>Year Ending February 28</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 8,318,663	\$ 2,502,705
2012	8,558,703	2,262,666
2013	8,683,160	2,015,534
2014	8,241,723	1,767,746
2015	7,791,421	1,546,488
2016-2020	31,584,063	4,852,992
2021-2025	16,778,439	1,649,211
2026-2030	5,414,372	242,669
Total	<u>\$ 95,370,544</u>	<u>\$ 16,840,011</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, 2010

---

**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, 2010, the following remaining outstanding balances are considered defeased:

<u>G.O. Series</u>	<u>Original Amount Defeased</u>	<u>Outstanding Defeased Amounts</u>
1995	\$ 1,990,000	\$ 1,990,000
1996	11,385,000	11,385,000
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, 2010, are recorded as a liability in the City's financial statements. Those balances are as follows:

<u>Series</u>	<u>Amounts</u>
2002C	\$ 5,520,000
2003B	3,145,000

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

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

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

Contribution requirements are established through Illinois State laws. The City of Evanston implicitly contributes the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$334 for single coverage to \$1,782 for family coverage. The city pays 100% of health care premiums for Police officers and Firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$334 for single coverage to \$1,782 for family coverage. For fiscal year 2010, the City contributed \$591,336 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	\$ 1,008,962
Interest on net OPEB obligation	32,018
Adjustment to annual required contribution	<u>1,001</u>
Annual OPEB cost	1,041,981
Contributions made	<u>(591,336)</u>
Increase in net OPEB obligation	450,645
Net OPEB obligation - Beginning of Year	<u>683,320</u>
Net OPEB obligation - End of Year	<u><u>\$ 1,133,965</u></u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

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

The City of Evanston's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2010 were as follows.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
2/29/2008	\$ 680,975	51.45%	\$ 330,643
2/28/2009	683,740	48.42%	683,320
2/28/2010	1,041,981	56.75%	1,133,965

The funded status of the plan as of March 1st, 2009, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 11,762,298
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 11,762,298</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	50,141,622
UAAL as a percentage of covered payroll	23.46%

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, 2010

---

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

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

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

In the March 1, 2009 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.50 percent investment rate of return and an annual healthcare cost trend rate of 8.50 percent initially, reduced by decrements to an ultimate rate of 3.50 percent after 10 years. Both rates include a 3 percent price inflation assumption. The actuarial value of retiree health plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a three year period. Retiree health plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at March 1, 2009, was 27 years.

**H. Capital Leases**

The City has entered into lease agreements as lessee for financing the acquisition of Accela Systems for Permit records. These lease agreements qualify as capital leases for accounting purposes and, therefore the assets and obligations have been recorded at the present value of the future minimum lease payments as of February, 28 2010. At February 28, 2010 \$708,552 of amounts included in capital assets were acquired via capital leases. The obligation for the capital leases will be repaid from the Governmental Funds. The future minimum lease obligations and the net present value of these minimum lease payments as of February 28, 2010 are as follows:

<u>Fiscal year ending</u>	<u>Amount</u>
2011	\$ 383,764
2012	<u>383,764</u>
Total minimum lease payments	767,528
Less: amount representing interest	<u>(58,976)</u>
Present value of minimum lease payments	<u>\$ 708,552</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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	\$ 49,840,356
Police Pension Fund Restriction for employee pension benefits	<u>65,449,706</u>
Total Fiduciary Funds	<u>\$ 115,290,062</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**NOTE 10. FUND EQUITY - Continued**

**C. Reservations of Fund Equity**

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

General Fund	
Reserved for Arts Council	\$ 31,734
Reserved for private elm trees	189,388
Reserved for parkway trees	398,216
Reserved for Butterfield sculpture	31,833
Reserved for scholarship contributions	27,553
Reserved for public library acquisitions	234,796
Reserved for recreation group activities	207,123
Reserved for youth initiative	42,151
Reserved for parks and recreation	156,518
Other reserves	<u>265,543</u>
 Total General Fund	 <u>1,584,855</u>
 Special Revenue Funds	
Reserved for HUD approved Projects	410,000
Reserved for notes receivable	<u>5,383,108</u>
 Total Special Revenue Funds	 <u>5,793,108</u>
 Debt Service Funds	
Reserved for debt service	<u>23,160,111</u>
 Total Reserved Fund Equity - Governmental Funds	 <u>\$ 30,538,074</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**NOTE 10. FUND EQUITY - Continued**

**D. Unrestricted Fund Equity - Designated**

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

General Fund	
IMRF - Pension	\$ 2,590,000
Compensated Absences	2,576,360
Capital projects to be financed in a future period	<u>260,553</u>
Total General Fund	<u>5,426,913</u>
Special Revenue Funds	
Specific capital projects	
Motor Fuel Tax	794,436
Library Endowment	2,678,744
Neighborhood Improvement	<u>10,000</u>
Total Special Revenue Funds	<u>3,483,180</u>
Capital Projects Funds	
Specific capital projects	
Capital Improvements	5,441,774
Special Assessment	<u>3,833,828</u>
Total Capital Projects Funds	<u>9,275,602</u>
Unrestricted Fund Equity - Designated	<u>\$ 18,185,695</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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 2009 was \$385,715 which includes a loss & cost amount of \$7,715.

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, 2010

---

**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>
<b>February 29, 2008</b>	\$ 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>
<b>February 28, 2009</b>	4,264,337	1,094,263	5,358,600
New claims and/or estimate revisions	1,286,387	(186,225)	1,100,162
Claims payments	<u>(1,008,644)</u>	<u>(276,750)</u>	<u>(1,285,394)</u>
<b>February 28, 2010</b>	<u>\$ 4,542,080</u>	<u>\$ 631,288</u>	<u>\$ 5,173,368</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**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, 2010

---

**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, 2009:

Current assets	\$ 5,744,977
Property, plant, and equipment	12,179,879
Debt issuance costs, net	<u>139,293</u>
Total assets	<u>\$ 18,064,149</u>
Current liabilities	\$ 3,636,265
Long-term debt, net of unamortized discount	5,982,799
Invested in capital assets, net of related debt	5,072,080
Unrestricted net assets	<u>3,373,005</u>
Total liabilities and fund equity	<u>\$ 18,064,149</u>

Summary of Revenues and Expenses for the Year Ended April 30, 2009:

Total revenues	\$ 17,055,520
Total expenses	<u>(16,026,646)</u>
Net (loss)	<u>\$ 1,028,874</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, 2010

---

#### NOTE 14. JOINT VENTURES – Continued

##### B. Evanston Housing Corporation

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

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

The City of Evanston has advanced \$639,000 to the corporation under the notes due on or before November 30, 2034. The notes bear no interest. However, the City is entitled to a certain net sales consideration upon the sale or exchange of the mortgaged property, as well as a prorated portion of the investment income earned on the funds not loaned to mortgagees.

The financial institutions' funds are advanced under Non-Recourse Collateral Trust Notes. The notes are payable on or before November 30, 2029. Interest accrues based on interest earned from the mortgage notes receivable and investments, less expenses. Interest is paid semiannually to the holders on a pro-rata basis based on the amount of each note held to the total outstanding notes.

The audited financial statements of Evanston Housing Corporation for the year ended December 31, 2009 are summarized as follows:

Statement of Financial Position as of December 31, 2009:

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

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

**NOTE 14. JOINT VENTURES – Continued**

**B. Evanston Housing Corporation - Continued**

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

Total revenues	\$ 128,071
Total operating expenses	<u>(128,071)</u>
Excess of revenues over expense:	<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, 2010	<u>\$ 34,449,599</u>
-----------------------------------	----------------------

## **CITY OF EVANSTON, ILLINOIS**

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

For the Fiscal Year Ending February 28, 2010

---

#### **NOTE 16. DEFINED BENEFIT PENSION PLANS**

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

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

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

#### **Illinois Municipal Retirement Fund**

##### **A. Plan Description**

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City and Township are required to contribute at an actuarially determined rate. The City's rate for calendar year 2009 was 8.07% 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, 2009 was \$61,760,476. Of this amount, \$33,485,370 in payroll earnings were reported to and covered by the IMRF system. The Township's total payroll for the year ended December 31, 2008 was \$261,152. Of this amount, \$261,152 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, 2010

---

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

**Illinois Municipal Retirement Fund - Continued**

**C. Annual Pension Cost**

For December 31, 2009, the City's annual pension cost of \$2,702,269 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% 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 10.0% 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 for 2009 pension cost were based on the 2002-2004 experience study. However the 2009 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, 2009 was 23 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>
12/31/09	\$ 2,702,269	100%	\$ -
12/31/08	2,574,448	100%	-
12/31/07	2,749,378	100%	-

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

**Illinois Municipal Retirement Fund - Continued**

**C. Annual Pension Cost - Continued**

For December 31, 2008, the Township's annual pension cost of \$13,371 was equal to the Township'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 used for the 2008 actuarial valuation were based on the 2005-2007 experience study.

Three-Year Trend Information for IMRF - Township

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 13,371	100%	\$ -
12/31/07	20,253	100%	-
12/31/06	20,372	100%	-

**Police and Firefighters' Pension Plans**

**D. Plan Descriptions**

The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each Fund. All sworn City police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City's payroll for police and firefighter employees covered by the plans for the year ended February 28, 2009 was \$12,633,000 and \$9,242,000 respectively and for February 28, 2010, it was \$13,117,000 and \$9,133,000 respectively.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

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

**D. Plan Descriptions - Continued**

Participation in the plans at February 28, 2010 was:

	<u>Police</u>	<u>Firefighters'</u>
Retirees, disabled participants, and beneficiaries of deceased retirees currently receiving benefits	163	129
Active plan members	<u>164</u>	<u>106</u>
Total	<u>327</u>	<u>235</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 Pension Fund</u>	<u>Firefighters' Pension Fund</u>
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	5.00%	5.00%
Attributable to inflation	3.50%	3.50%
Cost of Living Increases	3.00%	3.00%

## **CITY OF EVANSTON, ILLINOIS**

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

For the Fiscal Year Ending February 28, 2010

---

#### **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 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, 2010

---

**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, 2010 are as follows:

	<u>Police</u>	<u>Firefighters'</u>
Annual required contribution	\$ 7,787,369	\$ 6,358,267
Interest on net pension obligation	760,911	494,058
Adjustment to annual required contribution	<u>(633,379)</u>	<u>(411,252)</u>
Annual pension cost	7,914,901	6,441,073
Contributions made	<u>(7,573,794)</u>	<u>(6,068,776)</u>
Increase (decrease) in net pension obligation	341,107	372,297
Net pension obligation at March 1, 2009	<u>10,495,325</u>	<u>6,814,595</u>
Net pension obligation at March 1, 2010	<u>\$ 10,836,432</u>	<u>\$ 7,186,892</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, 2010

---

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

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

**G. Concentration of Investments**

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

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

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

	<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police	2/28/10	\$ 7,914,901	104.71 %	\$ 10,836,432
	2/28/09	7,233,096	115.50	10,495,325
	2/29/08	6,789,705	91.52	11,100,974
	2/28/07	4,728,814	99.62	8,639,014
	2/28/06	4,388,343	106.25	8,237,212
Firefighters'	2/28/10	6,441,073	102.37	7,186,892
	2/28/09	5,928,290	115.77	6,814,595
	2/29/08	5,575,720	98.27	7,341,644
	2/28/07	4,234,574	93.89	5,927,461
	2/28/06	3,973,339	104.44	5,383,088

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

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

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

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

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Assets			
Cash and short-term investments	\$ 3,771,985	\$ 4,827,854	\$ 8,599,839
Receivables			
Accrued interest	38,824	227,363	266,187
Due from other funds	<u>2,449,167</u>	<u>2,985,686</u>	<u>5,434,853</u>
Total Receivables	<u>2,487,991</u>	<u>3,213,049</u>	<u>5,701,040</u>
Investments, at fair value			
U.S. Government obligations	9,704,478	34,465,297	44,169,775
Common stock	10,605,889	-	10,605,889
Mutual funds	<u>23,276,456</u>	<u>22,957,679</u>	<u>46,234,135</u>
Total Investments	<u>43,586,823</u>	<u>57,422,976</u>	<u>101,009,799</u>
Total Assets	<u>49,846,799</u>	<u>65,463,879</u>	<u>115,310,678</u>
Liabilities			
Vouchers payable	<u>6,443</u>	<u>14,173</u>	<u>20,616</u>
Total Liabilities	<u>6,443</u>	<u>14,173</u>	<u>20,616</u>
Net assets held in trust for pension benefits	<u>\$ 49,840,356</u>	<u>\$ 65,449,706</u>	<u>\$ 115,290,062</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

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

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

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

	<u>Firefighters' Pension</u>	<u>Police Pension</u>	<u>Total Pension</u>
Additions			
Contributions			
Employer	\$ 6,065,142	\$ 7,566,829	\$ 13,631,971
Plan members	882,206	1,362,073	2,244,279
Other-Donations, Legal Sett., Surplus Sales	3,634	6,965	10,599
Total Contributions	<u>6,950,982</u>	<u>8,935,867</u>	<u>15,886,849</u>
Investment income			
Net appreciation (depreciation) in fair value of investments	5,670,721	8,064,232	13,734,953
Interest	<u>888,863</u>	<u>1,658,853</u>	<u>2,547,716</u>
Total investment income	6,559,584	9,723,085	16,282,669
Less investment expense	<u>170,846</u>	<u>149,977</u>	<u>320,823</u>
Net investment income	<u>6,388,738</u>	<u>9,573,108</u>	<u>15,961,846</u>
Total Additions	<u>13,339,720</u>	<u>18,508,975</u>	<u>31,848,695</u>
Deductions			
Benefits	5,718,183	7,621,469	13,339,652
Refunds of contributions	-	24,014	24,014
Administrative expense	<u>30,726</u>	<u>32,055</u>	<u>62,781</u>
Total Deductions	<u>5,748,909</u>	<u>7,677,538</u>	<u>13,426,447</u>
Net increase	7,590,811	10,831,437	18,422,248
Net assets held in trust for pension benefits			
Beginning of year	<u>42,249,545</u>	<u>54,618,269</u>	<u>96,867,814</u>
End of year	<u>\$ 49,840,356</u>	<u>\$ 65,449,706</u>	<u>\$ 115,290,062</u>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ending February 28, 2010

