

CITY OF EVANSTON  
POPULAR ANNUAL  
FINANCIAL REPORT

For the Year Ended December 31, 2023



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# Welcome!

## Letter from the City

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To the Residents of Evanston,

The City of Evanston is committed to a policy of transparency in its budget process and financial information. To continue this long-standing practice, we are pleased to present the City's first Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2023.

The PAFR is a snapshot of information from the City's Annual Comprehensive Financial Report (ACFR) which represents the City's audited financial statements for Fiscal Year 2023. The City received a favorable opinion from independent auditors affirming that the financial statements contained within the ACFR are presented in conformity with the generally accepted accounting principles (GAAP) for local governments and municipalities.

The PAFR is intended to provide the reader with a general understanding of the City's financial activities. Please note that while Evanston Public Library (EPL) is a component unit of Evanston's government, not all EPL financial information is contained in this report. The current and prior year ACFRs, along with the City's monthly financial reports and annual budget, are available on the [City's website](#).

We hope this report provides you with an increased understanding of the City's finances.

Sincerely,

The City Manager's Office, Finance Division

# AWARDS AND ACKNOWLEDGMENTS



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Evanston  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Evanston  
Illinois**

For the Fiscal Year Beginning

**January 01, 2024**

*Christopher P. Morill*

Executive Director

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 December 31, 2022. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). 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. The City has submitted its 2023 ACFR to determine its eligibility and believes it will continue to meet the Certificate of Achievement Program's requirements.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2024 budget. 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. The City has been receiving this GFOA budget award for many years.

# CITY OF EVANSTON PROFILE



The City of Evanston constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront. Evanston has apartments, condominiums, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, and neighborhood commercial centers are also stable.

It is a part of the Chicago-land economy and has a vigorous commercial and professional economy of its own. A population of approximately 78,000 is diverse by race, religion, age, education, economics, and occupation. With 10,000 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

Evanston is contiguous with Chicago, and only 13 miles by rapid transit, commuter rail, expressway, or parkway from downtown Chicago. It borders the north shore communities of Skokie and Wilmette.

In 1863, the Village of Evanston was incorporated as a town, and after several annexations in 1892, the town became a City. The City's southern boundary of approximately eight square miles was established with the City of Chicago and the present City limits. The City also has four miles of shoreline along Lake Michigan.

Evanston is the home of Northwestern University, aptly named to serve the Northwest Territory. The University first platted the village which surrounded it. The continued vitality of the University and the cooperative relationship between the City and University adds to the total Evanston community.

# CITY OFFICIALS

## MAYOR



Mayor: Daniel Biss  
Email: [dbiss@cityofevanston.org](mailto:dbiss@cityofevanston.org)

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## CITY COUNCIL MEMBERS

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1st Ward  
Clare Kelly  
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Email: [jgeracaris@cityofevanston.org](mailto:jgeracaris@cityofevanston.org)

# FINANCIAL HIGHLIGHTS

## FINANCIAL HIGHLIGHTS

The City of Evanston's financial report for 2023 shows strong fiscal health. The City's combined net position increased by \$9.6 million in 2023, from \$287.1 million to \$296.7 million. This means the City's net assets and liabilities increased during the fiscal year 2023. The below Statement of Net Position reflects Evanston's financial position as of December 31, 2023.

### STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Current and Other Assets</b>	\$ 194,740,275	\$ 248,350,460	\$ 29,066,672	\$ 37,514,732	\$ 223,806,947	\$ 285,865,192
<b>Capital Assets</b>	231,696,070	228,756,629	390,457,572	380,930,569	622,153,642	609,687,198
<b>Total Assets</b>	426,436,345	477,107,089	419,524,244	418,445,301	845,960,589	895,552,390
<b>Deferred Outflows</b>	45,910,708	55,577,584	8,438,372	4,935,510	54,349,080	60,513,094
	<b>472,347,053</b>	<b>532,684,673</b>	<b>427,962,616</b>	<b>423,380,811</b>	<b>900,309,669</b>	<b>956,065,484</b>
<b>Long-Term Liabilities</b>	390,982,159	422,853,966	95,475,109	83,423,489	486,457,268	506,277,455
<b>Other Liabilities</b>	51,110,301	53,440,394	3,535,247	9,655,666	54,645,548	63,096,060
<b>Total Liabilities</b>	442,092,460	476,294,360	99,010,356	93,079,155	541,102,816	569,373,515
<b>Deferred Inflows</b>	55,735,055	87,065,923	6,693,534	12,481,732	62,428,589	99,547,655
<b>Total Liabilities and Deferred Inflows</b>	<b>497,827,515</b>	<b>563,360,283</b>	<b>105,703,890</b>	<b>105,560,887</b>	<b>603,531,405</b>	<b>668,921,170</b>
<b>Net Investment in Capital Assets</b>	93,847,182	80,017,854	302,774,179	296,945,278	396,621,361	376,963,132
<b>Restricted</b>	25,274,487	62,604,468	-	9,267,670	25,274,487	71,872,138
<b>Unrestricted (Deficit)</b>	(144,602,131)	(173,297,932)	19,484,547	11,606,976	(125,117,584)	(161,690,956)
<b>Restatement</b>	-	-	-	-	-	-
<b>Total Net Position</b>	<b>\$ (25,480,462)</b>	<b>\$ (30,675,610)</b>	<b>\$ 322,258,726</b>	<b>\$ 317,819,924</b>	<b>\$ 296,778,264</b>	<b>\$ 287,144,314</b>

- **Assets** - Resources owned and controlled by the City that are expected to benefit future operations.
- **Deferred Outflows** - The consumption of net assets applicable to future reporting periods.
- **Liabilities** - Debt or expense obligations that the City must pay.
- **Deferred Inflows** - The acquisition of net assets applicable to future reporting periods.
- **Net Investment in Capital Assets** - The book value of capital assets less any long-term debt outstanding issued to construct capital assets.
- **Net Position** - Represents the City's net worth (Net Position = Assets + Deferred Outflows - Liabilities - Deferred Inflows)

# GOVERNMENT FINANCE 101

## What is Fund Accounting?

The City uses funds to report on both its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain City functions or activities. Each fund is a separate, self-balancing accounting entity. In the City, there are three categories of funds: Governmental, Proprietary and Fiduciary.

## Governmental Funds

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 capital assets (capital project funds), and the servicing of general long-term debt (debt service funds).

## Proprietary/Enterprise Funds

An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified.

## Fiduciary Funds

Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

## Fund Structure

The City's Budget is divided into 40 funds and organized by departments. Funds are the largest financial unit of the City's budget. Departments are functional units of government, and lay across the City's funds. The funds are categorized into different types, as shown in the table below.

Fund Type	Fund Title	Fund Type	Fund Title	
<b>General Funds</b>	100 General Fund	<b>Special Revenue Funds</b>	170 American Rescue Plan	
	176 Human Services Fund		175 General Assistance Fund	
<b>Debt Service Funds</b>	320 Debt Service Fund		177 Reparatons Fund	
	330 Howard-Ridge TIF Fund		178 Sustainability Fund	
	335 West Evanston TIF Fund		180 Good Neighbor Fund	
	340 Dempster-Dodge TIF Fund		200 Motor Fuel Tax Fund	
	345 Chicago-Main TIF Fund		205 Emergency Telephone (E911) Fund	
	365 Five Fifths TIF Fund		215 CDBG Fund	
	350 Special Service Area (SSA) #6		220 CDBG Loan Fund	
	355 Special Service Area (SSA) #7		235 Neighborhood Improvement	
	360 Special Service Area (SSA) #8		240 Home Fund	
210 Special Service Area (SSA) #9	250 Affordable Housing Fund			
<b>Capital Project Funds</b>	415 Capital Improvements Fund		<b>Internal Service Funds</b>	600 Fleet Services Fund
	416 Crown Construction Fund			601 Equipment Replacement Fund
	417 Crown Community CTR Maintenance			605 Insurance Fund
	420 Special Assessment Fund		<b>Pension Trust Funds</b>	705 Police Pension Fund
<b>Enterprise Funds</b>	505 Parking System Fund			700 Fire Pension Fund
	510 Water Fund	<b>Component Unit Funds</b>	185 Library Fund	
	515 Sewer Fund		186 Library Debt Service Fund	
	520 Solid Waste Fund		187 Library Capital Improvement FD	

# GOVERNMENTAL FUND REVENUES

## FY23 GOVERNMENTAL FUND REVENUE

For the fiscal year ended December 31, 2023, the City of Evanston's governmental funds generated revenues from various sources to support public services and operations. Here's a breakdown of the key revenue sources:

**Property Taxes:** The City's largest source of revenue, property taxes are vital for funding essential services like public safety, education, and infrastructure.

