

**Final Official Statement Dated August 23, 2021**

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.



**\$14,420,000**  
**CITY OF EVANSTON**  
**Cook County, Illinois**  
**General Obligation Corporate Purpose Bonds, Series 2021**

**Dated Date of Delivery** **Book-Entry** **Due December 1, as Detailed Herein**

The \$14,420,000 General Obligation Corporate Purpose Bonds, Series 2021 (the "Bonds") are being issued by the City of Evanston, Cook County, Illinois (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2022. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

**AMOUNTS, MATURITIES, INTEREST RATES, PRICES AND CUSIP NUMBERS<sup>(1)</sup>**

\$6,235,000 .....	3.000%	Term Bonds due December 1, 2028;	Yield ..... 1.503%	CUSIP Number(1) 299228 JV9
<u>Principal</u>	<u>Due</u>	<u>Interest</u>	<u>Yield</u>	<u>CUSIP</u>
<u>Amount</u>	<u>Dec. 1</u>	<u>Rate</u>		<u>Number<sup>(1)</sup></u>
\$ 900,000 .....	2029	5.000%	1.000%	299228 JW7
945,000 .....	2030	5.000%	1.100%	299228 JX5
995,000 .....	2031*	2.000%	1.400%	299228 JY3
1,010,000 .....	2032*	2.000%	1.550%	299228 JZ0
445,000 .....	2033*	2.000%	1.650%	299228 KA3
455,000 .....	2034*	2.000%	1.750%	299228 KB1
465,000 .....	2035*	2.000%	1.800%	299228 KC9
\$1,440,000 .....	2.000%	Term Bonds due December 1, 2038;	Yield ..... 2.000%	CUSIP Number(1) 299228 KF2
<u>Principal</u>	<u>Due</u>	<u>Interest</u>	<u>Yield</u>	<u>CUSIP</u>
<u>Amount</u>	<u>Dec. 1</u>	<u>Rate</u>		<u>Number<sup>(1)</sup></u>
\$500,000 .....	2039	2.000%	2.100%	299228 KG0
510,000 .....	2040	2.125%	2.200%	299228 KH8
520,000 .....	2041	2.125%	2.250%	299228 KJ4

For further details for the Term Bonds see "MANDATORY REDEMPTION" herein.

\*These maturities have been priced to call.

**OPTIONAL REDEMPTION**

Bonds due December 1, 2028-2030, inclusive, are not subject to optional redemption. Bonds due December 1, 2031-2041, inclusive, are callable in whole or in part on any date on or after December 1, 2030, at a price of par and accrued interest. If less than all Bonds of a single maturity are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

**PURPOSE, LEGALITY AND SECURITY**

Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2021 in the City's Capital Improvement Plan, as adopted by the City Council; (ii) refund certain maturities of the City's outstanding General Obligation Corporate Purpose Bonds, Series 2012A; and (iii) pay the costs of issuing the Bonds. See "THE PROJECT" and "THE REFUNDING" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property of the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Delivery of the Bonds through the facilities of DTC will be on or about September 14, 2021.

This Final Official Statement is dated August 23, 2021, and has been prepared under the authority of the City. An electronic copy of this Final Official Statement is available from the [www.speerfinancial.com](http://www.speerfinancial.com) web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Mr. Hitesh D. Desai, CPA, Chief Financial Officer/Treasurer, City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201, or from the Municipal Advisors, Speer Financial, Inc., Chicago, Illinois, and Sycamore Advisors, LLC, Chicago, Illinois, to the City:



(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Ratings. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by this entire Final Official Statement which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

<b>Issuer:</b>	City of Evanston, Cook County, Illinois.
<b>Issue:</b>	\$14,420,000 General Obligation Corporate Purpose Bonds, Series 2021.
<b>Dated Date:</b>	Date of delivery, expected to be on or about September 14, 2021.
<b>Interest Due:</b>	Each June 1 and December 1, commencing June 1, 2022.
<b>Principal Due:</b>	December 1, commencing December 1, 2028 through 2035, 2038 and 2039 through 2041, as detailed on the front page of this Final Official Statement.
<b>Optional Redemption:</b>	Bonds maturing on or after December 1, 2031, are callable at the option of the City on any date on or after December 1, 2030, at a price of par plus accrued interest. See <b>“OPTIONAL REDEMPTION”</b> herein.
<b>Mandatory Redemption:</b>	The Bonds maturing on December 1, 2028 and 2038 are subject to mandatory redemption. See <b>“MANDATORY REDEMPTION”</b> herein.
<b>Authorization:</b>	The Bonds are authorized pursuant to and in accordance with the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois, and a bond ordinance adopted by the City Council of the City (the “City Council”) on August 9, 2021 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”).
<b>Security:</b>	The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
<b>Credit Rating:</b>	The Bonds have been rated “AA” (Stable) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York (“S&P”). See <b>“INVESTMENT RATING”</b> herein.
<b>Purpose:</b>	The Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2021 in the City’s Capital Improvement Plan, as adopted by the City Council; (ii) refund certain maturities of the City’s outstanding General Obligation Corporate Purpose Bonds, Series 2012A; and (iii) pay the costs of issuing the Bonds. See <b>“THE PROJECT”</b> and <b>“THE REFUNDING”</b> herein.
<b>Tax Exemption:</b>	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under <b>“TAX EXEMPTION”</b> in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>Bank Qualification:</b>	The Bonds <b>are not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
<b>Bond Registrar/Paying Agent/ Escrow Agent:</b>	Zions Bancorporation, National Association, Chicago, Illinois.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about September 14, 2021.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Municipal Advisors:</b>	Speer Financial, Inc., Chicago, Illinois, and Sycamore Advisors LLC, Chicago, Illinois.

**CITY OF EVANSTON**  
**Cook County, Illinois**

Daniel Biss  
*Mayor*

**Council Members**

Clare Kelly  
*(1<sup>st</sup> Ward)*

Jonathan Nieuwsma  
*(4<sup>th</sup> Ward)*

Eleanor Revelle  
*(7<sup>th</sup> Ward)*

Peter Braithwaite  
*(2<sup>nd</sup> Ward)*

Bobby Burns  
*(5<sup>th</sup> Ward)*

Devon Reid  
*(8<sup>th</sup> Ward)*

Melissa A. Wynne  
*(3<sup>rd</sup> Ward)*

Thomas M. Suffredin  
*(6<sup>th</sup> Ward)*

Cicely L. Fleming  
*(9<sup>th</sup> Ward)*

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**Officials**

Stephanie Mendoza  
*City Clerk*

Erika Storlie  
*City Manager*

Hitesh Desai  
*Chief Financial Officer/Treasurer*

Nicholas Cummings, Esq.  
*Corporation Counsel*

**INTRODUCTION**

The purpose of this Final Official Statement is to set forth certain information concerning the City of Evanston, Cook County, Illinois (the “City”), in connection with the offering and sale of its \$14,420,000 General Obligation Corporate Purpose Bonds, Series 2021 (the “Bonds”).