---

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

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

**K. Pensions - Actuarial Valuations**

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

	<u>Firefighters' Pension Fund</u>	<u>Police Pension Fund</u>
Valuation date	March 1, 2010	March 1, 2010
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Amortization method	Level percent Closed	Level percent Closed
Remaining amortization period	23 Years , 4 months	23 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 and Post Employment Benefits

Required Supplementary Information

February 28, 2010

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
<b>Firefighters' Pension</b>						
3/1/2010	\$ 52,021,778	\$ 129,493,139	\$ 77,471,361	40.17%	\$ 9,133,000	848.26%
3/1/2009	49,410,755	119,852,896	70,442,141	41.23%	9,242,000	762.20%
3/1/2008	47,006,917	111,696,236	64,689,319	42.08%	8,999,000	718.85%
3/1/2007	43,742,297	106,361,853	62,619,556	41.13%	8,402,000	745.29%
3/1/2006	40,653,428	84,413,071	43,759,643	48.16%	8,150,000	536.93%
3/1/2005	38,327,422	78,759,019	40,431,597	48.66%	7,684,000	526.18%
3/1/2004	37,420,932	75,342,794	37,921,862	49.67%	7,376,000	514.13%
<b>Police Pension</b>						
3/1/2010	\$ 68,998,555	\$ 166,228,478	\$ 97,229,923	41.51%	\$ 13,117,000	741.25%
3/1/2009	66,514,296	154,971,310	88,457,014	42.92%	12,632,549	700.23%
3/1/2008	64,355,651	145,458,945	81,103,294	44.24%	12,142,000	667.96%
3/1/2007	61,795,438	139,371,086	77,575,648	44.34%	11,522,000	673.28%
3/1/2006	58,400,853	112,448,880	54,048,027	51.94%	11,195,000	482.79%
3/1/2005	55,269,914	106,426,694	51,156,780	51.93%	10,642,000	480.71%
3/1/2004	54,469,873	101,824,016	47,354,143	53.49%	10,217,000	463.48%
<b>Illinois Municipal Retirement Fund (City)</b>						
12/31/2009	\$ 50,465,714	\$ 79,011,161	\$ 28,545,447	63.87%	\$ 33,485,370	85.25%
12/31/2008	44,075,583	72,888,719	28,813,136	60.47%	34,189,216	84.28%
12/31/2007	88,101,956	84,705,898	(3,396,058)	104.01%	34,496,585	-
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	-
<b>Illinois Municipal Retirement Fund (Township)</b>						
12/31/2008	\$ 405,691	\$ 317,964	\$ (87,727)	127.59%	\$ 261,152	-
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	-
<b>Post Employment Benefits other than Pension</b>						
3/1/2009	\$ -	\$ 11,762,298	\$ 11,762,298	-	\$ 50,141,622	23.46%
3/1/2008	-	7,634,991	7,634,991	-	50,230,393	15.20%
3/1/2007	-	7,254,074	7,254,074	-	48,531,780	14.95%

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

**CITY OF EVANSTON, ILLINOIS**

## Firefighters and Police Pension Funds

## Schedules of Employer Contribution

## Required Supplementary Information

February 28, 2010

---

---

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
2009	\$ 5,828,112	N/A	N/A	\$ 7,081,620	N/A	N/A
2008	5,486,699	\$ 5,217,187	95.09%	6,659,960	\$ 6,345,667	95.28%
2007	4,174,271	6,139,178	147.07%	4,636,539	7,717,650	166.45%
2006	3,921,530	3,867,153	98.61%	4,301,359	4,217,457	98.05%
2005	3,317,158	3,459,626	104.29%	4,071,765	4,295,601	105.50%
2004	3,041,911	3,398,340	111.72%	4,274,043	4,271,102	99.93%
2003	2,685,046	2,690,742	100.21%	3,505,934	3,522,862	100.48%
2002	2,355,236	2,374,744	100.83%	3,224,902	3,252,113	100.84%
2001	2,209,466	2,324,407	105.20%	2,990,038	3,038,432	101.62%

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

**CITY OF EVANSTON, ILLINOIS**

General Fund

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

Required Supplementary Information

Year ended February 28, 2010

	Original & Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 40,308,883	\$ 39,114,664	\$ (1,194,219)
Licenses and permits	8,937,100	7,279,181	(1,657,919)
Intergovernmental	17,192,700	15,566,317	(1,626,383)
Charges for services	8,793,500	8,680,166	(113,334)
Fines	4,256,500	4,150,610	(105,890)
Investment income	450,000	17,048	(432,952)
Miscellaneous	3,268,945	3,824,800	555,855
Total Revenues	<u>83,207,628</u>	<u>78,632,786</u>	<u>(4,574,842)</u>
<b>Expenditures</b>			
General management and support	15,642,300	14,709,080	933,220
Public safety	33,076,500	34,200,593	(1,124,093)
Public works	14,265,300	12,857,584	1,407,716
Health and human resource development	4,084,500	3,940,324	144,176
Recreation and cultural opportunities	19,138,800	17,987,443	1,151,357
Housing and economic development	3,461,800	3,332,818	128,982
Total Expenditures	<u>89,669,200</u>	<u>87,027,842</u>	<u>2,641,358</u>
(Deficiency) of Revenues (under) Expenditures	<u>(6,461,572)</u>	<u>(8,395,056)</u>	<u>(1,933,484)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in (out)			
Neighborhood Improvement Fund	141,000	141,000	-
Motor Fuel Tax Fund	772,500	772,500	-
Economic Development Fund	690,000	690,000	-
Housing Fund	24,000	24,000	-
Washington National TIF Debt Service Fund	151,872	151,872	-
Howard Hartrey Debt Service	141,588	141,588	-
Southwest TIF I Debt Service Fund	24,120	24,120	-
Debt Service Fund	500,004	500,004	-
Downtown TIF Debt Service Fund	324,996	324,996	-
Parking Fund	777,492	777,492	-
Howard Ridge TIF	120,396	120,396	-
Capital Improvement Fund	100,000	100,000	-
Water Fund	2,693,604	2,693,604	-
	<u>6,461,572</u>	<u>6,461,572</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>(1,933,484)</u>	<u>\$ (1,933,484)</u>
<b>Fund Balance</b>			
Beginning of year		<u>29,910,132</u>	
End of year		<u>\$ 27,976,648</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 2010 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, 2010 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	\$ 79,749,329
Increase (decrease) due to budgeting property taxes as revenue in the year of levy	<u>(1,116,543)</u>
Budgetary Basis Revenues	<u>\$ 78,632,786</u>
Expenditures	
GAAP basis expenditures as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 87,050,168
Increase (decrease) due to Encumbrances - March 1, 2009	(22,326)
Encumbrances - February 28, 2010	<u>-</u>
Budgetary Basis Expenditures	<u>\$ 87,027,842</u>

Note: See Auditors' Report.

## GOVERNMENTAL FUND TYPES

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

#### **City Funds**

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

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

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

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

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

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

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

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

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

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

Continued

## **Special Revenue Funds - Continued**

### **Township Funds**

Town - to account for general administrative services.

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

### **Debt Service Funds**

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

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

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

Central Business Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district. This tax increment district term expired as of December 31, 2009.

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. This fund was closed into Central Business Tax Increment District debt service fund during the fiscal year.

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. This fund was closed into Washington National Tax Increment District debt service fund during the fiscal year.

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, 2010

	<b>Special Revenue</b>				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Assets					
Cash and equivalents	\$ 1,008,869	\$ 1,821,450	\$ 650,926	\$ 246,894	\$ 49,634
Investments	-	-	-	2,430,292	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	1,558	-
Other	-	20,499	158,519	-	-
Property held for resale	-	-	-	-	-
Due from other governments	139,784	-	-	-	-
Due from other funds	-	273,500	1,683,821	-	25,678
<b>Total Assets</b>	<b>\$ 1,148,653</b>	<b>\$ 2,115,449</b>	<b>\$ 2,493,266</b>	<b>\$ 2,678,744</b>	<b>\$ 75,312</b>
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ 354,217	\$ 107,834	\$ 39,469	\$ -	\$ -
Other	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	250,000	-	-
Deferred revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>354,217</b>	<b>107,834</b>	<b>289,469</b>	<b>-</b>	<b>-</b>
Fund Balances					
Reserved for notes receivable	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	-	-
Unreserved					
Designated	794,436	-	-	2,678,744	10,000
Undesignated	-	2,007,615	2,203,797	-	65,312
<b>Total Fund Balances</b>	<b>794,436</b>	<b>2,007,615</b>	<b>2,203,797</b>	<b>2,678,744</b>	<b>75,312</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,148,653</b>	<b>\$ 2,115,449</b>	<b>\$ 2,493,266</b>	<b>\$ 2,678,744</b>	<b>\$ 75,312</b>

Continued

<b>Special Revenue</b>						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Total City Funds	
\$ 532,715	\$ 2,906	\$ 42,035	\$ 91,008	\$ 1,632	\$ 4,448,069	
-	-	-	-	-	2,430,292	
-	-	-	-	368,598	368,598	
1,460,412	1,999,109	24,799	1,988,788	-	5,473,108	
-	-	(12,000)	(78,000)	-	(90,000)	
-	-	-	-	-	-	
-	-	-	-	-	1,558	
232,967	-	-	-	-	411,985	
-	-	410,000	-	-	410,000	
-	86,504	142,547	-	-	368,835	
-	-	-	-	-	1,982,999	
<b>\$ 2,226,094</b>	<b>\$ 2,088,519</b>	<b>\$ 607,381</b>	<b>\$ 2,001,796</b>	<b>\$ 370,230</b>	<b>\$ 15,805,444</b>	
\$ -	\$ 39,655	\$ 31,923	\$ 22,397	\$ -	\$ 595,495	
-	-	-	4,146	-	4,146	
-	-	-	387	-	387	
-	-	152,659	384	70,000	473,043	
-	-	-	-	26,821	26,821	
-	39,655	184,582	27,314	96,821	1,099,892	
1,460,412	1,999,109	12,799	1,910,788	-	5,383,108	
-	-	-	-	-	-	
-	-	410,000	-	-	410,000	
-	-	-	-	-	3,483,180	
765,682	49,755	-	63,694	273,409	5,429,264	
<b>2,226,094</b>	<b>2,048,864</b>	<b>422,799</b>	<b>1,974,482</b>	<b>273,409</b>	<b>14,705,552</b>	
<b>\$ 2,226,094</b>	<b>\$ 2,088,519</b>	<b>\$ 607,381</b>	<b>\$ 2,001,796</b>	<b>\$ 370,230</b>	<b>\$ 15,805,444</b>	

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
February 28, 2010 and March 31, 2009 for City and Township respectively

	<b>Special Revenue</b>			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 671,699	\$ 1,303,291	\$ 1,974,990	\$ 6,423,059
Investments	-	-	-	2,430,292
Receivables				
Property taxes (net of allowance)				
Current year levy	177,497	550,910	728,407	1,097,005
Notes	-	-	-	5,473,108
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	1,558
Other	12,280	309	12,589	424,574
Property held for resale	-	-	-	410,000
Due from other governments	-	-	-	368,835
Due from other funds	-	3,437	3,437	1,986,436
	<u>\$ 861,476</u>	<u>\$ 1,857,947</u>	<u>\$ 2,719,423</u>	<u>\$ 18,524,867</u>
Total Assets				
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 84,897	\$ 35,556	\$ 120,453	\$ 715,948
Other	-	-	-	4,146
Due to other governments	-	-	-	387
Due to other funds	3,437	-	3,437	476,480
Deferred revenues	170,912	529,503	700,415	727,236
	<u>259,246</u>	<u>565,059</u>	<u>824,305</u>	<u>1,924,197</u>
Fund Balances				
Reserved for notes receivable	-	-	-	5,383,108
Reserved for debt service	-	-	-	-
Reserved for HUD Approved Projects	-	-	-	410,000
Unreserved				
Designated	-	-	-	3,483,180
Undesignated	602,230	1,292,888	1,895,118	7,324,382
	<u>602,230</u>	<u>1,292,888</u>	<u>1,895,118</u>	<u>16,600,670</u>
Total Fund Balances	<u>602,230</u>	<u>1,292,888</u>	<u>1,895,118</u>	<u>16,600,670</u>
Total Liabilities and Fund Balances	<u>\$ 861,476</u>	<u>\$ 1,857,947</u>	<u>\$ 2,719,423</u>	<u>\$ 18,524,867</u>

Continued

<b>Debt Service</b>							
General Obligation Debt	Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total
\$ 1,521,600	\$ 48,088	\$ 577,639	\$ 4,478,960	\$ 6,417,263	\$ 752,963	\$ 934,604	\$ 14,731,117
-	-	-	-	-	-	-	-
9,201,332	415,774	643,071	1,316,061	4,398,318	676,881	536,890	17,188,327
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	19,197	-	517	19,714
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
126,778	-	-	-	-	-	-	126,778
<b>\$ 10,849,710</b>	<b>\$ 463,862</b>	<b>\$ 1,220,710</b>	<b>\$ 5,795,021</b>	<b>\$ 10,834,778</b>	<b>\$ 1,429,844</b>	<b>\$ 1,472,011</b>	<b>\$ 32,065,936</b>
\$ -	\$ -	\$ -	\$ -	\$ 27,637	\$ -	\$ -	\$ 27,637
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
99,777	-	-	31,459	25,099	-	-	156,335
4,760,533	179,723	288,742	588,941	2,289,669	311,642	302,603	8,721,853
4,860,310	179,723	288,742	620,400	2,342,405	311,642	302,603	8,905,825
-	-	-	-	-	-	-	-
5,989,400	284,139	931,968	5,174,621	8,492,373	1,118,202	1,169,408	23,160,111
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,989,400	284,139	931,968	5,174,621	8,492,373	1,118,202	1,169,408	23,160,111
<b>\$ 10,849,710</b>	<b>\$ 463,862</b>	<b>\$ 1,220,710</b>	<b>\$ 5,795,021</b>	<b>\$ 10,834,778</b>	<b>\$ 1,429,844</b>	<b>\$ 1,472,011</b>	<b>\$ 32,065,936</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Balance Sheet - Continued  
February 28, 2010