**Other Revenue:** City revenues including capital and operating grants, fines, and interest earnings.

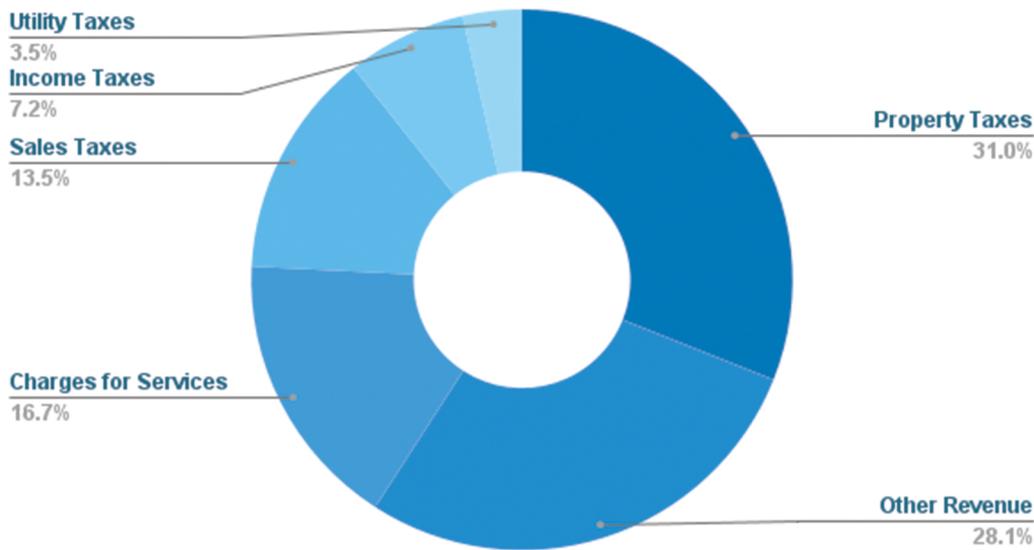
**Charges for Services:** Fees collected for specific services provided by the city, such as utilities, parking, and recreation programs.

**Sales Taxes:** Taxes imposed on the purchase of tangible personal property at the point of sale. Evanston receives both a state and home rule sales tax.

**Income Taxes:** State tax levied upon all income received by individuals, trusts and estates. The City receives these on a per capita basis from the State of Illinois.

**Utility Taxes:** Taxes levied upon the gross receipts of electricity and gas utility sales.

## Governmental Fund Revenues FY23



Revenue Source	FY23 Amount
Property Taxes	\$54,425,981
Other Revenue	\$49,265,034
Charges for Services	\$29,232,736
Sales Taxes	\$23,725,230
Income Taxes	\$12,558,980
Utility Taxes	\$6,176,206
<b>TOTAL</b>	<b>\$175,384,167</b>

# GOVERNMENTAL FUND EXPENDITURES

## FY23 GOVERNMENTAL FUND EXPENDITURES

For the fiscal year ended December 31, 2023, the City of Evanston's governmental funds incurred costs across several key areas to provide public services and conduct daily operations.

**Public Safety:** The largest portion of the budget, this expense reflects the City's focus on safety and law enforcement.

**General Management:** Administrative and support functions necessary for the efficient operation of the City's government.