This Final Official Statement contains “forward-looking statements” that are based upon the City’s current expectations and its projections about future events. When used in this Final Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the City. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the City nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

## AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are being issued pursuant to the home rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois (the “Illinois Constitution”) and an ordinance adopted by the City Council of the City (the “City Council”) on the 9<sup>th</sup> day of August, 2021 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”).

Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2021 in the City’s Capital Improvement Plan, as adopted by the City Council (the “Project”); (ii) refund certain maturities of the City’s outstanding General Obligation Corporate Purpose Bonds, Series 2012A; and (iii) pay the costs of issuing the Bonds.

The Bonds constitute valid and legally binding full faith and credit general obligations of the City, and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the City (the “Ad Valorem Property Taxes”) in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk (the “County Clerk”) of The County of Cook (the “County”) and will serve as authorization to the County Clerk to extend and collect the property taxes to pay the Bonds, as set forth in the Bond Ordinance.

Pursuant to the Bond Ordinance, the City may, before the deadline for the filing of an abatement of the Ad Valorem Property Taxes levied by the City for any year, by proper proceedings abate all or a portion of the Ad Valorem Property Taxes levied by the Bond Ordinance for that year to the extent that it finds that sufficient funds of the City have been deposited into the respective funds for the payment of principal of and interest on the Bonds during the period otherwise provided for from that levy.

It has been the City’s practice to use a variety of revenue sources for repayment of its general obligation bonds in addition to its Ad Valorem Property Taxes. These alternative sources include sales taxes, water and sewer service charges, special assessments, parking revenues, Tax Increment Financing (“TIF”), and/or taxes levied for special service areas in the City to make payments on its general obligation indebtedness. Although these revenue sources are not pledged to the payment of, and do not secure, the Bonds, the City expects to use certain of these sources to pay debt service on the Bonds, permitting the abatement each year of a portion of the Ad Valorem Property Taxes levied in the Bond Ordinance.

## SOURCES AND USES

The sources and uses of funds resulting from the Bonds and lawfully available funds of the City (the “Available Funds”) are shown below:

<b>SOURCES:</b>	
Principal Amount .....	\$14,420,000.00
Net Original Issue Premium .....	1,338,217.25
Available Funds .....	<u>103,065.63</u>
Total Sources .....	\$15,861,282.88

<b>USES:</b>	
Deposit to Project Fund .....	\$ 8,804,000.00
Deposit to Escrow Account .....	6,858,065.63
Costs of Issuance(1) .....	<u>199,217.25</u>
Total Uses .....	\$15,861,282.88

Note: (1) Includes underwriter’s discount and other issuance costs.

## **RISK FACTORS**

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Final Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### **Construction Risks**

There are potential risks that could affect the ability of the City to timely complete the Project. While preliminary costs have been projected by the City's consulting architects, not all of the construction contracts have been let by the City. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

### **Finances of the State of Illinois**

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds are rated Baa2 by Moody's (upgraded from Baa3 and the Outlook changed from Negative to Stable on June 29, 2021) following "a material improvement in the state's finances." On June 25, 2021, Fitch held the rating at Baa3, but revised its Outlook to Positive from Negative, reflecting 'the State's preservation of fiscal resilience, the quick and sustained economic recovery' from the pandemic along with "unwinding of certain nonrecurring fiscal measures, and the improvements in structural balance in the near and medium-term." In March 2021, Standard & Poor's lifted the Outlook for the State from Negative to Stable. The unfunded pension liability continues to weigh on the State's long-term fiscal prospects.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget") and June 30, 2021 (the "Fiscal Year 2021 Budget").

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The Fiscal Year 2021 Budget ended better than originally projected due to sales and income taxes coming in approximately 5% higher than originally projected and the \$8.1 billion in federal aid from the American Rescue Plan, with \$2.8 billion targeted for infrastructure, COVID and related healthcare costs or other one-time needs. The Fiscal Year 2022 Budget of \$42.3 billion holds spending levels, retires \$2 billion of the federal MLF loan, repays \$928 million in interfund borrowing and raises \$655 million in revenue by rolling back a portion of corporate income tax breaks. The State OMB projects Fiscal Year 2022 General Funds base revenues at \$42.367 billion, essentially in line with budget spending levels.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems, including those caused by the future spread of the Novel Coronavirus 2019 ("COVID-19") or the various governmental or private actions in reaction thereto, may have on the City's future finances. Despite moneys the State has received and is expected to receive from the federal government, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant impact on the State's economy. See "**Potential Impact of COVID-19**" below.

### **Potential Impact of COVID-19**

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, former President Trump declared a "national emergency" and designated the State as part of a national disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Federal legislation, particularly (i) the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), signed into law on March 27, 2020, and (ii) the federal American Rescue Plan Act of 2021, which was signed into law on March 12, 2021 (the "American Rescue Plan" and, together with the Supplemental CARES Act, the "Federal COVID-19 Legislation"), are each directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The American Rescue Plan (the "ARP Act") provides additional federal money for states and local governments to combat COVID-19 pandemic including, but not limited to, funds to replace revenues lost as a result of the pandemic. The City is expected to receive \$43,173,654 of American Rescue Plan funds.

The Governor implemented a five-phase approach to reopening the State's businesses (the "Reopening Plan"), with each successive phase easing certain of the restrictions previously imposed by such prior executive orders. In addition, the Governor's reopening plan divides the State into regions, which allows for public health restrictions and mitigations to be lifted or imposed, as necessary on a region-by-region basis depending on factors such as COVID-19 test positivity rates, hospital admissions and capacity. On June 11, 2021 the Governor and the City of Chicago entered Phase V, with the State and the City allowing all businesses, large scale events, conventions, amusement parks and seated-spectator venues to reopen at full capacity without masks or social distancing requirements. Masks will still be required on public transit, airports, hospitals and schools and will be recommended for unvaccinated individuals.

Over 13.5 million doses of the vaccine have been given and 5.91 million individuals are fully vaccinated in Illinois. The development and deployment of three COVID-19 vaccines allowed for a more rapid reopening and recovery of the economy, including the State. Northwestern University announced it will be 'in-person' for fall semester 2021, including in-person classes, on campus living options and activities.

Since March 2020, the world has experienced a pandemic caused by the novel coronavirus known as COVID-19. This crisis has deeply affected the City's priorities and operations. Since day one, employees across the organization have been dedicated to fighting the virus, keeping our residents safe, and continuing to provide vital City services in frequently changing circumstances. While City employees work harder than ever during the pandemic, the City has experienced catastrophic losses in revenue to fund operations. The revenue losses are due to a contraction of economic activity because of the pandemic.

The City has taken many steps to mitigate the impact of revenue losses. Since March 2020, 12 full-time employees have been laid off, and the City Manager instituted a hiring freeze for all vacant positions. This has led to about 50 vacant positions across all City departments being held open in 2020, yielding savings of close to \$4 million. Non-union and AFSCME employees were also required to take 10 unpaid furlough days before December 15, some of which were unpaid holidays for non-union employees. Fire Department employees represented by IAFF have agreed to forgo general wage increases for 2021 and 2022 in lieu of furlough days.

The City expects to receive approximately \$5.5 million in grant funding related to the COVID-19 response. These grants are given on a reimbursement basis. Most grants have carried forward into 2021, and appropriate amounts are shown in the 2021 budget.