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 3,965,001	\$ 25,119,177
Investments	-	2,430,292
Receivables		
Property taxes (net of allowance)		
Current year levy	-	18,285,332
Notes	-	5,473,108
Allowance	-	(90,000)
Special assessments	1,101,204	1,101,204
Accrued interest	-	21,272
Other	-	424,574
Property held for resale	-	410,000
Due from other governments	-	368,835
Due from other funds	90,457	2,203,671
Total Assets	<u>\$ 5,156,662</u>	<u>\$ 55,747,465</u>
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 146,372	\$ 889,957
Other	-	4,146
Due to other governments	-	387
Due to other funds	75,258	708,073
Deferred revenues	1,101,204	10,550,293
Total Liabilities	<u>1,322,834</u>	<u>12,152,856</u>
Fund Balances		
Reserved for notes receivable	-	5,383,108
Reserved for debt service	-	23,160,111
Reserved for HUD Approved Projects	-	410,000
Unreserved		
Designated	3,833,828	7,317,008
Undesignated	-	7,324,382
Total Fund Balances	<u>3,833,828</u>	<u>43,594,609</u>
Total Liabilities and Fund Balances	<u>\$ 5,156,662</u>	<u>\$ 55,747,465</u>

Concluded

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances  
Year ended February 28, 2010

	<b>Special Revenue</b>				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
<b>Revenues</b>					
Taxes	\$ -	\$ 1,534,754	\$ 1,062,296	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	1,867,683	-	-	-	-
Investment income	2,243	2,899	3,251	521,036	-
SSI reimbursement	-	-	-	-	-
Medical reimbursement	-	-	-	-	-
Miscellaneous	-	-	-	143,407	-
<b>Total Revenues</b>	<b>1,869,926</b>	<b>1,537,653</b>	<b>1,065,547</b>	<b>664,443</b>	<b>20,000</b>
<b>Expenditures</b>					
<b>Current</b>					
General management and support	-	-	-	-	-
Public safety	-	-	1,029,990	-	-
Public works	1,375,512	-	-	-	-
Health and human resource development	-	-	-	-	-
Housing and economic development	-	817,147	-	-	41,757
<b>Debt service</b>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
<b>Capital outlay</b>					
<b>Total Expenditures</b>	<b>1,375,512</b>	<b>817,147</b>	<b>1,029,990</b>	<b>-</b>	<b>41,757</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>494,414</b>	<b>720,506</b>	<b>35,557</b>	<b>664,443</b>	<b>(21,757)</b>
<b>Other Financing Sources (Uses)</b>					
<b>Transfers in (out)</b>					
General	(772,500)	(690,000)	-	-	(141,000)
Capital Improvement	-	-	-	-	146,678
Town	-	-	-	-	-
General Assistance	-	-	-	-	-
General Obligation Debt Service	-	-	-	-	-
Washington Natl. Tax Increment Dist. Debt Svc	-	-	-	-	-
Washington Natl. Tax Increment Dist. CIP	-	-	-	-	-
Special Assesmtment Capital Project	-	-	-	-	-
Central Business Tax Increment District Debt Svc	-	-	-	-	-
Central Business Tax Increment District CIP	-	-	-	-	-
Motor Vehicle Parking System	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(772,500)</b>	<b>(690,000)</b>	<b>-</b>	<b>-</b>	<b>5,678</b>
<b>Net Change in Fund Balances</b>	<b>(278,086)</b>	<b>30,506</b>	<b>35,557</b>	<b>664,443</b>	<b>(16,079)</b>
<b>Fund Balances -Beginning of Year</b>	<b>1,072,522</b>	<b>1,977,109</b>	<b>2,168,240</b>	<b>2,014,301</b>	<b>91,391</b>
<b>Fund Balances - End of Year</b>	<b>\$ 794,436</b>	<b>\$ 2,007,615</b>	<b>\$ 2,203,797</b>	<b>\$ 2,678,744</b>	<b>\$ 75,312</b>

Continued

<b>Special Revenue</b>						
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 4	Total City Funds	
\$ -	\$ -	\$ -	\$ -	\$ 597,606	\$ 3,214,656	
-	-	-	-	-	-	
-	489,613	2,447,541	-	-	4,804,837	
1,201	10,268	-	12,767	63	553,728	
-	-	-	-	-	-	
-	-	-	-	-	-	
184,762	-	18,599	-	-	346,768	
185,963	499,881	2,466,140	12,767	597,669	8,919,989	
-	-	-	-	-	-	
-	-	-	-	-	1,029,990	
-	-	-	-	-	1,375,512	
-	-	-	-	-	-	
47,675	1,825,468	2,466,140	46,801	512,274	5,757,262	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
47,675	1,825,468	2,466,140	46,801	512,274	8,162,764	
138,288	(1,325,587)	-	(34,034)	85,395	757,225	
(24,000)	-	-	-	-	(1,627,500)	
-	-	-	-	-	146,678	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(24,000)	-	-	-	-	(1,480,822)	
114,288	(1,325,587)	-	(34,034)	85,395	(723,597)	
2,111,806	3,374,451	422,799	2,008,516	188,014	15,429,149	
\$ 2,226,094	\$ 2,048,864	\$ 422,799	\$ 1,974,482	\$ 273,409	\$ 14,705,552	

Continued

**CITY OF EVANSTON, ILLINOIS**

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued  
 Year Ended February 28, 2010 and March 31, 2009 for City and Township respectively

	<b>Special Revenue</b>			
	Town	General Assistance	Total Township Funds	Total Special Revenue
<b>Revenues</b>				
Taxes	\$ 344,176	\$ 1,018,107	\$ 1,362,283	\$ 4,576,939
Special assessments	-	-	-	-
Intergovernmental	63,939	-	63,939	4,868,776
Investment income	7,278	8,881	16,159	569,887
SSI reimbursement	-	42,818	42,818	42,818
Medical reimbursement	-	55,481	55,481	55,481
Miscellaneous	-	-	-	346,768
Total Revenues	<u>415,393</u>	<u>1,125,287</u>	<u>1,540,680</u>	<u>10,460,669</u>
<b>Expenditures</b>				
Current				
General management and support	396,305	947,211	1,343,516	1,343,516
Public safety	-	-	-	1,029,990
Public works	-	-	-	1,375,512
Health and human resource development	-	-	-	-
Housing and economic development	-	-	-	5,757,262
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>396,305</u>	<u>947,211</u>	<u>1,343,516</u>	<u>9,506,280</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>19,088</u>	<u>178,076</u>	<u>197,164</u>	<u>954,389</u>
Other Financing Sources (Uses)				
Transfers in (out)				
General	-	-	-	(1,627,500)
Capital Improvement	-	-	-	146,678
Town	-	125,004	125,004	125,004
General Assistance	(125,004)	-	(125,004)	(125,004)
General Obligation Debt Service	-	-	-	-
Washington Natl. Tax Increment Dist. Debt Svc	-	-	-	-
Washington Natl. Tax Increment Dist. CIP	-	-	-	-
Special Assessment Capital Project	-	-	-	-
Central Business Tax Increment District Debt Svc	-	-	-	-
Central Business Tax Increment District CIP	-	-	-	-
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	<u>(125,004)</u>	<u>125,004</u>	<u>-</u>	<u>(1,480,822)</u>
Net Change in Fund Balances	(105,916)	303,080	197,164	(526,433)
Fund Balances -Beginning of Year	<u>708,146</u>	<u>989,808</u>	<u>1,697,954</u>	<u>17,127,103</u>
Fund Balances - End of Year	<u>\$ 602,230</u>	<u>\$ 1,292,888</u>	<u>\$ 1,895,118</u>	<u>\$ 16,600,670</u>

Continued

<b>Debt Service</b>									
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	
\$ 10,777,146	\$ 486,016	\$ 5,382,768	\$ 731,851	\$ 1,432,923	\$ 5,776,052	\$ 1,025,430	\$ 673,943	\$ 26,286,129	
-	-	-	-	-	-	-	-	-	
2,567	64	18,277	80	5,866	34,520	424	980	62,778	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
10,779,713	486,080	5,401,045	731,931	1,438,789	5,810,572	1,025,854	674,923	26,348,907	
175,306	-	-	-	-	-	-	-	175,306	
-	-	1,227,604	-	-	19,600	-	-	1,247,204	
-	-	820,000	-	-	-	-	-	820,000	
-	-	-	-	-	-	-	30,000	30,000	
6,111,700	295,000	-	-	505,000	285,000	-	-	7,196,700	
4,410,428	138,312	-	-	197,818	149,329	-	-	4,895,887	
5,150	-	-	-	-	-	-	-	5,150	
-	-	-	-	-	-	-	-	-	
10,702,584	433,312	2,047,604	-	702,818	453,929	-	30,000	14,370,247	
77,129	52,768	3,353,441	731,931	735,971	5,356,643	1,025,854	644,923	11,978,660	
(500,004)	-	(324,996)	(24,120)	(141,588)	(151,872)	(120,396)	-	(1,262,976)	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	(525,242)	-	-	(525,242)	
311,604	-	-	-	-	-	-	-	311,604	
-	-	3,448,830	-	-	-	-	-	3,448,830	
-	-	(13,176,138)	-	-	(2,600,052)	-	-	(15,776,190)	
(188,400)	-	(10,052,304)	(24,120)	(141,588)	(3,277,166)	(120,396)	-	(13,803,974)	
(111,271)	52,768	(6,698,863)	707,811	594,383	2,079,477	905,458	644,923	(1,825,314)	
6,100,671	231,371	6,698,863	224,157	4,580,238	6,412,896	212,744	524,485	24,985,425	
\$ 5,989,400	\$ 284,139	\$ -	\$ 931,968	\$ 5,174,621	\$ 8,492,373	\$ 1,118,202	\$ 1,169,408	\$ 23,160,111	

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued  
 Year ended February 28, 2010

	Capital Projects				Total Nonmajor Governmental Funds
	Central Business Tax Increment District	Washington National Tax Increment District	Special Assessment	Total	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 30,863,068
Special assessments	-	-	240,324	240,324	240,324
Intergovernmental	-	-	-	-	4,868,776
Investment income	5,712	-	11,532	17,244	649,909
SSI reimbursement	-	-	-	-	42,818
Medical reimbursement	-	-	-	-	55,481
Miscellaneous	-	-	21,073	21,073	367,841
Total Revenues	5,712	-	272,929	278,641	37,088,217
Expenditures					
Current					
General management and support	911	-	110	1,021	1,519,843
Public safety	-	-	-	-	1,029,990
Public works	27,551	273,502	-	301,053	2,923,769
Health and human resource development	-	-	-	-	820,000
Housing and economic development	-	-	-	-	5,787,262
Debt service					
Principal	-	-	-	-	7,196,700
Interest	-	-	-	-	4,895,887
Fiscal agent fees	-	-	-	-	5,150
Capital outlay	-	-	616,174	616,174	616,174
Total Expenditures	28,462	273,502	616,284	918,248	24,794,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,750)	(273,502)	(343,355)	(639,607)	12,293,442
Other Financing Sources (Uses)					
Transfers in (out)					
General	-	-	-	-	(2,890,476)
Capital Improvement	-	-	-	-	146,678
Town	-	-	-	-	125,004
General Assistance	-	-	-	-	(125,004)
General Obligation Debt Service	-	-	(311,604)	(311,604)	(311,604)
Washington Natl. Tax Increment Dist. Debt Svc	-	525,242	-	525,242	525,242
Washington Natl. Tax Increment Dist. CIP	-	-	-	-	(525,242)
Special Assesment Capital Project	-	-	-	-	311,604
Central Business Tax Increment District Debt Svc	(3,448,830)	-	-	(3,448,830)	(3,448,830)
Central Business Tax Increment District CIP	-	-	-	-	3,448,830
Motor Vehicle Parking System	-	-	-	-	(15,776,190)
Total Other Financing Sources (Uses)	(3,448,830)	525,242	(311,604)	(3,235,192)	(18,519,988)
Net Change in Fund Balances	(3,471,580)	251,740	(654,959)	(3,874,799)	(6,226,546)
Fund Balances -Beginning of Year	3,471,580	(251,740)	4,488,787	7,708,627	49,821,155
Fund Balances - End of Year	\$ -	\$ -	\$ 3,833,828	\$ 3,833,828	\$ 43,594,609

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Taxes			
Property			
Current year levy	\$ 14,887,883	\$ 16,076,903	\$ 1,189,020
Prior year levy	200,000	374,035	174,035
Total Property Taxes	15,087,883	16,450,938	1,363,055
Personal Property Replacement Tax	719,000	668,740	(50,260)
Other Taxes			
State Use Tax	1,142,000	870,430	(271,570)
Sales Tax - Home Rule	5,776,000	5,463,561	(312,439)
Auto Rental Tax	35,000	35,201	201
Athletic Contest Tax	575,000	567,744	(7,256)
Fire Insurance Tax	90,000	113,738	23,738
Utility Tax	9,158,000	7,856,422	(1,301,578)
Cigarette Tax	485,000	354,340	(130,660)
Evanston Motor Fuel Tax	401,000	510,739	109,739
Liquor Tax	2,040,000	1,953,005	(86,995)
Parking Tax	1,800,000	2,629,532	829,532
Real Estate TransferTax	3,000,000	1,640,274	(1,359,726)
Total Other Taxes	24,502,000	21,994,986	(2,507,014)
Total Taxes	40,308,883	39,114,664	(1,194,219)