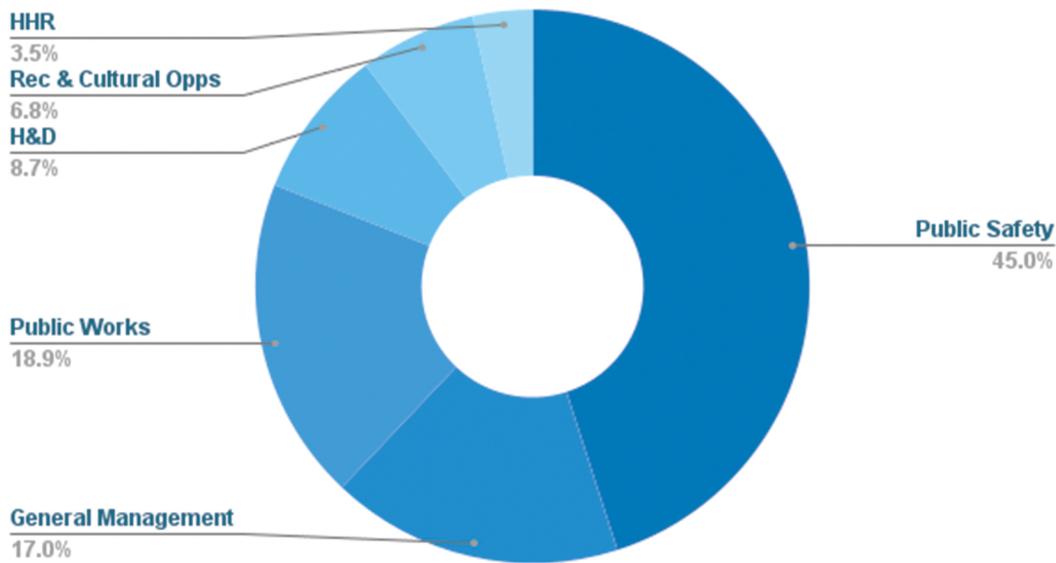
**Public Works:** Funds allocated for maintaining and improving the City's infrastructure and public spaces.

**Housing & Development (H&D):** Expenses related to housing initiatives and community development projects.

**Recreational & Cultural Opportunities:** Expenses related to programming from the Evanston Parks & Recreation department as well as other cultural and enrichment programs.

**Health & Human Resources (HHR):** Public health services and human resource management.

### Governmental Fund Expenditures FY23



Expenditure	FY23 Amount
Public Safety	\$79,009,306
General Management	\$29,867,575
Public Works	\$33,151,860
H&D	\$15,346,710
Rec & Cultural Opps	\$11,929,994
HHR	\$6,095,290
<b>TOTAL</b>	<b>\$175,400,735</b>

# BUSINESS-TYPE ACTIVITIES

## FY23 BUSINESS-TYPE ACTIVITIES

The City's Business-Type Activities refer to services the City provides and for which the City charges customers a fee. Evanston has 4 Enterprise Funds that fall under this category:

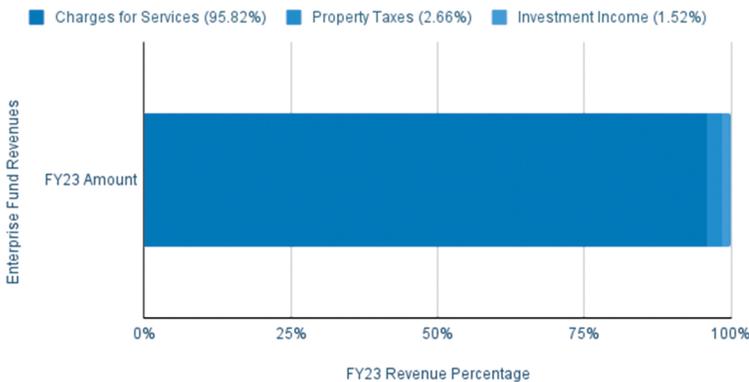
**Water Fund:** To account for all activity related to providing water to Evanston residents, the Villages of Skokie and Lincolnwood, the Northwest Water Commission and the Morton Grove Niles Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, debt service, and billing/collection.

**Parking Fund:** To account for all City-owned parking facilities/garages, lots, and metered spaces. All activities are accounted for including administration, operations, financing, and revenue collection.

**Solid Waste Fund:** To account for all activity related to refuse, recycling, and yard waste collection and disposal. Activities necessary to provide such service include, but are not limited to: administration, operations and revenue collection.

**Sewer Fund:** To account for all activity related to providing sewer service to City residents and businesses. Activities necessary to provide such service include, but are not limited to: administration, operations, financing, capital improvements/maintenance, and billing/collection.