The city was also awarded \$43.1 million under American Rescue Plan Act of 2021 (ARPA). The City received half of that money from the Department of Treasury in May 2021. . These funds can be used for eligible projects including supporting public health expenditures, addressing negative economic impacts, providing premium pay for essential workers, investing in Water, Sewer, and Broadband infrastructure.

For the 2021 Budget, the City focused on maintaining core services and ensuring the continued health and safety of our residents. In September 2020, staff hosted four community budget conversations, which gave residents an opportunity to share ideas and concerns related to the 2021 budget. The feedback from these meetings can be found on the City's Budget webpage. Across all meetings, themes emerged related to the importance of human and social services in the face of ongoing pandemic. Residents stated concerns related to affordable housing, food security, support for small businesses, and preventing future COVID-19 outbreaks.

Altogether, the City experienced around \$10 million loss in General Fund revenues for 2020 and around \$3.5 million loss in the Parking Fund.

As the economy continues to recover and pandemic-related restrictions are lifted, staff anticipates revenue numbers to improve for the second half of 2021.

Some of the revenues which suffered the most in General Fund were sales Tax, Athletic Tax, Hotel Tax, Parking Tax, Liquor Tax, and Motor Fuel Tax. The Parking Fund suffered loss of revenue from parking meters and parking garages because of the contracted economy.

Some revenues like Permit fees, Income Tax and Use Tax exceeded not only their 2020 budget numbers but also 2019 actual revenues.

Despite these adverse circumstances, the City ended FY2020 for General Fund (including Human Services and Foreign Fire Insurance Funds) with an operating surplus of \$2.8 million. Total revenues and expenditures (including transfers) are \$116.6 million and \$113.8 respectively.

The City cannot predict the future impact of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income and utility tax revenues and real estate tax collections. If there is a negative impact on the receipt of such revenues and/or extension and collection of real estate taxes, the City may have difficulty paying debt service on the Bonds.

## Future Pension Plan Funding Requirements

The City participates in the Police Pension Plan and the Firefighters' Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. The City is contributing higher than the state minimum mandated by using 90% of 2040 on level dollar method. The most recent actuarial valuation report available for each plan is dated January 1, 2018, and includes contributions attributed to the fiscal year ending December 31, 2019.<sup>(2)</sup>

For the Firefighter's Pension Fund, the recommended contribution for fiscal year 2019 was \$9,670,806, with 9.5% coming from member payroll contributions and 85.8% contributed by the City for a combined contribution of 95.3% of payroll. This is a decrease from the prior year's contribution, in part due to an investment return of 6.36%, exceeding the 6.25% plan assumption. The total number of participants are 243, with 104 actives and the balance retirees or beneficiaries. Total payroll is \$10.15 million. The actuarial value of assets is \$78.28 million, with total actuarial accrued liabilities of \$173.98 million, resulting in a \$95.70 million unfunded liability (UAAL). The funded status of the plan is 45.0%.

For the Police Pension Fund, the recommended contribution for fiscal year 2019 was \$12,701,183, with 9.9% coming from member payroll contributions and 71.4% contributed by the City, for a combined contribution rate of 81.3% of payroll. This is a dollar increase from the prior year's contribution, due to lower than expected mortality rates and higher disability experience versus the plan assumption. Assets earned 8.22%, exceeding the 6.25% return assumption. The total number of participants are 362, with 163 actives and the balance retirees or beneficiaries. Total payroll is \$15.61 million. The actuarial value of assets is \$115.89 million, with total actuarial accrued liabilities of \$237.63 million, resulting in a \$125.73 million unfunded liability (UAAL). The funded status of the plan is 48.8%.

In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by the IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Firefighters' Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Firefighters' Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See "**PENSION AND RETIREMENT OBLIGATIONS**" and "**OTHER POSTEMPLOYMENT BENEFITS**" herein for a more complete discussion.

<sup>(2)</sup> Source: Reports prepared by Foster & Foster, accessed from the City of Evanston website on May 20, 2020.

## **Cybersecurity**

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## **Local Economy**

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

## **Loss or Change of Bond Rating**

The Bonds have received a credit rating from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P"). The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## **Secondary Market for the Bonds**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## **Continuing Disclosure**

A failure by the City to comply with the Continuing Disclosure Undertaking (the "Undertaking") for continuing disclosure (see "**CONTINUING DISCLOSURE**" and "**THE UNDERTAKING**" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

## **Suitability of Investment**

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Final Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## **Future Changes in Laws**

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

## **Factors Relating to Tax Exemption**

As discussed under “**TAX EXEMPTION**” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## **Bankruptcy**

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel (as defined herein) to be delivered with respect to the Bonds will be similarly qualified.

## **Climate Change Risk**

There are potential risks to the State, the City and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The City cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the City, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the City's finances.

## **THE CITY**

### **General Information**

The City constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront. The City 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 75,000 is diverse by race, religion, age, education, economics, and occupation. With 8,700 people per square mile, the City 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.

The City 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.

The City 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.

### **Northwestern University**

The City is the home of Northwestern University, with about 16,000 students and 5,200 employees at its Evanston campus, so named as it was established to serve the Northwest Territory. Northwestern University first platted the village which surrounded it. The State legislature named the village "Evanston" in honor of Dr. John Evans, the president of Northwestern University's Board.

Northwestern University is one of the finest private comprehensive universities in the country. The university's programs are highly ranked nationally and internationally and have exceptional demand and student quality. Northwestern University not only infuses the City with a certain vitality, but also affects both City revenues and many demographic profiles of the City. A significant number of the students are included in census counts, which tends to cause understated demographic statistics such as the City's per capita income, wealth per capita, assessed value per capita, etc. On the other hand, it increases revenue sharing and other grants based on population.

## **Government**

The City is a home-rule unit of government under the Illinois Constitution and, as such, has no general obligation debt limit, nor is it required to seek referendum approval for the issuance of general obligation indebtedness. However, pursuant to the City's budget policy adopted by the City Council on December 18, 2000, as amended by Resolution No. 42-R-18 adopted by the City Council on June 25, 2018, and as further amended by Resolution No. 44-R-19 adopted by the City Council on April 22, 2019, the City has instituted a self-imposed limit of \$155,000,000 in aggregate principal amount of general obligation debt which is expected and intended to be paid from a general real property tax levy.

The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected to a four-year term. Each Alderman 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 Executive 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 10 departments.

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 Ridgeville Park District. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

## **Administration**

Erika Storlie, City Manager. Ms. Storlie has been the City Manager since September 2019. The City Manager is the administrative head of the municipal government and is responsible for the efficient administration of all City departments. The departments are as follows: Administrative Services, Community and Economic Development, Fire, Health, Law, Library, Parks, Recreation and Community Services, Police, Public Works and Utilities. Before starting as City Manager, Ms. Storlie had been working as an Assistant City Manager with the City.

Hitesh Desai, Chief Financial Officer/Treasurer. Mr. Desai is the Chief Financial Officer/Treasurer and oversees and administers all the City's financial functions, in conjunction with the City Manager. Prior to working for the City, Mr. Desai was the Finance Director of the Village of Carpentersville, Illinois. Mr. Desai has previously served the City as Accounting Manager and Senior Accountant.