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Licenses and Permits			
Vehicle Licenses	\$ 2,700,000	\$ 2,514,920	\$ (185,080)
Business Licenses	171,000	114,188	(56,812)
Pet Licenses	47,000	22,310	(24,690)
Contractor Licenses	75,000	75,905	905
Rooming House Licenses	263,100	318,498	55,398
Liquor Licenses	437,900	340,693	(97,207)
One Day Liquor Licenses	-	5,375	5,375
Farmer's Market Licenses	26,400	33,034	6,634
Rental building register	146,000	83,295	(62,705)
Other Licenses	20,000	13,833	(6,167)
Long Term Care License	112,400	128,820	16,420
Resident Care home License	500	460	(40)
Building Permits	2,500,000	1,480,739	(1,019,261)
Plumbing Permits	135,000	89,934	(45,066)
Electrical Permits	130,000	102,148	(27,852)
Signs and Awnings	10,000	7,307	(2,693)
Other /Misc Permits	445,000	187,252	(257,748)
Elevator Permits	50,000	59,545	9,545
Heating Vent / AC Permits	210,000	177,452	(32,548)
Right of Way Permits	150,000	207,119	57,119
Residents Parking Permit	155,000	130,612	(24,388)
Visitor Parking Permit	14,300	12,488	(1,812)
Fire supression / Alarm Permit	-	70,919	70,919
Annual Sign Fees	30,000	30,627	627
Plat PR. & Sign Approval HRG Fees	1,500	2,475	975
Alarm Panel Francise Fee	-	9,810	9,810
Northwestern / Centel Easement	47,000	15	(46,985)
Cable Franchise Fee	890,000	801,759	(88,241)
PEG Fees - COMCAST	-	91,866	91,866
Nicor Franchise Fee	-	88,165	88,165
Solid Waste Franchise Fee	170,000	77,618	(92,382)
Total Licenses and Permits	8,937,100	7,279,181	(1,657,919)

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Intergovernmental - Revenue from			
Other Agencies			
Retailer and Service Occupation Tax	\$ 9,176,000	\$ 8,546,173	\$ (629,827)
State Income Tax	7,050,000	5,912,082	(1,137,918)
State Highway Maintenance	111,000	68,073	(42,927)
Project access	-	11,920	11,920
H1N1 Grant	-	167,468	167,468
Health Department Basic Serv. Grant	76,200	77,545	1,345
Dental Sealant Grant	4,000	1,780	(2,220)
Summer Food Inspections	400	450	50
Kid Care Agreement	-	4,450	4,450
Illinois Tobacco Free Community	25,000	14,885	(10,115)
Family Planning Grant	-	19,629	19,629
Teen Pregnancy Prevension Grant	60,600	65,700	5,100
Childhood Lead Poisoning Grant	1,000	133	(867)
Teen Parent Services Program	34,700	29,872	(4,828)
Prostate Cancer Awareness	10,000	3,821	(6,179)
Other State / County Grant	20,500	1,015	(19,485)
Tanning Parlor Inspection	100	150	50
Violence Crime Victim Asst. Grant	24,700	17,475	(7,225)
ICJIA Grant - Victim	75,000	-	(75,000)
Fire Department Training	9,000	10,509	1,509
CRI Grant	40,000	11,650	(28,350)
PHEP Grant	70,000	25,893	(44,107)
State Recycling Grant	-	54,000	54,000
Summer Youth	-	15,000	15,000
Leadbase Paint Control Grant	200,000	57,660	(142,340)
Federal Grant / Aid	8,500	204,711	196,211
Commission on Aging Grant - Advocate	40,000	45,499	5,499
Civil Defence Grants (F.E.M.A.)	24,000	53,221	29,221
Police Training	8,000	8,000	-
HUD Emergency Shelter Grant	91,900	109,170	17,270
Comm. Police Grant	-	3,550	3,550
Law Enforcement Block Grant	19,300	6,624	(12,676)
Other Federal Aid	12,800	18,209	5,409
<b>Total Intergovernmental - Revenue from Other Agencies</b>	<b>17,192,700</b>	<b>15,566,317</b>	<b>(1,626,383)</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
<b>Charges for Services</b>			
<b>Recreation</b>			
Recreation - program	\$ 4,764,400	\$ 4,711,111	\$ (53,289)
Recreation - unreconciled	40,000	47,678	7,678
<b>Total Recreation</b>	<b>4,804,400</b>	<b>4,758,789</b>	<b>(45,611)</b>
<b>Library</b>			
State Per Capita Grant	89,900	89,814	(86)
Library Video Rental	32,000	37,432	5,432
Non-Residents Card	3,200	2,500	(700)
Library Material Replacement Charged	21,000	12,713	(8,287)
Library Miscellaneous Revenues	1,500	1,703	203
Library Copy Machines Charges	35,000	23,442	(11,558)
Library Meeting Room Rental	7,500	10,235	2,735
North Branch Rental Inc.	-	33,396	33,396
<b>Total Library</b>	<b>190,100</b>	<b>211,235</b>	<b>21,135</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Charges for Services			
Other Service Charges			
Birth and Death Records	\$ -	\$ 5,417	\$ 5,417
Sanitation Classes	11,000	9,060	(1,940)
Dental Clinic Fees	126,000	121,472	(4,528)
Health Clinic Fees - Food Establishment	173,000	191,457	18,457
Dental Check up	8,000	2,225	(5,775)
Emergency Dental Exam	200	40	(160)
X-Rays	-	5	5
Amalgam Filling	100	-	(100)
Dental Co-Pay	-	288	288
Resin Filling	4,500	1,240	(3,260)
Sedative Filling	100	-	(100)
Extraction	500	390	(110)
Pulpotomy	1,500	40	(1,460)
Root Canal Payment	-	150	150
Sealant Office Visit	600	220	(380)
Additional Sealant	100	80	(20)
Temporary License Fee	6,000	6,962	962
Food Delivery Vehicle	8,300	5,050	(3,250)
Scavenger Truck	300	-	(300)
Beverage Snack Vending Machine	28,000	29,336	1,336
Tobacco License	12,500	20,000	7,500
BeeKeeper License	-	25	25
Home Day Care License	5,500	-	(5,500)
Birth Certificate	97,000	74,823	(22,177)
Death Certificate - 16 . 23	55,000	51,630	(3,370)
Funeral Director License	6,600	6,600	-

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Charges for Services - Continued			
Other Service Charges - Continued			
Temp Funeral Direct License	\$ 5,000	\$ 5,923	\$ 923
Parking Enforcement	-	4,956	4,956
Other Deferred Revenues	-	17,900	17,900
SWANCC Recycling	150,000	19,009	(130,991)
Recycling Service Charged	1,692,400	1,640,846	(51,554)
Recycling Service Charge - Penalty	15,000	21,716	6,716
Sanitation Special Pickup Fees	80,000	69,221	(10,779)
Weights & Measures Examinations	1,000	705	(295)
Senior Taxi Coupon Sales	95,000	108,438	13,438
Fire Cost Recovery Charge	10,000	6,015	(3,985)
Other Services Charges	-	1,711	1,711
Recycling - Material Sales	-	483	483
Condo Conversion Application Fee	15,000	-	(15,000)
Historic preservation	4,000	5,500	1,500
Jury Duty Reimbursement	-	17	17
Ambulance Service	925,000	916,416	(8,584)
Police Report Fees	16,000	14,990	(1,010)
Wood Recycling	20,000	23,095	3,095
Zoning Fees	50,000	52,920	2,920
Fire Report Fees	1,500	1,258	(242)
Fire Building inspections	6,000	14,305	8,305
Alarm Panel Subscription Fees	110,000	238,773	128,773
Skokie Animal Board Fee	300	9,197	8,897
Background Check Daycare Prov.	-	40	40
New Pavement Degradation	50,000	2,750	(47,250)
Plan Review	8,000	7,448	(552)
Total Other Service Charges	3,799,000	3,710,142	(88,858)
Total Charges for Services	8,793,500	8,680,166	(113,334)
Fines			
Ticket Fines - Parking	3,400,000	3,422,461	22,461
Regular Fines	250,000	274,758	24,758
Boot Release Fee	87,500	75,085	(12,415)
Fire False Alarm Fines	155,000	(112,275)	(267,275)
Police False Alarm Fines	-	36,727	36,727
Housing Code Violation Fines	5,000	114,004	109,004
Permit Penalty Fees	15,000	20,216	5,216
Administrative Adjudication Fine	150,000	138,558	(11,442)
Library Fines & Fees	194,000	181,076	(12,924)
Total Fines	4,256,500	4,150,610	(105,890)

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Revenues - Budget and Actual (Budgetary Basis)

Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Investment Income	\$ 450,000	\$ 17,048	\$ (432,952)
Miscellaneous			
Charges to Other Funds			
Home Fund	856,000	958,476	102,476
Emergency Telephone System Fund	34,300	55,860	21,560
Economic Development Fund	126,000	126,000	-
Sherman Garage	42,000	42,000	-
Water Fund - Administrative Expense	764,600	764,592	(8)
Sewer Fund	413,800	413,796	(4)
Total Charges to Other Funds	2,236,700	2,360,724	124,024
Miscellaneous			
Other Revenues			
Property Sales and Rentals	544,700	91,878	(452,822)
Donation	-	5,000	5,000
Berglund Animal Hosp. Pkg.	-	2,400	2,400
Damage to City Signage	1,000	7,149	6,149
Damage to City traffic Signal	20,000	41,578	21,578
Damage to Street Lights	20,000	5,826	(14,174)
Damage to City Trees	-	2,400	2,400
Damage to Other City Property	8,000	11,681	3,681
Miscellaneous Revenue	160,045	390,040	229,995
Taxicab Revenue	5,500	8,025	2,525
Teen baby nursery	41,000	-	(41,000)
Reimbursements - Serve & Pro.	-	92,998	92,998
Reimbursements - Salt Use	-	71,400	71,400
Payment in Lieu of Taxes	187,000	124,000	(63,000)
Contributions	-	250	250
Private Elm Trees Ins.	-	19,500	19,500
Fees and Merchandise	-	143,869	143,869
Trash Cart Sales	30,000	22,119	(7,881)
Parking Permits - Ryan Field	15,000	15,437	437
Unreconciled JDE	-	1,397	1,397
Overpayment Refunds	-	71,438	71,438
Change in Reserves	-	332,619	332,619
Over and Short	-	3,072	3,072
Total Other Revenues	1,032,245	1,464,076	431,831
Total Miscellaneous	3,268,945	3,824,800	555,855
Total Revenues	\$ 83,207,628	\$ 78,632,786	\$ (4,574,842)

Concluded

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
<b>General Management and Support</b>			
City Council	\$ 455,500	\$ 420,989	\$ 34,511
City Manager	4,964,500	4,401,778	562,722
City Clerk	172,500	203,366	(30,866)
Law Department	698,800	685,086	13,714
Human Resources	1,674,500	1,542,718	131,782
Finance	5,269,000	5,254,261	14,739
Facilities management	2,407,500	2,200,882	206,618
<b>Total General Management and Support</b>	<b>15,642,300</b>	<b>14,709,080</b>	<b>933,220</b>
<b>Public Safety</b>			
Police	20,939,400	21,772,628	(833,228)
Fire	12,137,100	12,427,965	(290,865)
<b>Total Public Safety</b>	<b>33,076,500</b>	<b>34,200,593</b>	<b>(1,124,093)</b>
<b>Public Works</b>			
Public Works Director	330,400	247,941	82,459
Municipal Service Center	426,900	364,845	62,055
City Engineer	1,569,800	1,500,465	69,335
Traffic Engineer	2,832,500	2,668,339	164,161
Streets	4,372,100	3,909,583	462,517
Sanitation	4,733,600	4,166,411	567,189
<b>Total Public Works</b>	<b>14,265,300</b>	<b>12,857,584</b>	<b>1,407,716</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
<b>Health and Human Resource Development</b>			
Health and Human Services Director	\$ 233,000	\$ 248,144	\$ (15,144)
Health Department	1,281,600	1,180,822	100,778
Emergency assistance services	-	4,142	(4,142)
Mental health and community purchased services	809,100	784,571	24,529
Commission on Aging	405,900	355,962	49,938
Subsidized Taxicab Program	252,200	232,410	19,790
Human Relations	1,102,700	957,262	145,438
Grants	-	177,011	(177,011)
<b>Total Health and Human Resource Development</b>	<b>4,084,500</b>	<b>3,940,324</b>	<b>144,176</b>
<b>Recreation and Cultural Opportunities</b>			
Library	5,012,100	4,814,073	198,027
Recreation	8,343,100	7,797,065	546,035
Parks and forestry	4,326,700	4,045,100	281,600
Ecology Center	480,200	413,630	66,570
Arts Council	976,700	917,575	59,125
<b>Total Recreation and Cultural Opportunities</b>	<b>19,138,800</b>	<b>17,987,443</b>	<b>1,151,357</b>
<b>Housing and Economic Development</b>			
Community Development administration	189,400	260,687	(71,287)
Planning and zoning	549,600	408,176	141,424
Housing rehabilitation and property standards	969,800	922,128	47,672
Building code compliance	1,753,000	1,741,827	11,173
<b>Total Housing and Economic Development</b>	<b>3,461,800</b>	<b>3,332,818</b>	<b>128,982</b>
<b>Total Expenditures</b>	<b>\$ 89,669,200</b>	<b>\$ 87,027,842</b>	<b>\$ 2,641,358</b>