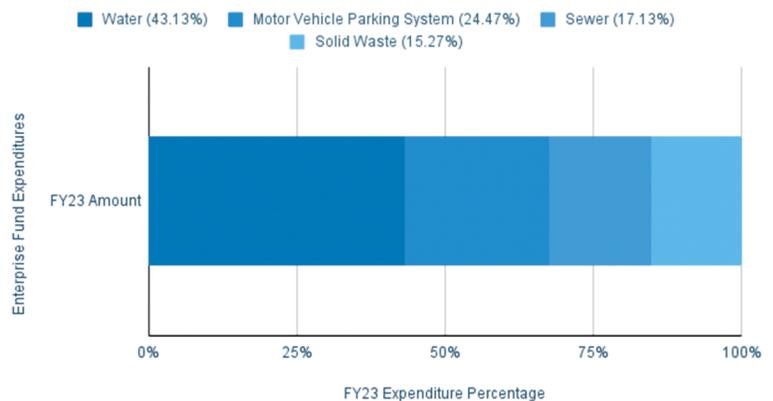
### Enterprise Fund Revenues FY23



Enterprise Fund Revenues	FY23 Amount
Charges for Services (95.82%)	\$48,087,216
Property Taxes (2.66%)	\$1,332,500
Investment Income (1.52%)	\$763,849
<b>TOTAL</b>	<b>\$50,183,565</b>

Enterprise Fund Expenditures	FY23 Amount
Water (43.13%)	\$17,482,399
Motor Vehicle Parking System (24.47%)	\$9,916,592
Sewer (17.13%)	\$6,942,639
Solid Waste (15.27%)	\$6,191,417
<b>TOTAL</b>	<b>\$40,533,047</b>

### Enterprise Fund Expenditures FY23



# DEBT OBLIGATIONS

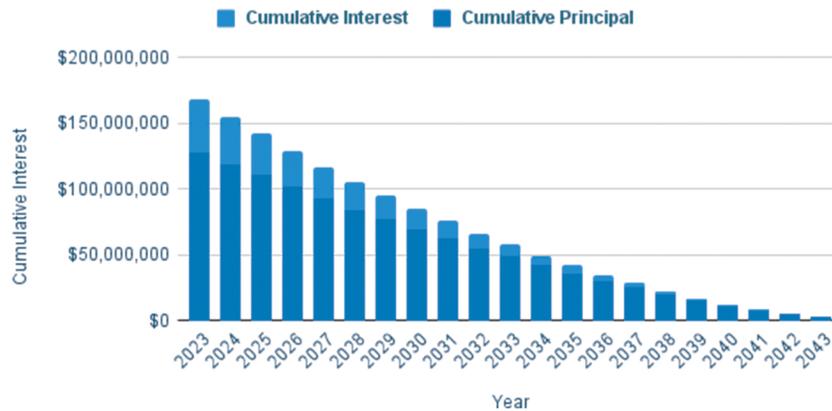
## LONG-TERM DEBT

The City issues general obligation bonds for capital improvement projects. Bonds issued for general city projects are repaid by property taxes. This is the City's **unabated debt**. Some bonds for certain projects may be supported by other revenue sources, including water and sewer fees, special assessment, tax increment financing (TIF) funds, or outside donations. This is the City's **abated debt**.

Excluding the library, as of December 31, 2023, the City had outstanding total general obligation bonded debt of \$160,138,849. Of this, \$31,624,005 was for business type activities to be paid for by the City's Water, Solid Waste and Sewer Funds (abated). An additional \$9,304,253 is abated by special assessments, TIFs and other funding sources, leaving \$119,210,591 in unabated general obligation bonded debt. The City's general obligation debt service principal payments for 2023 totaled \$11,684,269.

### Unabated GO Debt Payment Schedule 2023-2043

(Excludes Library Debt)



Investment Grade	Moody's	Standard & Poor's	Fitch
<b>Strongest</b>	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<b>Non-investment Grade</b>	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	B1	B+	B+
	B2	B	B
	B3	B-	B-
	Caa1	CCC+	CCC+
	Caa2	CCC	CCC
	Caa3	CCC-	CCC-
	Ca	CC	CC
<b>Weakest</b>	C	C	C
	D	D	D

## CITY CREDIT RATING

The rating agencies Moody's, Standard & Poor's, and Fitch routinely evaluate the creditworthiness of municipalities like Evanston. These evaluations provide an assessment of a community's ability to meet its financial obligations and influence the interest rate it may receive on bond issuances. Ratings range from high triple A (strongest) to low C or D (junk).