## **Development Activity and City Layout**

Unlike most suburban communities, City residents and visitors have the option to patronize six neighborhood commercial districts, most of which historically formed around transit hubs including downtown, Central Street, Noyes Street, Chicago and Dempster, Main and Chicago, and Howard and Chicago. These districts are characterized by independent retailers, restaurants and small office businesses. Downtown Evanston features a mix of national and independent retailers, corporate headquarter offices, medical, and entertainment uses. Adjacent to downtown is Northwestern University.

Evanston Center and Oakton Street Center, on the southwest side of the City, are commercial centers initiated by developers and include a large number of national retailers. Evanston Plaza shopping center anchors Dempster and Dodge at the center of the City. These shopping centers have anchor and supportive retail stores developed on former vacant industrial sites.

Commercial development has been a priority of City government dating back to the 1980 adopted “Plan for Downtown Evanston/City Comprehensive Plan”. The City has encouraged and supported private developments throughout the city including the implementation of TIF districts on Howard Street, Main Street, West Evanston, and downtown Evanston. In addition, the City supported the creation of Special Service Area districts on Central Street, downtown, and Main/Dempster Streets.

These public finance tools along with supportive economic development grant and loan programs have resulted in:

- enhanced public transportation through the interconnection of bus, Metra rail, and the Chicago Transit Authority (the “CTA”) hubs;
- public art including streetscape and sidewalk amenities; and
- New residential development adjacent to transit stations including Avador, Albion, The Main, Centrum Evanston, E2, 828 Noyes, and The Link.

The result is a vibrant community with a 2019 total equalized assessed value (“EAV”) of \$3.43 billion having grown from \$1.30 billion in 1999.

## **Labor Relations**

The City’s four collective bargaining contracts cover the majority of the City’s 810 (2020 budget full-time equivalent) employees and include: Police – Fraternal Order of Police (FOP) (expires on December 31, 2022); Firefighters - Local 742 of the International Association of Firefighters (IAFF) (expires on December 31, 2022); Police Sergeants - FOP (expires on December 31, 2022); other labor and general office positions including Public Works, Utilities, Parks/Recreation, Health, Library and Community Development - American Federation of State County and contracts in place through December 31, 2022.

The City has not experienced any work stoppage due to labor difficulties for the last 30 years.

## **Transportation**

The City has excellent public transportation. It is served by a rapid transit rail line operated by CTA, with eight stations in the City. This is part of the CTA’s metropolitan rapid transit system. Commuter rail service provided by Metra, a Division of the Regional Transportation Authority (“RTA”), serves three stops in the City. Four local bus routes operated by the CTA connect all of the City’s neighborhoods with its downtown area. Five bus routes operated by PACE, a suburban bus division of the RTA, connect the City with north and northwestern suburbs.

## SOCIOECONOMIC INFORMATION

The following statistics pertain principally to the City. Additional comparisons are made with the County and the State.

### Employment

The City's population is essentially stable, having been near 70,000 since 1950.

#### City Population Trends(1)

Year	The City		The County		The State	
	Population	Percentage Change	Population	Percentage Change	Population	Percentage Change
1950 Census.....	73,641	N/A	4,508,792	N/A	8,712,176	N/A
1960 Census.....	79,283	7.66%	5,129,725	13.77%	10,081,158	15.71%
1970 Census.....	80,113	1.05%	5,492,369	7.07%	11,110,285	10.21%
1980 Census.....	73,706	(8.00%)	5,253,655	(4.35%)	11,426,596	2.85%
1990 Census.....	73,233	(0.64%)	5,105,067	(2.83%)	11,430,602	0.04%
2000 Census.....	74,239	1.37%	5,376,741	5.32%	12,419,293	8.65%
2010 Census.....	74,486	0.33%	5,194,675	(3.39%)	12,830,632	3.31%

Note: (1) Source: U.S. Census Bureau.

Following are lists of large employers located in the City.

#### Major City Employers(1)

Name	Product/Service	Approximate Employment
Northwestern University .....	Higher Education .....	6,020
Northshore University Health System .....	Healthcare .....	4,790
Evanston School District 65 .....	Education .....	1,482
City of Evanston .....	Government .....	810
Presence Saint Francis Hospital .....	Healthcare .....	800
School District 202 .....	Education .....	633
Rotary International .....	Not for Profit .....	549
ZS Associates .....	Healthcare .....	473
West Minister Pl., McGaw Care Center .....	Retirement Living .....	455
C. E. Neifhoff & Co. ....	Manufacturing .....	401

Note: (1) Source: City Economic Development Division.

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City residents also have substantial employment opportunities in surrounding communities, as well as throughout the Chicago metropolitan area. The following list shows selected large employers located in communities immediately surrounding the City.

### Major Area Employers(1)

Location	Name	Product/Service	Approximate Employment
Northfield	Medline Industries, Inc.	Corporate Headquarters; Medical Equipment and Supplies	5,000
Skokie	Federal-Mogul Motorparts	Rubber Product Fabricators	1,300
Skokie	Skokie Hospital	General Hospital	1,200
Niles	Woodward, Inc.	Aerospace Components	1,000
Morton Grove	John Crane, Inc.	Corporate Headquarters; Mechanical Products	700
Morton Grove	Xylem	Pumps and Pumping Equipment	650
Skokie	Amazon.com, Inc.	Warehouse Fulfillment and Logistical Services	600
Northfield	College Of American Pathologists	College	600
Niles	Shure, Inc.	Corporate Headquarters; Microphones	600
Niles	The Bradford Exchange	Direct Marketing Services	550
Skokie	Georgia Nut Co., Inc.	Candy and Snacks	550
Niles	Specialty Print Communications	Corporate Headquarters; Commercial Printing	510
Skokie	Generation Brands, LLC	Corporate Headquarters; Lighting Fixtures	500
Skokie	The Village Of Skokie	Local Government	500

Note: (1) Source: 2021 Illinois Manufacturers Directory and 2021 Illinois Services Directory.

The following tables show employment by industry and by occupation for the City, the County, and the State as reported by the 2015-2019 ACS, the most current statistical information available.