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, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 2,100,000	\$ 1,867,683	\$ (232,317)
Interest	55,000	2,243	(52,757)
Total Revenues	2,155,000	1,869,926	(285,074)
Expenditures			
Public Works	1,380,000	1,375,512	4,488
Excess (Deficiency) of Revenues over (under) Expenditures	775,000	494,414	(280,586)
Other Financing (Uses)			
Operating transfers (out) General Fund	(772,500)	(772,500)	-
Net Change in Fund Balance	<u>\$ 2,500</u>	(278,086)	<u>\$ (280,586)</u>
Fund Balances			
Beginning of year		<u>1,072,522</u>	
End of year		<u>\$ 794,436</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, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,800,000	\$ 1,534,754	\$ (265,246)
Interest	-	2,899	2,899
Total Revenue	1,800,000	1,537,653	(262,347)
Expenditures			
Housing and economic development	1,302,700	817,147	485,553
Excess of Revenues over Expenditures	497,300	720,506	223,206
Other Financing Sources (Uses)			
Operating transfers in (out) General Fund	(690,000)	(690,000)	-
Net Change in Fund Balance	<u>\$ (192,700)</u>	30,506	<u>\$ 223,206</u>
Fund Balances			
Beginning of year		<u>1,977,109</u>	
End of year		<u>\$ 2,007,615</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, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and Special Assessments	\$ 1,125,000	\$ 1,062,296	\$ (62,704)
Interest	25,000	3,251	(21,749)
Total Revenue	1,150,000	1,065,547	(84,453)
Expenditures			
Public Safety	1,243,500	1,029,990	213,510
Net Change in Fund Balance	<u>\$ (93,500)</u>	35,557	<u>\$ 129,057</u>
Fund Balance			
Beginning of year		<u>2,168,240</u>	
End of year		<u>\$ 2,203,797</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, 2010

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Affordable Housing Demo Tax	\$ 60,000	\$ 20,000	\$ (40,000)
Developer Contributions	350,000	2,000	(348,000)
Rehab Payments	1,500	-	(1,500)
Interest	15,000	1,201	(13,799)
Miscellaneous	5,000	162,762	157,762
<b>Total Revenue</b>	<b>431,500</b>	<b>185,963</b>	<b>(245,537)</b>
<b>Expenditures</b>			
Housing and economic development	382,000	47,675	334,325
<b>Excess of Revenues over Expenditures</b>			
	49,500	138,288	88,788
<b>Other Financing (Uses)</b>			
Transfers in (out)			
Debt Service Fund	(24,000)	(24,000)	-
<b>Net Change in Fund Balance</b>	<b>\$ 25,500</b>	<b>114,288</b>	<b>\$ 88,788</b>
<b>Fund Balance</b>			
Beginning of year		2,111,806	
End of year		\$ 2,226,094	

**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, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments			
Grant from the U.S. Department of Housing and Urban Development	\$ 2,545,876	\$ 2,447,541	\$ (98,335)
Miscellaneous	-	18,599	18,599
Total Revenues	<u>2,545,876</u>	<u>2,466,140</u>	<u>(79,736)</u>
Expenditures			
Housing and economic development	<u>2,545,876</u>	<u>2,466,140</u>	<u>79,736</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>422,799</u>	
End of year		<u>\$ 422,799</u>	

# CITY OF EVANSTON, ILLINOIS

## Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis)  
Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG Administration	\$ 350,000	\$ 353,114	\$ (3,114)
Total Administration/Planning	350,000	353,114	(3,114)
Economic Development			
Evanston Community Development Corp.	25,000	25,000	-
Technology Innovation Center	15,000	15,000	-
Neighborhood Facade Program	35,000	86,725	(51,725)
MBE/Small Business Assistance	40,000	39,996	4
Total Economic Development	115,000	166,721	(51,721)
Housing			
Adaptive Devices	-	555	(555)
Housing Code Compliance	414,229	414,224	5
Targeted Code Enforcement	30,000	27,683	2,317
Housing Rehab Administration	325,000	322,890	2,110
Minor Repairs/Painting Assistance - E.N.A.W.	100,000	118,598	(18,598)
Total Housing	869,229	883,950	(14,721)

Continued

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
Neighborhood Revitalization			
Alley Paving Program	\$ 89,229	\$ 89,229	\$ -
Curb/Sidewalk Replacement	50,000	50,000	-
Curb/Ramp ADA 2008	50,000	49,972	28
Disposition 1817	-	2,653	(2,653)
Evanston Day Nursery Energy Imp	-	10,000	(10,000)
F/J Roof	50,000	-	50,000
F/J Landscape Redesign	-	41,731	(41,731)
F/J Kitchen	-	65,962	(65,962)
Foster Field Renovation-Phase I	25,000	-	25,000
Handyman Assistance/Elderly Home Repair	11,700	12,929	(1,229)
Reba Early Learning Center Roof	7,000	6,243	757
Special Assessments/Alley Paving	55,000	12,748	42,252
Toddler Town-Roof	12,000	12,000	-
Washington Elementary PTA	4,340	4,340	-
YMCA Airconditioning	14,000	-	14,000
YMCA Elevator	-	23,386	(23,386)
Graffiti Removal Program	35,000	34,994	6
<b>Total Neighborhood Revitalization</b>	<b>403,269</b>	<b>416,187</b>	<b>(12,918)</b>

Continued

**CITY OF EVANSTON, ILLINOIS**

Community Development Block Grant Fund

Schedule of Expenditures - Budget and Actual (Budgetary Basis) - Continued  
 Year ended February 28, 2010

	Original and Final Budget	Actual	Variance
<b>Public Services</b>			
Adaptive Equip for Disabled	\$ -	\$ 918	\$ (918)
Adopt a Fancy Can	9,000	9,156	(156)
Brummel Park Neighbors	2,000	1,556	444
Connections for the Homeless	4,000	4,000	-
Evanston Community Defender	45,000	45,000	-
Evanston Youth Initiative	3,000	328	2,672
Girl Scouts	8,000	8,000	-
Interfaith Housing Program/ Home Sharing	14,000	14,000	-
Interfaith Action Council	2,000	2,000	-
Legal Assist Foundation	10,000	10,000	-
Meals at Home	9,000	9,000	-
Music Inst.	2,000	2,000	-
Neighborhood Initiative Fund	9,000	-	9,000
North Shore Senior Center	25,000	25,000	-
Open studio Art	3,000	3,000	-
Summer Youth Employment	46,000	46,000	-
YAM Second Baptist	10,000	10,000	-
Youth Job Center of Evanston	48,000	48,000	-
YWCA Shelter Project	35,550	35,550	-
			-
Total Public Services	284,550	273,508	11,042
			-
<b>CDBG-R</b>			-
Fleetwood Foster Imp Phase 1B	410,000	359,477	50,523
CDBG-R Admin	52,382	13,183	39,199
Howard Street	61,446	-	61,446
			-
Total CDBG-R	523,828	372,660	151,168
			-
Total Expenditures	\$ 2,545,876	\$ 2,466,140	\$ 79,736

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, 2010

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes			
Current year levy	\$ 378,000	\$ 378,000	\$ -
Prior year levy	-	124,207	124,207
Interest	-	63	63
Total Revenues	378,000	502,270	124,270
Expenditures			
Housing and economic development	445,000	512,274	(67,274)
Net Change in Fund Balance	<u>\$ (67,000)</u>	(10,004)	<u>\$ 56,996</u>
Fund Balance			
Beginning of year		<u>310,234</u>	
End of year		<u>\$ 300,230</u>	

## CITY OF EVANSTON, ILLINOIS

Township - Town Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Year ended February 28, 2010 and March 31, 2009 for City and Township

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 295,753	\$ 344,176	\$ 48,423
Interest	18,000	7,278	(10,722)
Replacement tax	50,000	63,939	13,939
Total Revenues	363,753	415,393	51,640
Expenditures			
General management and support	182,012	396,305	(214,293)
Excess (Deficiency) of Revenues over (under) Expenditures	181,741	19,088	(162,653)
Other Financing (Uses)			
Operating transfers (out) General Assistance Fund	(125,000)	(125,004)	(4)
Net Change in Fund Balance	<u>\$ 56,741</u>	(105,916)	<u>\$ (162,657)</u>
Fund Balance			
Beginning of year		<u>708,146</u>	
End of year		<u>\$ 602,230</u>	

**CITY OF EVANSTON, ILLINOIS**

Township - General Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Year ended February 28, 2010 and March 31, 2009 for City and Township respectively

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Property taxes	\$ 986,553	\$ 1,018,107	\$ 31,554
Interest	20,000	8,881	(11,119)
SSI reimbursement	5,000	42,818	37,818
Medical reimbursement	-	55,481	55,481
<b>Total Revenues</b>	<b>1,011,553</b>	<b>1,125,287</b>	<b>113,734</b>
<b>Expenditures</b>			
General management and support	1,136,350	947,211	189,139
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(124,797)</b>	<b>178,076</b>	<b>302,873</b>
<b>Other Financing Sources</b>			
Transfers in Town Fund	125,000	125,004	4
<b>Net Change in Fund Balance</b>	<b><u>\$ 203</u></b>	<b>303,080</b>	<b><u>\$ 302,877</u></b>
<b>Fund Balance</b>			
Beginning of year		<u>989,808</u>	
End of year		<u><u>\$ 1,292,888</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, 2010

	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	\$ 10,138,162	\$ 10,138,163	\$ 433,300	\$ 438,063	\$ 10,935,956	\$ 9,142,697	\$ 686,000	\$ 686,437
Prior year levy, net	-	(117,597)	-	(7,098)	-	101,126	-	-
Investment income	200,000	2,566	600	64	120,000	18,277	9,998	80
Total Revenues	<u>10,338,162</u>	<u>10,023,132</u>	<u>433,900</u>	<u>431,029</u>	<u>11,055,956</u>	<u>9,262,100</u>	<u>695,998</u>	<u>686,517</u>
Expenditures								
General management and support	4,996	175,307	500	-	-	-	-	-
Health and human resources development	-	-	-	-	-	820,000	-	-
Public Works	-	-	-	-	375,004	1,227,604	-	-
Debt Service								
Principal	6,067,514	6,010,641	305,000	315,000	3,400,000	-	-	-
Interest	4,893,913	4,300,025	128,313	125,976	102,000	-	-	-
Fiscal agent fees	200,000	5,150	-	-	-	-	-	-
Total Expenditures	<u>11,166,423</u>	<u>10,491,123</u>	<u>433,813</u>	<u>440,976</u>	<u>3,877,004</u>	<u>2,047,604</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(828,261)</u>	<u>(467,991)</u>	<u>87</u>	<u>(9,947)</u>	<u>7,178,952</u>	<u>7,214,496</u>	<u>695,998</u>	<u>686,517</u>
Other Financing Sources (Uses)								
Operating transfers in (out)								
General	(500,004)	(500,004)	-	-	(324,996)	(324,996)	(24,120)	(24,120)
Washington National CIP	-	-	-	-	-	-	-	-
Special Assessment	311,606	311,604	-	-	-	-	-	-
Central Bus. Tax Incr. Dist. CIP	-	-	-	-	-	3,448,830	-	-
Motor Vehicle Parking System	-	-	-	-	(11,800,000)	(13,176,138)	-	-
Total Other Financing Sources (Uses)	<u>(188,398)</u>	<u>(188,400)</u>	<u>-</u>	<u>-</u>	<u>(12,124,996)</u>	<u>(10,052,304)</u>	<u>(24,120)</u>	<u>(24,120)</u>
Net Changes in Fund Balances	<u>\$ (1,016,659)</u>	<u>(656,391)</u>	<u>\$ 87</u>	<u>(9,947)</u>	<u>\$ (4,946,044)</u>	<u>(2,837,808)</u>	<u>\$ 671,878</u>	<u>662,397</u>
Fund Balances								
Beginning of year		<u>956,561</u>		<u>32,833</u>		<u>2,837,808</u>		<u>(84,760)</u>
End of year		<u>\$ 300,170</u>		<u>\$ 22,886</u>		<u>\$ -</u>		<u>\$ 577,637</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	\$ 1,316,061	\$ 4,689,000	\$ 5,030,050	\$ 725,000	\$ 723,011	\$ 438,482	\$ 567,875	\$ 29,626,650	\$ 28,042,357
-	15,797	-	61,544	-	6,375	-	13,476	-	73,623
160,000	5,866	200,000	34,515	10,000	424	5,000	980	705,598	62,772
1,740,750	1,337,724	4,889,000	5,126,109	735,000	729,810	443,482	582,331	30,332,248	28,178,752
-	-	49,994	43,491	15,999	-	75,000	30,000	146,489	248,798
-	-	-	-	-	-	-	-	-	820,000
-	-	-	249,606	-	-	-	-	375,004	1,477,210
505,000	527,912	285,000	301,000	-	-	-	-	10,562,514	7,154,553
197,830	209,029	149,328	163,464	-	-	-	-	5,471,384	4,798,494
-	-	120,000	-	-	-	-	-	320,000	5,150
702,830	736,941	604,322	757,561	15,999	-	75,000	30,000	16,875,391	14,504,205
1,037,920	600,783	4,284,678	4,368,548	719,001	729,810	368,482	552,331	13,456,857	13,674,548
(141,588)	(141,588)	(151,872)	(151,872)	(120,396)	(120,396)	-	-	(1,262,976)	(1,262,976)
-	-	-	(251,740)	-	-	-	-	-	(251,740)
-	-	-	-	-	-	-	-	311,606	311,604
-	-	(2,600,050)	(2,600,052)	-	-	-	-	(14,400,050)	(15,776,190)
(141,588)	(141,588)	(2,751,922)	(3,003,664)	(120,396)	(120,396)	-	-	(15,351,420)	(13,530,472)
<u>\$ 896,332</u>	459,195	<u>\$ 1,532,756</u>	1,364,884	<u>\$ 598,605</u>	609,414	<u>\$ 368,482</u>	552,331	<u>\$ (1,894,563)</u>	144,075
	<u>3,282,823</u>		<u>4,579,477</u>		<u>143,549</u>		<u>382,792</u>		<u>12,131,083</u>
	<u>\$ 3,742,018</u>		<u>\$ 5,944,361</u>		<u>\$ 752,963</u>		<u>\$ 935,123</u>		<u>\$ 12,275,158</u>