The City's most recent general obligation bonds issued in 2021 received strong investment grades from all three agencies.

### EVANSTON 2021 GO BOND RATINGS

Moody's: Aa2  
 Standard & Poor's: AA  
 Fitch: AA+

# TAX SUMMARY

## FY23 TAX SUMMARY

The largest tax revenues in Evanston come from property taxes, sales and home rule taxes, and per capita state income taxes. The City also collects a series of other taxes, including utility taxes, Personal Property Replacement Taxes (PPRT), and Real Estate Transfer Taxes.

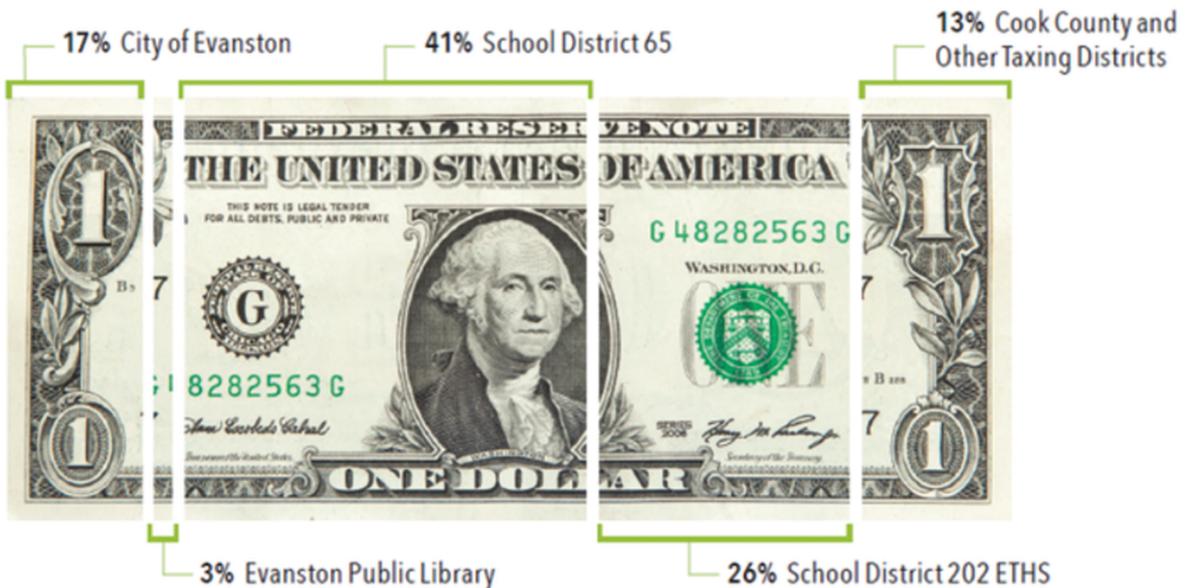
Tax	FY23 Governmental Fund Tax Revenue
Property Tax	\$54,425,981
Sales and Home Rule Tax	\$23,725,230
Income Tax	\$12,558,980
Other Taxes	\$10,544,622
Utility Tax	\$6,176,206
Personal Property Replacement Taxes	\$4,087,124
Liquor Tax	\$3,772,043
Real Estate Transfer Tax	\$3,310,770
Parking Tax	\$2,952,554
<b>TOTAL</b>	<b>\$121,553,510</b>

## FY23 PROPERTY TAX SUMMARY

The largest tax revenue in Evanston comes from property taxes. Property taxes paid by Evanston residents go to multiple taxing bodies. For every dollar of property tax paid by a resident of Evanston, 17 cents goes to the City, and an additional 3 cents goes to the Evanston Public Library.