### Employment by Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	46	0.1%	4,425	0.2%	65,484	1.0%
Construction	905	2.5%	119,785	4.7%	333,807	5.3%
Manufacturing	2,061	5.7%	247,161	9.6%	749,476	12.0%
Wholesale Trade	672	1.9%	70,291	2.7%	187,923	3.0%
Retail Trade	2,702	7.5%	243,740	9.5%	663,163	10.6%
Transportation and Warehousing, and Utilities	1,003	2.8%	188,355	7.3%	409,516	6.6%
Information	1,042	2.9%	53,821	2.1%	113,822	1.8%
Finance and Insurance, and Real Estate and Rental and Leasing	2,707	7.5%	208,169	8.1%	453,306	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	6,374	17.7%	378,949	14.8%	743,209	11.9%
Educational Services and Health Care and Social Assistance	12,941	36.0%	586,136	22.8%	1,441,934	23.1%
Arts, Entertainment and Recreation and Accommodation and Food Services	2,899	8.1%	248,616	9.7%	566,907	9.1%
Other Services, Except Public Administration	2,106	5.9%	126,368	4.9%	292,957	4.7%
Public Administration	531	1.5%	91,514	3.6%	229,358	3.7%
Total	35,989	100.0%	2,567,330	100.0%	6,250,862	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

### Employment by Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	22,554	62.7%	1,052,071	41.0%	2,421,993	38.7%
Service	4,890	13.6%	454,594	17.7%	1,073,272	17.2%
Sales and Office	5,681	15.8%	551,604	21.5%	1,366,039	21.9%
Natural Resources, Construction, and Maintenance	938	2.6%	151,272	5.9%	451,379	7.2%
Production, Transportation, and Material Moving	1,926	5.4%	357,789	13.9%	938,179	15.0%
Total	35,989	100.0%	2,567,330	100.0%	6,250,862	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

## Unemployment Rates

The table below shows unemployment trends for the City, the County and the State.

### Annual Average Unemployment Rates(1)

Calendar Year	The City	The County	The State
2012 .....	7.6%	9.7%	9.0%
2013 .....	7.8%	9.7%	9.1%
2014 .....	6.2%	7.6%	7.2%
2015 .....	5.1%	6.3%	6.0%
2016 .....	4.9%	6.2%	5.9%
2017 .....	4.0%	5.2%	5.0%
2018 .....	3.4%	4.2%	4.4%
2019 .....	3.1%	4.0%	4.0%
2020(2) .....	8.1%	11.1%	9.5%
2021(2)(3).....	5.8%	8.4%	7.1%

- Notes: (1) Source: Illinois Department of Employment Security.  
(2) The City attributes the increase in unemployment rates to the COVID-19 pandemic. See “**RISK FACTORS – Potential Impact of COVID-19**” herein.  
(3) Preliminary rates for the month of March 2021.

## Building Permits

Residential building permits have averaged \$349,330,964 over the last five years in the City, excluding the value of land.

### City Building Permits(1) (Excludes the Value of Land)

Calendar Year	Total Value
2016 .....	\$536,538,596
2017 .....	306,352,806
2018 .....	374,489,566
2019 .....	215,835,573
2020 .....	313,438,281

Note: (1) Source: the City.

## Housing

The U.S. Census Bureau reported that the median value of the City’s owner-occupied homes was \$391,400. This compares to \$246,600 for the County and \$194,500 for the State. The following table represents the five-year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2015-2019 ACS, the most current statistical information available.

### Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000 .....	184	1.2%	36,885	3.3%	198,619	6.2%
\$50,000 to \$99,999 .....	361	2.3%	83,703	7.5%	456,773	14.3%
\$100,000 to \$149,999 .....	1,067	6.8%	131,697	11.7%	483,504	15.1%
\$150,000 to \$199,999 .....	1,313	8.3%	175,062	15.6%	508,852	15.9%
\$200,000 to \$299,999 .....	2,706	17.1%	270,535	24.1%	693,104	21.6%
\$300,000 to \$499,999 .....	4,175	26.4%	262,380	23.4%	570,203	17.8%
\$500,000 to \$999,999 .....	4,882	30.9%	126,736	11.3%	234,153	7.3%
\$1,000,000 or more .....	1,108	7.0%	35,586	3.2%	57,507	1.8%
Total .....	15,796	100.0%	1,122,584	100.0%	3,202,715	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

### Mortgage Status(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage .....	10,364	65.6%	728,538	64.9%	2,027,640	63.3%
Housing Units without a Mortgage .....	5,432	34.4%	394,046	35.1%	1,175,075	36.7%
Total .....	15,796	100.0%	1,122,584	100.0%	3,202,715	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

### Education and Employment

The 2015-2019 ACS reported that over 67.1% of adult residents of the City have four or more years of college (over 37.8% with graduate or professional degrees), compared to 33.1% nationally, and 93.7% have at least a high school education or higher.

#### Education Attainment – Population over 25(1)

Education Level	Number	Percentage
Graduate or Professional Degree.....	18,116	37.83%
Bachelor's Degree.....	13,993	29.22%
Associate's Degree.....	1,667	3.48%
Some College, No Degree .....	5,263	10.99%
High School Graduate.....	5,828	12.17%
9th to 12th Grade, No Diploma.....	1,551	3.24%
Less Than 9th Grade.....	1,469	3.07%
Total .....	47,887	100.00%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015-2019 estimates.

The following table shows the proportion of the City residents holding certain job categories as reported by the 2015-2019 ACS. Consistent with the high average level of educational attainment, over 62.7% of job holders who are City residents work in professional or managerial jobs, as compared to 41.0% in the County and 38.7% in the State.

#### Select Occupation Categories(1)

Type of Occupation	Number	Percentage
Management, Business, Science and Arts.....	22,554	62.67%
Service Occupation .....	4,890	13.59%
Sales and Office Occupation.....	5,681	15.79%
Natural Resources, Construction and Maintenance....	938	2.61%
Production, Transportation, Material Moving.....	1,926	5.35%
Total .....	35,989	100.00%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015-2019 estimates.

**Income**

**Per Capita Personal Income  
 for the Highest Income Counties in the State(1)**

<u>Rank</u>		<u>2015 to 2019</u>
1	DuPage County .....	\$46,272
2	Lake County.....	45,766
3	Monroe County .....	42,152
4	McHenry County .....	39,006
<b>5</b>	<b>Cook County .....</b>	<b>37,552</b>
6	Woodford County.....	37,170
7	Will County.....	36,524
8	Kendall County .....	36,382
9	Kane County.....	36,270
10	Sangamon County.....	35,509

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2015 to 2019.

The following shows the median family income for counties in the Chicago metropolitan area.

**Ranking of Median Family Income(1)**

<u>County</u>	<u>Family Income</u>	<u>Rank</u>
DuPage County.....	\$114,001	1
Lake County.....	108,478	2
Kendall County.....	105,313	3
Will County.....	101,880	4
Monroe County.....	101,294	5
McHenry County .....	100,294	6
Kane County .....	95,005	7
<b>Cook County.....</b>	<b>80,744</b>	<b>17</b>

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year estimates 2015 to 2019.

The U.S. Census Bureau reported that the City had a median family income of \$121,998. This compares to \$80,744 for the County and \$83,279 for the State. As shown below, 31% of the City's family income is \$200,000 or more. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2015-2019 ACS, the most current statistical information available.