## PROPRIETARY FUND TYPES

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Net Assets

February 28, 2010

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Assets					
Current Assets					
Cash and equivalents	\$ 1,808,055	\$ 29,890	\$ 2,828,722	\$ 550,293	\$ 5,216,960
Restricted cash and equivalents and investments	-	376,794	621,270	853,263	1,851,327
Receivables					
Accounts - billed	1,131,964	-	-	-	1,131,964
Accounts - unbilled	798,234	-	-	-	798,234
Due from other governments	1,157,451	-	-	-	1,157,451
Other Receivables	1,389	-	-	-	1,389
Accrued interest	-	-	16,212	-	16,212
Inventory	671,374	-	-	-	671,374
Total Current Assets	5,568,467	406,684	3,466,204	1,403,556	10,844,911
Capital Assets					
Land	555,415	-	-	-	555,415
Construction in progress	131,097	-	-	1,774,452	1,905,549
Capital assets being depreciated	72,116,684	-	-	-	72,116,684
Less accumulated depreciation	(19,396,579)	-	-	-	(19,396,579)
Total Capital Assets	53,406,617	-	-	1,774,452	55,181,069
Total Assets	\$ 58,975,084	\$ 406,684	\$ 3,466,204	\$ 3,178,008	\$ 66,025,980

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Net Assets

February 28, 2010

	Operation and Maintenance Account	Bond and Interest	Bond Reserve	Depreciation Improvement and Extension	Totals
Liabilities and Net Assets					
Current Liabilities					
Vouchers payable	\$ 419,973	\$ -	\$ -	\$ 54,571	\$ 474,544
Vouchers payable - restricted	-	-	-	53,263	53,263
Interest payable - restricted	-	11,878	-	-	11,878
Revenue bonds payable	458,333	-	-	-	458,333
Notes payable-IEPA	57,873	-	-	-	57,873
Revenue bonds payable - restricted	-	91,667	-	-	91,667
Due to other funds	236,456	-	-	-	236,456
Deferred revenue	12,865	-	-	-	12,865
Compensated absences payable	229,383	-	-	-	229,383
<b>Total Current Liabilities</b>	<b>1,414,883</b>	<b>103,545</b>	<b>-</b>	<b>107,834</b>	<b>1,626,262</b>
Long-Term Liabilities					
Notes payable-IEPA	1,099,578	-	-	-	1,099,578
Revenue bonds payable	1,170,000	-	-	-	1,170,000
OPEB liability	63,126	-	-	-	63,126
Compensated absences payable	244,298	-	-	-	244,298
Unamortized bond discount on bonds payable	13,548	-	-	-	13,548
<b>Total Long-Term Liabilities</b>	<b>2,590,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,590,550</b>
<b>Total Liabilities</b>	<b>4,005,433</b>	<b>103,545</b>	<b>-</b>	<b>107,834</b>	<b>4,216,812</b>
Net Assets					
Invested in capital assets, net of related debt	51,764,736	-	-	-	51,764,736
Restricted for debt service	-	581,053	621,270	-	1,202,323
Restricted for Capital Improvements	-	-	-	800,000	800,000
Unrestricted	3,204,915	(277,914)	2,844,934	2,270,174	8,042,109
<b>Total Net Assets</b>	<b>54,969,651</b>	<b>303,139</b>	<b>3,466,204</b>	<b>3,070,174</b>	<b>61,809,168</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 58,975,084</b>	<b>\$ 406,684</b>	<b>\$ 3,466,204</b>	<b>\$ 3,178,008</b>	<b>\$ 66,025,980</b>

**CITY OF EVANSTON, ILLINOIS**

Water Fund

Schedule of Changes in Net Assets - Reserved - Restricted Accounts  
Year ended February 28, 2010

	Bond and Interest	Bond Reserve	Depreciation, Improvement and Extension	Totals
<b>Increases</b>				
Intrafund transfers in - accordance with bond ordinance unreserved retained earnings - Operation and Maintenance	\$ -	\$ -	\$ 2,763,526	\$ 2,763,526
Investment earnings	2,137	41,955	902	44,994
<b>Total Increases</b>	<b>2,137</b>	<b>41,955</b>	<b>2,764,428</b>	<b>2,808,520</b>
<b>Decreases</b>				
Bond principal	529,166	-	-	529,166
Bond interest	88,176	-	-	88,176
Purchase of capital assets	-	-	5,039,513	5,039,513
Payment of expense	300	-	24,833	25,133
<b>Total Decreases</b>	<b>617,642</b>	<b>-</b>	<b>5,064,346</b>	<b>5,681,988</b>
<b>Net Increase (Decrease)</b>	<b>(615,505)</b>	<b>41,955</b>	<b>(2,299,918)</b>	<b>(2,873,468)</b>
<b>Net Assets</b>				
Beginning of year	918,644	3,424,249	5,370,092	9,712,985
End of year	\$ 303,139	\$ 3,466,204	\$ 3,070,174	\$ 6,839,517

**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, 2010

(With Comparative Totals for the Year Ended February 29, 2009)

	Budget	Actual	Prior Year Actual
Operating Revenues			
Charges for services	\$ 12,205,000	\$ 12,203,588	\$ 13,208,340
Miscellaneous	416,200	490,889	476,856
<b>Total Operating Revenues</b>	<b>12,621,200</b>	<b>12,694,477</b>	<b>13,685,196</b>
Operating Expenses Excluding Depreciation			
Administration	755,700	785,180	674,624
Operations			
Pumping	2,494,100	2,284,009	2,380,075
Filtration	2,387,800	2,214,043	1,944,713
Meter maintenance	349,600	337,999	341,754
Distribution	1,513,800	1,197,073	1,270,249
Other	1,036,596	938,456	981,720
<b>Total Operating Expenses Excluding Depreciation</b>	<b>8,537,596</b>	<b>7,756,760</b>	<b>7,593,135</b>
Operating Income Before Depreciation	4,083,604	4,937,717	6,092,061
Depreciation	-	1,249,299	1,417,334
Operating Income	4,083,604	3,688,418	4,674,727
Nonoperating Revenues (Expenses)			
Investment income	100,000	3,132	43,956
Interest expense	(85,000)	(88,176)	(107,687)
Bond expenses and amortization of discount	-	1,129	1,129
Net book value of capital assets disposed	-	(15,354)	(27,898)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>15,000</b>	<b>(99,269)</b>	<b>(90,500)</b>
Income Before Transfers	4,098,604	3,589,149	4,584,227
Transfers In (Out)			
Transfer Out	(2,693,604)	(2,693,604)	(2,778,600)
<b>Total Transfers In (Out)</b>	<b>(2,693,604)</b>	<b>(2,693,604)</b>	<b>(2,778,600)</b>
Net Income	<u>\$ 1,405,000</u>	895,545	1,805,627
Other Changes in Unreserved Net Assets			
Intrafund transfers in (out) - net assets - reserved - restricted accounts		2,893,329	1,480,203
Increase in Unreserved Net Assets		3,788,874	3,285,830
Unreserved Net Assets			
Beginning of year		51,180,777	47,894,947
End of year		<u>\$ 54,969,651</u>	<u>\$ 51,180,777</u>

**CITY OF EVANSTON, ILLINOIS**

Water Fund - Operation and Maintenance Account

Schedule of Operating Revenues - Budget and Actual

Year ended February 28, 2010

(With Comparative Totals for the Year Ended February 29, 2009)

	Budget	Actual	Prior Year Actual
Charges for Services, Net			
Water Sales			
Evanston	\$ 5,675,000	\$ 5,102,757	\$ 5,698,960
Skokie	2,803,000	2,594,765	2,689,305
Northwest Water Commission	3,727,000	4,506,066	4,820,075
Total Charges for Services	12,205,000	12,203,588	13,208,340
Miscellaneous			
Fees and outside work	80,000	74,480	156,678
Fees, merchandise and other	336,200	416,409	320,178
Total Miscellaneous	416,200	490,889	476,856
Total Operating Revenues	\$ 12,621,200	\$ 12,694,477	\$ 13,685,196

## **Internal Service Funds**

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

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

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

## CITY OF EVANSTON, ILLINOIS

### Internal Service Funds

#### Combining Statement of Net Assets February 28, 2010

Assets	Fleet Services	Insurance	Totals
<b>Current Assets</b>			
Cash and equivalents	\$ 593,925	\$ 1,082,256	\$ 1,676,181
Receivables - other	26,018	-	26,018
Inventories	343,789	-	343,789
Prepaid Expenses	539,024	-	539,024
<b>Total Unrestricted Current Assets</b>	<b>1,502,756</b>	<b>1,082,256</b>	<b>2,585,012</b>
<b>Capital Assets</b>			
Cost	20,161,437	-	20,161,437
Accumulated depreciation	(14,797,464)	-	(14,797,464)
<b>Total Capital Assets</b>	<b>5,363,973</b>	<b>-</b>	<b>5,363,973</b>
<b>Total Assets</b>	<b>6,866,729</b>	<b>1,082,256</b>	<b>7,948,985</b>
<b>Liabilities and Fund Equity</b>			
<b>Current Liabilities</b>			
Vouchers payable	129,279	29,568	158,847
Compensated absences payable	84,911	-	84,911
Claims payable	-	2,233,072	2,233,072
Deferred Revenue	539,024	-	539,024
Due to other funds	291,117	7,523	298,640
<b>Total Current Liabilities</b>	<b>1,044,331</b>	<b>2,270,163</b>	<b>3,314,494</b>
<b>Long-Term Liabilities</b>			
OPEB Liability	20,785	-	20,785
Claims payable	-	2,940,296	2,940,296
<b>Total Long-Term Liabilities</b>	<b>20,785</b>	<b>2,940,296</b>	<b>2,961,081</b>
<b>Total Liabilities</b>	<b>1,065,116</b>	<b>5,210,459</b>	<b>6,275,575</b>
<b>Net Assets (Deficit)</b>			
Invested in capital assets, net of related debt	5,363,973	-	5,363,973
Unrestricted	437,640	(4,128,203)	(3,690,563)
<b>Total Net Assets (deficit)</b>	<b>\$ 5,801,613</b>	<b>\$ (4,128,203)</b>	<b>\$ 1,673,410</b>

## CITY OF EVANSTON, ILLINOIS

### Internal Service Funds

#### Combining Statement of Revenues, Expenses, and Changes in Net Assets Year ended February 28, 2010

	Fleet Services	Insurance	Totals
<b>Operating Revenues</b>			
Charges for Services			
General Fund	\$ 3,009,527	\$ 1,824,996	\$ 4,834,523
Sewer Fund	181,371	-	181,371
Water Fund	232,290	84,996	317,286
Motor Vehicle Parking System Fund	78,412	-	78,412
Miscellaneous	8,821	44,605	53,426
Total Operating Revenues	3,510,421	1,954,597	5,465,018
<b>Operating Expenses</b>			
General support	340,938	-	340,938
Major maintenance	2,958,744	-	2,958,744
General liability claims	-	548,277	548,277
Workers compensation claims	-	3,126,273	3,126,273
Other	-	743,121	743,121
Total Operating Expenses	3,299,682	4,417,671	7,717,353
Operating Income (Loss) Before Depreciation	210,739	(2,463,074)	(2,252,335)
Depreciation	1,402,897	-	1,402,897
Operating Income (Loss)	(1,192,158)	(2,463,074)	(3,655,232)
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	1,068	5,513	6,581
Gain (loss) on disposition of assets	116,981	-	116,981
Total Nonoperating Revenues (Expenses)	118,049	5,513	123,562
<b>Transfers In (Out)</b>			
Insurance	63,297	-	63,297
Fleet	-	(63,297)	(63,297)
Total Transfers In (Out)	63,297	(63,297)	-
Change in Net Assets	(1,010,812)	(2,520,858)	(3,531,670)
Total Net Assets (Deficit) - Beginning of Year	6,812,425	(1,607,345)	5,205,080
Total Net Assets (Deficit)- End of Year	\$ 5,801,613	\$ (4,128,203)	\$ 1,673,410

**CITY OF EVANSTON, ILLINOIS**

Internal Service Funds

Combining Statement of Cash Flows  
Year ended February 28, 2010

	Fleet Services	Insurance	Totals
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 3,517,940	\$ 1,954,597	\$ 5,472,537
Receipts from interfund services provided	247,599	3,983	251,582
Payments to suppliers	(3,101,258)	(939,469)	(4,040,727)
Payments to employees	(327,830)	(3,674,550)	(4,002,380)
Net Cash Provided by (used for) Operating Activities	336,451	(2,655,439)	(2,318,988)
Cash Flows from Noncapital Financing Activities			
Transfers In (Out)			
Insurance	63,297	-	63,297
Fleet	-	(63,297)	(63,297)
Net Cash Flows from Noncapital Financing Activities	63,297	(63,297)	-
Cash Flows from Capital and Related Financing Activities			
Sale of capital assets	116,981	-	116,981
Acquisition and construction of capital assets	(537,486)	-	(537,486)
Net Cash Used for Capital and Related Financing Activities	(420,505)	-	(420,505)
Cash Flows from Investing Activities			
Interest income	1,068	5,513	6,581
Net Cash provided by Investing Activities	1,068	5,513	6,581
Net Increase in Cash and Cash Equivalents	(19,689)	(2,713,223)	(2,732,912)
Cash and Equivalents			
Beginning of year	613,614	3,795,479	4,409,093
End of year	\$ 593,925	\$ 1,082,256	\$ 1,676,181