FY23 Governmental Fund Property Tax Revenue: **\$54,425,981**  
 FY23 Solid Waste Property Tax Revenue: **\$1,332,000**  
 FY23 Library Property Tax Revenue: **\$8,253,648**

### Evanston Property Taxes



# CAPITAL INVESTMENTS

## INFRASTRUCTURE & CAPITAL INVESTMENTS IN 2023

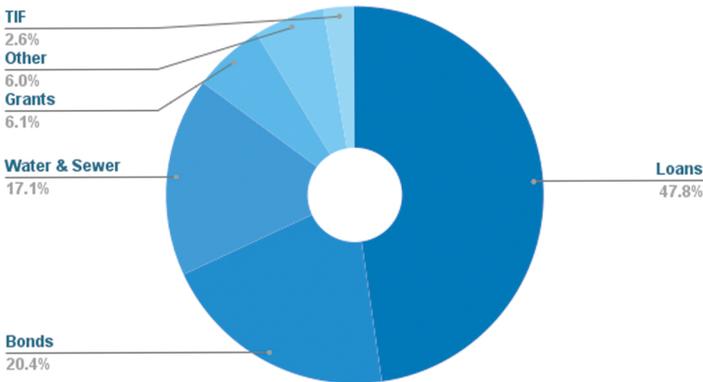
In 2023, the City’s adopted budget included a Capital Improvement Plan (CIP) of \$92.1 million to invest in City Infrastructure and Facilities. Major projects include:

- Water Intake Project** - The Water Filtration Plan is served by three raw water intakes extending into Lake Michigan. Each is comprised of an intake structure and pipeline. It is beyond its useful life, is performing under capacity, and is in need of replacement. In 2023, the five year project to replace the intake began.
- Skate Park** - A 10,000 square foot concrete skating facility was constructed at the east end of Twiggs Park. This dedicated space for skateboarding provides a safe space for skateboarders, helps protect other local government properties and businesses, and promotes an active lifestyle.
- Animal Shelter** - The City received a grant from Cook County to help offset the costs of the construction necessary to increase the capacity of the animal shelter at 2310 Oakton St.

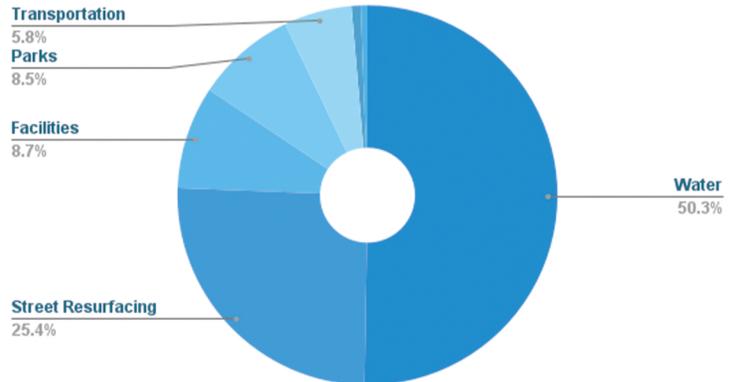
## CAPITAL INVESTMENT REVENUES & EXPENDITURES IN 2024

In 2024, the City’s CIP has a budget of \$94,239,000, with additional funding of \$3,850,000 in federal grants, for a total budget of **\$98,089,000**.

2024 CIP Revenues



2024 CIP Expenditures



CIP Revenues	FY24 Amount
Loans	\$46,854,000
Bonds	\$19,976,500
Water & Sewer Fees	\$16,736,000
Grants	\$6,030,000
Other	\$5,917,500
TIF	\$2,575,000
<b>TOTAL</b>	<b>\$98,089,000</b>

CIP Expenditures	FY24 Amount
Water	\$49,294,000
Street Resurfacing	\$24,870,000
Facilities	\$8,580,000
Parks	\$8,355,000
Transportation	\$5,660,000
Miscellaneous	\$780,000
Library	\$550,000
<b>TOTAL</b>	<b>\$98,089,000</b>

# CONTACT INFORMATION



## City of Evanston™

The Popular Annual Financial Report (PAFR) provides a simplified and accessible overview of the financial activities and health of the City of Evanston for the fiscal year ended December 31, 2023. It highlights key financial information, major projects, and essential services that impact the community. The PAFR aims to enhance transparency and foster greater understanding of the City's financial operations among residents.

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