**Family Income(1)**

<u>Income</u>	<u>The City</u>		<u>The County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000 .....	276	1.8%	49,816	4.2%	109,130	3.5%
\$10,000 to \$14,999.....	360	2.4%	27,177	2.3%	63,897	2.1%
\$15,000 to \$24,999.....	426	2.8%	79,538	6.7%	176,771	5.7%
\$25,000 to \$34,999.....	650	4.3%	89,568	7.6%	207,138	6.7%
\$35,000 to \$49,999.....	1,104	7.3%	126,729	10.7%	328,081	10.6%
\$50,000 to \$74,999.....	1,869	12.3%	181,815	15.4%	515,217	16.6%
\$75,000 to \$99,999.....	1,622	10.7%	151,200	12.8%	441,395	14.2%
\$100,000 to \$149,999.....	2,437	16.0%	213,984	18.1%	617,199	19.8%
\$150,000 to \$199,999.....	1,721	11.3%	113,578	9.6%	304,305	9.8%
\$200,000 or more .....	<u>4,726</u>	<u>31.1%</u>	<u>149,867</u>	<u>12.7%</u>	<u>346,629</u>	<u>11.1%</u>
Total.....	15,191	100.0%	1,183,272	100.0%	3,109,762	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

The U.S. Census Bureau reported that the City had a median household income of \$78,904. This compares to \$64,660 for the County and \$65,886 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2015-2019 ACS, the most current statistical information available.

### Household Income(I)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000 .....	2,221	7.8%	144,492	7.3%	302,966	6.3%
\$10,000 to \$14,999 .....	1,028	3.6%	79,117	4.0%	185,043	3.8%
\$15,000 to \$24,999 .....	1,736	6.1%	177,486	9.0%	417,135	8.6%
\$25,000 to \$34,999 .....	2,305	8.1%	166,358	8.4%	405,504	8.4%
\$35,000 to \$49,999 .....	2,257	8.0%	219,867	11.1%	563,757	11.6%
\$50,000 to \$74,999 .....	4,091	14.4%	310,795	15.8%	809,343	16.7%
\$75,000 to \$99,999 .....	2,949	10.4%	240,315	12.2%	622,330	12.8%
\$100,000 to \$149,999 .....	4,234	14.9%	301,087	15.3%	778,079	16.1%
\$150,000 to \$199,999 .....	2,136	7.5%	147,525	7.5%	360,394	7.4%
\$200,000 or more .....	5,395	19.0%	185,066	9.4%	401,583	8.3%
Total .....	28,352	100.0%	1,972,108	100.0%	4,846,134	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2015 to 2019 estimates.

## FINANCES

### Budget Process

The City’s fiscal year 2021 began on January 1, 2021. The City Manager submitted to the City Council a proposed operating budget in October 2020 for the fiscal year 2021 commencing the following January 1. The City budget team started the budget process for fiscal year 2021 in late summer followed by meeting with all departments for their individual budgets. On November 23, 2020, the Council adopted the ordinance 110-O-20 approving the FY 2021 budget. The City operates under the Illinois Budget Act, adopting a budget by an ordinance. All Funds are included in the Ordinance.

The City is committed to long-term financial planning. The City closely monitors factors that contribute to long-term financial stability, including, bond ratings, debt ratios, and equalized assessed valuation. The City is also pursuing strategies to expand the City's revenue base and diversify revenue sources.

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. 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 cash basis. The Comprehensive Annual Financial Report (CAFR) of the City presents expenditures and revenues on both a GAAP basis and a budgetary basis for comparison.

## **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 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). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2020, the City projected that 36.5% (\$117.2 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, General Obligation Debt, Parking, Water, and Sewer Funds.

The Enterprise Funds (Water, Parking, Solid Waste Fund 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 GASB. The accounts of the City are divided into separate self-balancing funds comprised of its assets, liabilities, fund equity, revenues, and expenditures, as appropriate.

The City's expenditures are monitored on a regular basis by the Finance Department. Disbursements are made by fund and only if expenditures are within the authorized budget.

## **Financial Statements and Independent Audits**

The City annually presents its CAFR to the GFOA for review against that organization's standards for governmental accounting and financial reporting. The City received a certificate of achievement for excellence in financial reporting from the GFOA for the fiscal year ended December 31, 2020.

The City's financial statements are audited annually as required by State law. Sikich LLP, Certified Public Accountants and Advisors, Naperville, Illinois ("Sikich LLP"), audited the financial statements for fiscal year ended December 31, 2020. Copies of the City's CAFR are available at the City's website. The CAFR for the fiscal year ended December 31, 2020, are included as **APPENDIX A** to this Final Official Statement. Sikich LLP, has neither reviewed nor approved this Final Official Statement or its appendices.

The City has covenanted in connection with the issuance of the Bonds to file its CAFR and certain additional financial and operating data within 270 days after the close of the City's fiscal year. See **APPENDIX C** to this Final Official Statement.

## **Cash Management**

The City invests available funds to the extent not needed for immediate expenditures in interest bearing securities. Money market funds make up majority investments. Cash amounts held in bank accounts are collateralized by United States government or agency obligations.

The City’s investment policy is in compliance with the Illinois Municipal Investment Act and limits investments to those that are insured or which are registered (or for which the securities are held by the City or its agent) in the City’s name. Bond funds are properly tracked for arbitrage purposes.

## Revenues

The City receives revenue from a wide variety of sources. These include a real property tax, municipal shares of State sales and income taxes, a home-rule sales tax, utility taxes, and federal grants, as well as various use charges, licenses, and permits. The largest revenue source for the City is the property tax. See “**REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**” for a description of the property tax. Other major revenue sources are described below.

## Sales Taxes

The City’s share of the State sales tax and a separate City home-rule sales tax are the second largest source of revenue to the City. A portion of the State’s sales tax receipts from sales within Evanston are statutorily allocated to the City. The amount so received by the City equals about 1.0% of those sales subject to the State tax. In addition, the City imposes a City-wide home-rule sales tax, as permitted by State law, presently at a rate of 1.0%. Sales of vehicles, groceries and medicine, among other items, are exempted by State law from this home-rule sales tax. The Department of Revenue collects both the State sales tax and the City’s sales tax. Two percent (2%) of the City’s home-rule sales tax collections were retained as an administrative fee by the Department of Revenue for State FY 2018. Beginning with State FY 2019, the Department of Revenue’s administrative fee has been reduced to 1.5% of home-rule sales tax collections. As illustrated on the following table, the State sales tax produced \$10.5 million and the home-rule sales tax produced \$6.4 million for the State’s fiscal year ended June 30, 2019. The State sales taxes payable to the City have grown at an average compounded rate of approximately 1.53% for the last ten years.

## Retail Activity

The table below shows the distribution of the municipal portion and Home Rule portion of the Retailer's Occupation, Service Occupation and Use Tax (“Sales Tax”) collected by the State Department of Revenue from retailers within the City. The table indicates the level of retail activity in the City.

### Retailers’ Occupation, Service Occupation and Use Tax(1)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Home Rule Sales Tax Distributions	Total Sales Tax Distributions	Annual Percentage Change + or (-)
2011 .....	\$ 8,902,187	\$5,756,949	\$14,659,136	5.24%(3)
2012 .....	8,980,935	5,709,577	14,690,512	0.21%
2013 .....	9,185,905	5,739,937	14,925,841	1.60%
2014 .....	9,707,526	5,981,735	15,689,261	5.11%
2015 .....	9,832,372	6,090,520	15,922,891	1.49%
2016 .....	10,087,108	6,165,806	16,252,914	2.07%
2017 .....	9,912,440	6,141,714	16,054,154	(1.22%)
2018 .....	10,115,899	6,166,544	16,282,443	1.42%
2019 .....	10,494,729	6,360,459	16,855,188	3.52%
2020 .....	10,516,115	6,570,646	17,086,761	1.37%

- Notes: (1) Source: Illinois Department of Revenue.  
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailer's Occupation, Service Occupation and Use tax collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.  
 (3) The 2011 percentage is based on a 2010 sales tax of \$13,929,162.