Continued

**CITY OF EVANSTON, ILLINOIS**

Combining Statement of Cash Flows - Continued

Internal Service Funds  
Year ended February 28, 2010

	Fleet Services	Insurance	Totals
Reconciliation of Operating Income to Net Cash			
Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (1,192,158)	\$ (2,463,074)	\$ (3,655,232)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities			
Depreciation	1,402,897	-	1,402,897
Changes in assets and liabilities			
Increase/decrease in A/R miscellaneous	(283)	-	(283)
Other receivables	7,802	-	7,802
Inventories	(76,217)	-	(76,217)
Compensated absences	4,522	-	4,522
OPEB Liability	8,586	-	8,586
Accounts payable	(66,162)	(11,116)	(77,278)
Interfund payable	247,599	3,983	251,582
Vouchers payable	(135)	-	(135)
Claims payable	-	(185,232)	(185,232)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 336,451</u>	<u>\$ (2,655,439)</u>	<u>\$ (2,318,988)</u>

Concluded

## AGENCY FUND

**CITY OF EVANSTON, ILLINOIS**

Special Assessment Agency Fund

Statement of changes of Assets and Liabilities

Year Ending February 28, 2010

---

---

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	157 - 160
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Government's most significant local revenue source, the property tax.	161 - 163
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the Government's ability to issue additional debt in the future.	164 - 166
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the Government's financial activities take place.	167 - 168
<b>Operating Information</b> These schedules contain information about the Government's service and resources to help the reader understand how the Government's financial information relates to the services the Government provides and the activities it performs.	169 - 174

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)

	<b>Fiscal Year</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities</b>					
Invested in Capital Assets, net of related debt	\$ 34,428	\$ 31,133	\$ 31,542	\$ 37,278	\$ 41,109
Restricted	31,169	30,034	23,168	26,238	23,645
Unrestricted	<u>15,408</u>	<u>25,171</u>	<u>28,231</u>	<u>17,539</u>	<u>10,400</u>
Total Governmental Activities net assets	<u>\$ 81,005</u>	<u>\$ 86,338</u>	<u>\$ 82,941</u>	<u>\$ 81,055</u>	<u>\$ 75,154</u>
<b>Business-type Activities</b>					
Invested in Capital Assets, net of related debt	\$ 129,084	\$ 140,621	\$ 159,185	\$ 172,399	\$ 192,921
Restricted	10,449	9,374	1,986	1,987	3,378
Unrestricted	<u>23,483</u>	<u>21,417</u>	<u>23,589</u>	<u>27,586</u>	<u>25,417</u>
Total Business-type Activities net assets	<u>\$ 163,016</u>	<u>\$ 171,412</u>	<u>\$ 184,760</u>	<u>\$ 201,972</u>	<u>\$ 221,716</u>
<b>Primary Government</b>					
Invested in Capital Assets, net of related debt	\$ 163,512	\$ 171,754	\$ 190,727	\$ 209,677	\$ 234,030
Restricted	41,618	39,408	25,154	28,225	27,023
Unrestricted	<u>38,891</u>	<u>46,588</u>	<u>51,820</u>	<u>45,125</u>	<u>35,817</u>
Total Primary Governemnt net assets	<u>\$ 244,021</u>	<u>\$ 257,750</u>	<u>\$ 267,701</u>	<u>\$ 283,027</u>	<u>\$ 296,870</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				
	2006	2007	2008	2009	2010
<b>Expenses</b>					
<b>Governmental Activities</b>					
General government	\$ 19,537	\$ 19,951	\$ 20,072	\$ 18,017	\$ 19,773
Public Safety	45,951	46,368	48,763	49,484	50,488
Public Works	14,632	16,505	21,566	21,628	18,509
Health & Human Resource Development	4,781	6,108	4,982	4,546	4,760
Housing & Economic Development	6,850	7,924	7,090	6,965	20,066
Culture and Recreation	19,792	18,303	20,634	20,002	9,120
Interest on Long-term Debt	5,874	6,926	5,522	4,041	4,396
Total governmental activities expenses	<u>117,417</u>	<u>122,085</u>	<u>128,630</u>	<u>124,683</u>	<u>127,112</u>
<b>Business-type Activities</b>					
Water	8,760	8,778	8,668	9,391	9,133
Sewer	9,219	9,588	8,972	8,726	8,779
Motor vehicle parking system	2,904	2,963	2,403	8,896	8,841
Sherman garage	-	1,613	4,270	-	-
Maple avenue garage	3,096	2,910	2,682	-	-
Total Business-type Activities	<u>23,979</u>	<u>25,852</u>	<u>26,996</u>	<u>27,013</u>	<u>26,753</u>
Total primary government expenses	<u>\$ 141,396</u>	<u>\$ 147,937</u>	<u>\$ 155,625</u>	<u>\$ 151,696</u>	<u>\$ 153,865</u>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for Services					
General government	\$ 13,060	\$ 13,630	\$ 12,639	\$ 13,348	\$ 13,087
Culture and Recreation	4,310	4,353	4,521	4,637	4,902
Other activities	10,293	8,779	14,518	10,289	7,946
Operating grants and contributions	3,441	3,679	5,982	5,117	5,898
Capital Grants and Contributions	1,127	185	118	113	4,037
Total governmental activities program revenues	<u>32,231</u>	<u>30,626</u>	<u>37,778</u>	<u>33,504</u>	<u>35,870</u>
<b>Business-type activities</b>					
Charges for Services					
Water	13,961	12,639	13,239	13,685	12,694
Sewer	16,077	14,394	14,239	13,774	13,243
Sherman garage	-	779	1,950	-	-
Motor vehicle parking system	2,965	3,059	3,084	6,719	6,772
Maple avenue garage fund	1,622	1,417	1,430	-	-
Total Business-type activities program revenues	<u>34,625</u>	<u>32,288</u>	<u>33,941</u>	<u>34,178</u>	<u>32,709</u>
Total primary government program revenues	<u>\$ 66,856</u>	<u>\$ 62,914</u>	<u>\$ 71,719</u>	<u>\$ 67,682</u>	<u>\$ 68,579</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(85,186)	(91,459)	(90,852)	(91,179)	(91,242)
Business-type activities	<u>10,646</u>	<u>6,436</u>	<u>6,945</u>	<u>7,165</u>	<u>5,956</u>
Total Primary Government net expense	(74,540)	(85,023)	(83,906)	(84,014)	(85,286)
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental Activities</b>					
Taxes					
Property taxes	\$ 89,810	\$ 61,983	\$ 46,947	\$ 56,217	\$ 58,839
Sales taxes	-	14,387	16,172	15,500	14,880
Investment earnings	2,997	3,752	3,653	360	721
Miscellaneous	1,412	17,287	25,799	26,684	24,601
Transfers	(4,277)	(616)	(5,116)	(9,469)	(13,700)
	89,942	96,793	87,455	89,292	85,341
Fund Balance Applied	-	-	-	-	-
Total governmental activities	<u>89,942</u>	<u>96,793</u>	<u>87,455</u>	<u>89,292</u>	<u>85,341</u>
<b>Business-type activities</b>					
Investment earnings	896	1,344	1,287	606	87
Miscellaneous	-	-	-	(28)	-
Transfers	4,277	616	5,116	9,469	13,700
Total business-type activities	<u>5,173</u>	<u>1,960</u>	<u>6,403</u>	<u>10,047</u>	<u>13,787</u>
Total primary government	<u>\$ 95,115</u>	<u>\$ 98,753</u>	<u>\$ 93,858</u>	<u>\$ 99,339</u>	<u>\$ 99,128</u>
<b>Changes in Net Assets</b>					
Governmental activities	\$ 4,756	\$ 5,334	\$ (3,397)	\$ (1,887)	\$ (5,901)
Business-type activities	<u>15,819</u>	<u>8,396</u>	<u>13,348</u>	<u>17,212</u>	<u>19,743</u>
Total primary government	<u>\$ 20,575</u>	<u>\$ 13,730</u>	<u>\$ 9,951</u>	<u>\$ 15,325</u>	<u>\$ 13,842</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)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 3,104	\$ 2,820	\$ 4,614	\$ 4,665	\$ 7,948	\$ 6,027	\$ 1,327	\$ 1,108	\$ 1,275	\$ 1,585
Unreserved	<u>11,341</u>	<u>12,438</u>	<u>13,110</u>	<u>14,375</u>	<u>15,209</u>	<u>18,804</u>	<u>24,866</u>	<u>24,840</u>	<u>19,752</u>	<u>18,603</u>
Total general fund	<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>	<u>\$ 20,188</u>
All Other Governmental Funds										
Reserved	\$ 23,014	\$ 25,683	\$ 29,211	\$ 28,750	\$ 30,761	\$ 33,937	\$ 31,741	\$ 29,739	\$ 31,757	\$ 28,953
Unreserved, reported in										
Special revenue funds	6,371	7,507	60,514	4,617	5,249	5,171	5,587	6,649	10,356	10,807
Capital Projects Funds	<u>27,222</u>	<u>12,648</u>	<u>-</u>	<u>58,816</u>	<u>49,476</u>	<u>31,696</u>	<u>23,965</u>	<u>25,620</u>	<u>20,899</u>	<u>9,276</u>
Total all other governmental funds	<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>	<u>\$ 49,036</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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 67,585	\$ 68,749	\$ 58,814	\$ 63,833	\$ 66,744	\$ 75,661	\$ 77,137	\$ 75,767	\$ 84,035	\$ 84,726
Licenses, fees and permits	6,436	7,405	6,459	6,699	6,773	9,164	8,061	10,276	8,820	7,279
Fines and penalties	2,782	3,242	3,742	4,163	3,999	3,781	4,029	4,660	4,442	4,151
Charges for services	5,491	5,515	6,262	5,997	6,053	6,905	7,167	7,732	8,399	8,680
Special Assessments	-	-	208	217	365	546	565	520	516	240
Intergovernmental	5,448	5,859	19,116	18,586	21,618	21,106	21,402	22,625	21,013	20,696
Investment Earnings	3,297	2,458	1,255	1,650	1,540	2,970	3,695	3,402	272	714
Other Revenues	4,300	4,976	6,859	6,953	9,451	5,812	5,578	5,116	4,679	4,642
Total Revenues	95,339	98,204	102,715	108,098	116,543	125,945	127,634	130,098	132,176	131,128
<b>Expenditures</b>										
General Government	10,107	13,025	12,565	13,365	14,666	15,601	14,539	18,190	16,498	16,184
Public Safety	23,928	25,454	32,093	33,896	36,323	39,094	39,690	42,466	49,999	48,970
Public Works	12,037	11,655	10,847	11,119	12,070	13,242	14,282	18,868	18,913	16,062
Recreation and cultural opportunities	12,107	13,028	13,712	14,287	15,493	16,526	16,683	19,118	18,942	18,100
Health and Human Development	4,744	4,621	4,839	5,272	5,801	4,566	5,850	4,982	4,546	4,760
Housing and Economic Development	5,620	6,293	5,662	5,882	6,717	6,646	7,683	7,089	6,963	9,120
Pensions	8,801	9,277	4,209	2,688	1,372	4,628	5,645	-	-	-
Capital Outlay	10,464	16,837	13,301	9,941	18,208	42,087	18,986	12,416	8,209	7,960
<b>Debt Service</b>										
Interest	4,770	4,339	4,846	5,163	5,027	5,857	6,927	5,128	5,143	4,953
Fiscal agent fees	-	-	-	-	359	323	517	42	28	5
Principal	6,325	6,300	6,585	9,385	7,885	7,690	11,530	10,815	9,885	7,524
Total governmental activities expenditure	98,903	110,829	108,659	110,998	123,921	156,260	142,332	139,114	139,126	133,638
Net (expense)/revenue										
Governmental activities	(3,564)	(12,625)	(5,944)	(2,900)	(7,378)	(30,315)	(14,698)	(9,016)	(6,950)	(2,510)
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	\$ 15,314	\$ -	\$ 57,066	\$ 24,917	\$ 25,724	\$ 31,332	\$ 24,916	\$ 31,444	\$ 24,340	\$ -
Capitalized interest income	-	-	773	-	-	355	-	-	839	-
Capitalized interest expense	-	-	(773)	-	-	(355)	-	-	-	-
Proceeds sale property/other	-	318	40	-	-	-	-	-	-	-
Reduction in long term debt	-	-	(100)	-	-	-	-	-	-	-
Escrow funding	-	-	(4,072)	(12,718)	(11,886)	(6,626)	(14,368)	(15,590)	(13,280)	-
Transfers in	3,526	5,619	8,259	9,762	6,020	7,032	6,529	8,975	5,927	11,019
Transfers (out)	(2,210)	(3,893)	(9,572)	(15,287)	(15,062)	(14,432)	(10,528)	(15,344)	(14,794)	(23,324)
Total Other financing sources (uses)	16,630	2,044	51,621	6,674	4,796	17,306	6,549	9,485	3,032	(12,305)
<b>Net Changes in Fund Balance</b>	\$ 13,066	\$ (10,581)	\$ 45,677	\$ 3,774	\$ (2,582)	\$ (13,009)	\$ (8,149)	\$ 469	\$ (3,917)	\$ (14,815)
Debt Service as a percentage of noncapital expenditures	12.55%	11.32%	11.99%	14.40%	12.21%	11.87%	14.96%	12.58%	11.48%	9.93%

Source: City Finance department

**CITY OF EVANSTON, ILLINOIS**

Equalized 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>
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
2008	2,324,551,100	16,895	560,106,493	53,168,671	554,733	2,938,397,892	8,815,193,676	1.295