Public Act 101-0009, effective June 5, 2019, included the “Leveling the Playing Field for Illinois Retailers Act.” This legislation requires certain remote retailers to collect and remit state and locally imposed sales taxes for the jurisdiction where the product is delivered (destination) starting on July 1, 2020. Information from the Illinois Municipal League (IML) indicates that “local governments could receive \$92 million per state fiscal year.” There will, however, be a decrease in collections of Use Tax. Ultimately, the IML anticipates that municipalities will experience a net increase as a result of Public Act 101-0009.

**Personal Property Replacement Taxes**

Personal Property Replacement Taxes (“PPRT”) are revenues collected by the State and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. Below are five years of PPRT for the City.

**Personal Property Replacement Taxes(I)**

<u>Fiscal Year Ended</u>	<u>Amount</u>
12/31/2016 .....	\$1,425,178
12/31/2017 .....	1,394,387
12/31/2018 .....	1,350,173
12/31/2019 .....	1,744,366
12/31/2020 .....	1,500,129

Note: (1) Source: the City’s audited financial statements.

**Utility Taxes**

The City collects utility taxes on natural gas, electricity, and telephone charges. Utility taxes generated \$6.4 million for the fiscal year ended December 31, 2019, compared to \$6.7 million for the fiscal year ended December 31, 2018, \$6.6 million for the fiscal year ended December 31, 2017, and \$6.7 million for the fiscal year ended December 31, 2016.

**MAJOR INITIATIVES – FISCAL YEAR 2021**

Following are annual goals and major initiatives by department as a part of budget document preparation.

The City Manager’s Office: Continue to monitor the city’s response to COVID-19. ● Continue to provide the community with timely, consistent COVID-19 information. ● Win the GFOA Award for the 2021 Budget & 2020 Annual Report. ● Continue to monitor citywide Amazon spending. ● Improve City website accessibility by providing staff with plain language training. ● Collaborate with internal departments to create a stand-alone RFQ template - review and revise Bid and RFP templates. ● Perform clean-up and maintenance on 50% of Evanston’s outdoor public art pieces. ● Rebuild the Evanston’s Arts Council in policy and membership, and to successfully onboard strong, capable community members. ● Work with relevant departments and the Budget Office to develop long term funding strategies for implementing the Climate Action and Resilience Plan (“CARP”). Successfully support approval of updating building and energy codes that set a standard for building electrification and phasing out fossil infrastructure in buildings. ● Begin implementation of the provisions listed in the Environmental Justice Resolution. ● Identify resources to complete the climate risk and vulnerability assessment

The Law Department will: ● Work with City Council and staff to secure new economic and community development opportunities. ● Continue to litigate a substantial majority of cases in-house and seek to prevail at summary disposition or trial in litigation. ● Analyze and evaluate the City’s purchasing contracts for all types of contracts.

The Administrative Services Department will: Focus on the timing of purchases/costs across all divisions to further increase operational efficiency and reduce the potential for delays and poor resource allocation. • Continue to analyze internal service and operational data through an equity lens. • Continue citywide implementation and roll-out of additional Google Apps. • Develop software/programs/office set-ups to ensure more efficient employees while working remotely. • Continue to use online software systems for learning management and performance management. • Roll out state-mandated annual sexual harassment training and ethics training. • Implement new timekeeping software system for more efficient payroll processes. • Review alternative means to digitize maintenance and storage of HR documents. • Continue to use an alternative sustainable fuel source for City vehicles and increase the electric vehicle charging program. • Review and implementation of parking review study to be completed in 2021 (citations, fees and general areas that need improvement).

The Community Development Department will: Improve procedures for processing building permits and contractor registrations. Start the review process for adoption of the 2021 edition of the International Code Council model codes. Work across transportation and transit agencies within Evanston to maintain and grow a reliable, safe, accessible, and active transportation network with affordable housing and market rate developers, including the Housing Authority of Cook County, on housing projects to build new affordable and mixed income housing in transit-oriented development (TOD) areas.

The Economic Development division is part of the City Manager's Office. They will: Strengthen community workforce development by coordinating disparate activities. • Design economic development strategies focused on community economic wellbeing and sustainability. • Coordinate with Community Development on improved built environment as a strategy of retention and attraction, which works in harmony with the natural environment. • Provide targeted financial and technical support to Evanston businesses and align Economic Development activities to expand workforce development in support of CARP implementation.

The Police Department will: Develop relationships with other municipal governments interested in the Evanston Police Department providing dispatch services on the STARCOM radios system. Decommission the Police Department's legacy 470MHz T-Band radio infrastructure. Research and evaluate the PACE scheduling software system department-wide, with a goal of implementation by 2022. Ensure mandated training required by State law, Illinois Police Training Board, and Illinois Attorney General, especially crisis intervention training for all sworn personnel, and Human Services Boards, and the Citizen Police Review Commission. Continue to reduce the cost of Police vehicle purchases by downsizing the type of vehicles purchased. Implement a more community-based policing strategy involving foot patrol units in the wards and problem-solving methods in the patrol division.

The Fire Department will: Emergency Management will continue to play a pivotal role in helping lead the City's Crisis Management Team's COVID-19 pandemic response using the NIMS and the FEMA planning process in collaboration with local, county, state and federal partners. • The Department will present the City's first ever Emergency Preparedness Fair. • Expanding our City's Evanston Alerts Emergency Notification System to incorporate Wireless Emergency Activations (WEA). • All members will be trained and re-certified in Advanced Cardiac Life Support (ACLS). • The Department will continue to work with Oakton Community College on implementing an apprenticeship program aimed at preparing Evanston residents for a career in the fire service. • The community engagement programs, Fire Explorer, ETHS Public Safety, Citizen CPR, and Citizen Fire Academy will be offered through our department members. • The Department will look to expand the ECHO (Evanston Community Health Outreach) program with AMITA St. Francis Hospital and community stakeholders.

The Health and Human Services Department will: Continue to prioritize the response to COVID-19 in the community including facilities housing high risk populations such as in our long-term care facilities and congregate homes. • Continue to transition to regular HHS operations while responding to COVID-19 related activities. • Conduct COVID-19 vaccination activities when the vaccines are made available. • Partner with Community Action Advocates to increase visibility of social services support to vulnerable populations. • Create a clearinghouse of data to better measure health equity achievements. • Create a community cohort of Seeking Educational Equity and Diversity (SEED) members. • Increase outreach and participants at the Rethink Your Drink programs. • Develop the Evanston Project for Local Assessment of Needs (EPLAN) for the State's recertification of the Health and Human Services Department.

The Public Works Agency will: Complete construction on the Howard Street Corridor Improvements project • Begin construction on the Central Street Bridge Replacement project • Replace approximately 65 light fixtures in streetlight poles with new LED fixtures in conformance with the Street Light Master Plan. • Receive proposals and award a contract for the Commercial, Business, Institutional and Multifamily Residential Buildings Solid Waste Franchise Services.