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

Source: Cook County Assessor's office

**CITY OF EVANSTON, ILLINOIS**

Principal Property Taxpayers

Current year and Nine Years Ago

Tax Payer	2009 (2008 EAV)			Tax Payer	2000 (1999 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
Church Street Plaza	38,719,188	1	1.32%	Rotary International	15,359,397	1	1.15%
Rotary International	26,605,707	2	0.91%	Golub & Company	10,262,271	2	0.77%
Grubb & Ellis	24,020,467	3	0.82%	Lynn Minnici	9,377,233	3	0.70%
Omni Orrington Hotel	17,153,477	4	0.58%	The Shaw Co.	9,052,092	4	0.68%
Inland	16,184,339	5	0.55%	Church & Chicago Ltd Partnership	8,896,222	5	0.66%
Church & Chgo Ltd Prtn	15,851,793	6	0.54%	Albertson's (Jewel & Osco)	8,835,545	6	0.66%
Evanston Hotel Assoc.	13,665,739	7	0.47%	St. Francis Hospital	8,551,838	7	0.64%
NNN Church Street Office Center	13,198,415	8	0.45%	The Orrington Hotel	8,163,592	8	0.61%
Albertson's	11,742,809	9	0.40%	Evanston Plaza Freed	8,033,165	9	0.60%
Sanir Cumberland Center	11,601,647	10	0.39%	Presbyterian Homes	7,562,449	10	0.56%
Total	188,743,581		6.42%		94,093,804		7.02%
Total EAV	2,938,397,892			Total EAV	1,340,386,150		

Source: Cook County

**CITY OF EVANSTON, ILLINOIS**

Property Tax Levies and Collections

Last Ten Years

Tax Levy <u>Year</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected Receipts</u>		Collections in Subsequent <u>Years</u>	<u>Total Collected to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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	36,246,629	95.27%	358,214	36,604,843	96.22%
2009	39,779,364	See Note	See Note	See Note	See Note	See Note

Source: City Finance department

Note: Levy Year 2009 is collected beyond fiscal year end 2010 through 12/31/10

**CITY OF EVANSTON, ILLINOIS**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Net Debt to Equalized Assessed Valuation	Net Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
2001	74,239	1,286,459,805	156,955,729	4,562,562	91,710,000	60,683,167	2,232,218,252	4.72%	2.72%	817.40
2002	74,239	1,615,839,177	147,832,588	5,193,168	86,835,000	55,804,420	2,497,771,155	3.45%	2.23%	751.69
2003	74,239	1,710,663,113	194,086,731	6,942,441	123,720,000	63,424,290	2,694,578,744	3.71%	2.35%	854.33
2004	74,239	1,737,543,904	191,073,334	6,592,437	114,445,000	70,035,897	2,694,578,744	4.03%	2.60%	943.38
2005	74,239	1,727,147,885	187,110,000	6,678,359	106,935,000	73,496,641	2,775,350,776	4.26%	2.65%	990.00
2006	74,239	2,095,611,570	195,875,000	6,551,304	110,212,500	79,111,196	2,902,967,617	3.78%	2.73%	1,065.63
2007	74,239	2,242,753,022	187,745,000	6,504,507	96,780,000	84,460,493	2,902,967,617	3.77%	2.91%	1,137.68
2008	74,239	2,245,892,746	181,750,000	6,146,567	81,455,000	94,148,433	2,902,967,617	4.19%	3.24%	1,268.18
2009	74,239	2,772,340,029	171,945,001	7,317,930	62,079,183	102,547,888	2,902,967,617	3.70%	3.53%	1,381.32
2010	74,239	2,938,397,892	149,315,000	5,989,400	46,882,320	96,443,280	-	3.28%	-	1,299.09

Notes:

(1) Equalized assessed values do not include tax increment financing district incremental equalized assessed values.

(2) Excludes limited purpose special service district bonds.

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

Source: Cook County and City Finance department

## CITY OF EVANSTON, ILLINOIS

### Direct and Overlapping Governmental Activities

As of February 28, 2010

	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>\$ 9,890,000</u>	100.000%	<u>\$ 9,890,000</u>
Other bonded debt			
County of Cook	3,184,830,000	1.690%	53,823,627
Cook County Forest Preserve District	108,665,000	1.690%	1,836,439
Metropolitan Water Reclamation District	1,959,099,576	1.730%	33,892,423
High School District 202	18,372,460	89.180%	16,384,560
School District 65	43,854,878	89.190%	39,114,166
Skokie Park District	<u>9,800,000</u>	0.650%	<u>63,700</u>
Total Overlapping Debt	<u>5,324,621,914</u>		<u>145,114,915</u>
Total Direct and Overlapping Debt	<u>\$ 5,334,511,914</u>		<u>\$ 155,004,915</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		
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
2010	12,742,603	7,756,760	4,985,843	525,000	91,556	8.09

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>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2001	74,239	2,232,218,252	30,068	31.9	13.6	9,999.0	4.2%
2002	74,239	2,497,771,155	33,645	32.5	13.6	10,889.0	5.0%
2003	74,239	2,694,578,744	36,296	32.5	13.6	9,766.0	5.4%
2004	74,239	2,694,578,744	36,296	32.5	13.6	9,849.0	5.0%
2005	74,239	2,775,350,776	37,384	32.5	13.6	9,740.0	5.0%
2006	74,239	2,902,967,617	39,103	32.5	13.6	9,550.0	4.5%
2007	74,239	2,902,967,617	39,103	32.5	13.6	9,550.0	4.4%
2008	74,239	2,902,967,617	39,103	32.5	13.6	9,550.0	4.6%
2009	74,239	2,902,967,617	39,103	32.5	13.6	9,550.0	4.7%
2010	74,239	-	-	32.5	13.6	9,550.0	7.9%

Source: Various Government agencies

**CITY OF EVANSTON, ILLINOIS**

Principal Employers

Current Year and Ten Years Ago

<u>Employer</u>	<u>2010</u>			<u>Employer</u>	<u>2000</u>		
	<u>Employees</u>	<u>%</u>	<u>Rank</u>		<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	8,766	46%	1	Northwestern University	5,470	36%	1
Evanston Northwestern Healthcare	4,000	21%	2	Evanston Northwestern Healthcare	3,600	24%	2
Evanston School District 65	1,599	8%	3	St. Francis Hospital	2,000	13%	3
St. Francis Hospital	1,225	6%	4	Evanston School District 65	1,200	8%	4
City of Evanston	980	5%	5	City of Evanston	850	6%	5
Presbyterian Homes/McGaw Care	611	3%	6	Presbyterian Homes/McGaw Care	650	4%	6
School district 202	559	3%	7	School District 202	518	3%	7
Rotary International	525	3%	8	Rotary International	475	3%	8
C.E. Neihoff & Co.	450	2%	9	National Louis University	231	2%	9
Mather Lifeways	421	2%	10	Orrington Hotel	180	1%	10
Total	<u>19,136</u>				<u>15,174</u>		

Source: City Economic Development Division

**CITY OF EVANSTON, ILLINOIS**

Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Function/Program</u></b>										
General Government										
City Clerk	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager's Office	7.55	7.55	7.55	7.25	7.25	7.25	7.25	13.70	31.53	27.70
MBIS	17.75	20.75	21.50	21.80	22.80	24.80	23.80	25.50	-	-
Legal	7.50	7.50	6.00	6.00	7.00	7.00	7.00	7.00	7.00	6.00
Human Resources	8.00	8.00	8.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00
Finance	26.00	27.00	26.00	24.50	24.50	26.50	25.50	26.50	29.50	28.50
Facilities Management	23.00	24.00	23.00	23.00	23.10	21.10	21.20	-	-	-
Community Development	38.00	38.00	36.00	34.00	36.00	36.00	36.00	36.00	35.00	33.00
Police	211.80	214.80	212.30	213.80	217.50	219.50	221.75	220.75	220.75	218.50
Fire	109.00	109.00	109.00	109.00	109.00	110.00	111.00	111.00	112.00	111.00
Human & Health Services	45.73	45.03	41.73	39.54	39.30	39.30	40.15	29.68	24.90	26.40
Public Works	91.50	90.50	90.00	90.00	90.25	91.25	90.25	108.45	105.45	83.25
Human Relations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	-	-	-
Library	65.52	66.37	67.17	66.20	66.65	67.18	67.19	66.69	69.35	67.50
Recreation, Parks & Forestry	112.22	124.82	122.25	113.94	119.20	121.30	119.90	115.90	112.75	131.75
Total General Fund	<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>	<u>743.60</u>
Emergency Telephone System	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
CDBG	2.00	3.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic Development Fund	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.30	2.30	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	14.00	14.50	14.50	14.50	15.50
Special Engineering	-	-	-	-	-	-	-	-	-	-
Water	44.00	44.00	44.00	44.00	43.00	43.00	43.00	43.00	43.00	43.00
Sewer	14.00	14.00	14.00	14.00	14.00	13.50	14.00	14.00	14.00	14.00
Fleet Services	17.00	17.00	17.00	17.00	17.00	17.00	17.00	15.00	15.00	15.00
Insurance Fund	-	-	2.00	1.30	1.30	1.30	1.30	1.00	2.00	2.00
Total Other Funds	<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>	<u>98.80</u>
Total All Funds	<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>	<u>842.40</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>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>
Government Unit										
City of Evanston	1.934	2.033	1.628	1.610	1.698	1.528	1.491	1.527	1.283	1.295
Consolidated Elections	0.023	-	0.032	-	0.029	-	0.014	-	0.012	-
Cook County	0.854	0.824	0.746	0.690	0.630	0.593	0.533	0.500	0.446	0.415
Cook County Forest Preserve District	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057	0.053	0.051
Suburban T.B. Sanitarium	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005	-	-
Metropolitan Water Reclamation District	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284	0.263	0.252
North Shore Mosquito Abatement District	0.011	0.011	0.010	0.009	0.009	0.008	0.008	0.009	0.008	0.008
Evanston Township	0.072	0.077	0.064	0.062	0.065	0.056	0.055	0.058	0.050	0.050
Community College 535	0.203	0.213	0.186	0.179	0.186	0.161	0.158	0.166	0.141	0.140
School District 202	2.865	2.977	2.469	2.349	2.444	2.078	2.023	2.099	1.750	1.722
School District 65	4.073	4.232	3.516	3.343	3.475	2.978	2.890	3.045	2.535	2.552
Total tax rate for property not in park district or special service district	10.532	10.859	9.126	8.680	8.960	7.810	7.552	7.750	6.541	6.485
Percent of total tax rate levied by City of Evanston	18.4%	18.7%	17.8%	18.5%	19.0%	19.6%	19.7%	19.7%	19.6%	20.0%

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	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	2,174,255
Industrial	42,748	41,895	37,076	36,015	22,010	20,096	16,307	16,579	15,722	13,624
Commercial	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	1,109,556
Government	101,021	113,349	112,007	90,908	86,096	109,121	96,777	100,278	89,420	69,229
<b>Total</b>	<b>4,238,724</b>	<b>4,203,795</b>	<b>4,278,861</b>	<b>4,182,535</b>	<b>3,933,229</b>	<b>4,117,681</b>	<b>3,779,778</b>	<b>3,733,390</b>	<b>3,558,667</b>	<b>3,366,664</b>
Total direct rate <b>per 100 cubic feet</b>	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.52	\$ 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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Evanston residents/businesses	\$ 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	\$ 5,396,739
Village of Skokie	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	2,676,163
Northwest Water Commission	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	4,506,066
<b>Total</b>	<b>\$13,012,914</b>	<b>\$12,713,067</b>	<b>\$13,156,707</b>	<b>\$12,992,143</b>	<b>\$12,739,153</b>	<b>\$13,475,578</b>	<b>\$12,194,340</b>	<b>\$12,791,917</b>	<b>\$12,939,397</b>	<b>\$12,578,968</b>

Source: City Water department

**CITY OF EVANSTON, ILLINOIS**

Operating Indicators by Function/Programs

Last Ten Years

	Calendar Year									
	<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>
<b><u>Function/Program</u></b>										
Police										
Violent Offenses	393	270	314	293	266	226	224	282	299	255
Property Offenses	4,858	4,174	4,122	3,318	3,145	2,965	2,942	2,825	2,739	2,412
911 Calls Received	29,052	37,201	55,125	55,383	56,650	56,650	55,795	59,135	56,717	52,198
Fire										
Emergency responses	7,566	7,925	8,003	8,106	7,624	8,135	8,173	8,517	9,134	8,566
Fires extinguished	247	227	218	225	199	287	220	192	185	154
Inspections	-	2,940	3,071	2,664	2,194	1,496	1,320	1,050	1,810	709
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	15,561	15,165	17,121	16,185
Picnic permits issued	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	319	373	403	431
Library										
Volumes in collection	455,481	463,263	477,768	491,064	520,458	486,031	495,575	458,017	502,019	502,019
Total volumes borrowed	839,701	878,990	887,773	868,837	880,561	893,841	897,141	867,743	945,952	945,952
Water										
New connections	55	68	47	70	59	74	104	61	57	28
Water main breaks	53	34	65	41	45	78	48	36	52	52
Average daily consumption (millions of gallons)	47.16	37.16	36.22	37.74	37.31	41.44	41.41	42.91	40.09	39.41
Peak daily consumption (millions of gallons)	69.12	75.50	75.50	73.17	60.98	80.46	66.49	66.00	65.40	58.94

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>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>
<b><u>Function/Program</u></b>										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Budgeted Sworn Officers	162	161	161	161	161	161	162	162	165	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	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	157	157	157
Fire hydrants	1,347	1,347	1,347	1,347	1,347	1,347	1,347	1,370	1,370	1399
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 accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evanston as of and for the year ended February 28, 2010, and have issued our report thereon dated August 23, 2010. We have also audited the financial statements of each of the City of Evanston's nonmajor governmental, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended February 28, 2010, as listed in the table of contents. The financial statements are the responsibility of the management of the City of Evanston. Our responsibility is to express an opinion on the eligibility of 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 Financing Districts pursuant to subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 management of the City of Evanston is responsible for the Central Business, Howard Hartrey, Southwest, and Washington National Tax Increment Financing Districts' 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.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
August 23, 2010