The Parks, Recreation and Community Services will: Provide creative and innovative programming to the community considering pandemic restrictions. • Continue to increase the overall number of participants in tennis and pickleball. • Work collaboratively with D65 to provide pandemic safe recreational programming for youth that are e-learning • Provide more outdoor programming and events • Maintain and encourage additional partnerships with other recreational groups or individuals to further enhance and diversify the programs available to residents at the Robert Crown Community Center. • Execute and implement cooperative agreements to offer running club programs. • Work with IT to improve communication equipment at the lakefront to improve radio communications. • By April 2021, develop and introduce a new facility use and allocation management program for user groups and organizations that utilize our outdoor athletic fields. • By June 2022, the Special Recreation staff will create a program plan and budget for providing winter/spring break camps or days out programs for Park School students. • Create more partnerships with community organizations to bring a wider variety of programming to Levy participants both virtually and in person. • Continue to provide virtual programming to seniors that are not ready to re-enter the facility. • Continue to provide weekly communications regarding programming options, services offered, meal pick up and updates. • Rebuild and revive programming at Fleetwood-Jourdain Center post pandemic. • Create positive childhood experiences through programs and camps • Anticipate the needs of the changing community and structure programming and facilities accordingly.

Library operations are shown separately in the City's Comprehensive Annual Financial Report as a discrete component unit. The Evanston Public Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages.

Overall, General Fund expenditures were at 95.5% of budgeted expenditures with Community Development, Health Department and Police Department reporting less than 100% expenditures for FY 2020; while Fire department reporting slightly higher than budgeted numbers.

## **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 December 31, 2020. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for its annual 2021 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 the Accounting Manager and his staff in preparing the financial statements. Appreciation is also extended to all other Finance Division 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.

## **THE PROJECT**

A portion of the Bond proceeds will be used to finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2021 in the City's Capital Improvement Plan, as adopted by the City Council (the "Capital Improvement Plan") and pay the costs of issuing the Bonds. The current Capital Improvement Plan contemplates the following projects:

- Green Bay Road, McCormick to Isabella – Phase II Engineering Services
- Howard Street Corridor, Target Access to Callan
- Main Street, Maple to Hinman – Phase III Engineering Services
- Oakton Street Improvements – Phase 11 Engineering Services
- Central Street Bridge – Construction
- Bridge Inspection
- General Phase I Engineering
- Pavement Marking
- Street Patching Program
- Street Rejuvenation
- 50/50 Sidewalk Improvements
- Traffic Calming, Bicycle and Pedestrian Improvements
- Beck Park Expansion – Phase 1 Planning
- Dog Park – Planning and Design
- Larimer Park – Improvements – Planning and Design
- Lovelace Park – Path Repairs
- Mason Park – Expansion Study
- McCulloch Park - Construction
- Park Sign Replacements
- Parks Contingency
- Shoreline Stabilization at Sheridan Road
- Temporary Skate Park Construction
- Skate Park – Consulting
- Portable LED Screen and Entertainment Services
- James Park – Field Lighting
- Zero Emission Strategy Implementation
- Public Art
- Renewable Energy Project Support
- Public Works Truck Radio System
- Animal Shelter Improvements

## THE REFUNDING

The remaining portion of the Bond proceeds (the “Refunding Proceeds”) will be used to fund an escrow to refund certain maturities of the City’s outstanding General Obligation Corporate Purpose Bonds, Series 2012A (the “Refunded Bonds”) as further described below (the “Refunding”).

### The Refunded Bonds

#### General Obligation Corporate Purpose Bonds, Series 2012A

Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date
12/1/2021 .....	\$ 910,000	\$ 0	N/A	N/A
12/1/2022 .....	740,000	740,000	100%	12/1/2021
12/1/2023 .....	765,000	765,000	100%	12/1/2021
12/1/2024 .....	790,000	790,000	100%	12/1/2021
12/1/2025 .....	810,000	810,000	100%	12/1/2021
12/1/2026 .....	475,000	475,000	100%	12/1/2021
12/1/2027 .....	490,000	490,000	100%	12/1/2021
12/1/2028 .....	505,000	505,000	100%	12/1/2021
12/1/2029 .....	520,000	520,000	100%	12/1/2021
12/1/2030 .....	535,000	535,000	100%	12/1/2021
12/1/2031 .....	555,000	555,000	100%	12/1/2021
12/1/2032 .....	570,000	570,000	100%	12/1/2021
Total .....	<u>\$7,665,000</u>	<u>\$6,755,000</u>		

The Refunding Proceeds, together with the Available Funds, will be held in cash in an escrow account created pursuant to an escrow letter agreement to be dated the date of issuance of the Bonds, between the City and Zions Bancorporation, National Association, Chicago, Illinois, as escrow agent, in an amount sufficient to redeem the Refunded Bonds on the redemption date.

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## DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

## SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

## DEBT INFORMATION

After issuance of the Bonds and the Refunding, the City will have outstanding \$199,715,000 principal amount of general obligation debt. Approximately 25% of this indebtedness, \$49,164,031 (excluding the new money portion of the Bonds), is expected to be retired from sources other than City-wide general taxes. The City also has outstanding \$40,691,551 Illinois Environmental Protection Agency (“IEPA”) State Revolving Fund (“SRF”) loans with subsidized interest rates of 2.535% to 3.590% for 20-year maturity loans for clean water projects per the City’s audited financial statement for fiscal year ending December 31, 2019.

As a home-rule unit under the Illinois Constitution, the City has no general obligation debt limit and is not required to seek referendum approval for the issuance of the Bonds. However, pursuant to the City’s budget policy adopted by the City Council on December 18, 2000, as amended by Resolution 60-R-20, adopted by the City Council on July 13, 2020, the City has a self-imposed debt limit of \$155,000,000 in aggregate principal amount for property tax supported of general obligation debt.

The City will be moving forward with the replacement of its 1909 raw water intake at a total cost of approximately \$40 million. The project will be funded through approximately \$20 million of IEPA SRF loans and an approximately \$20 million United States Environmental Protection Agency (“EPA”) Water Infrastructure Finance and Innovation Act (“WIFIA”) loan. The WIFIA loan will be secured by the full faith and credit of the City as well as a pledge of net revenues of the City’s water system. The City currently intends to close on the WIFIA loan around November of 2021 and make its first draw on the loan in mid – 2023.

### General Obligation Debt Summary – By Issue(1) (Principal Only)

Series 2012A.....	\$ 7,665,000
Series 2013A.....	9,170,000
Series 2013B.....	7,415,000
Series 2014.....	9,265,000
Series 2015A.....	10,630,000
Series 2015B.....	3,475,000
Series 2016A.....	11,545,000
Series 2016B.....	4,825,000
Series 2017A.....	12,455,000
Series 2017B.....	6,380,000
Series 2017C.....	4,770,000
Series 2018A.....	24,385,000
Series 2018B.....	16,545,000
Series 2018C.....	6,845,000
Series 2018D.....	3,570,000
Series 2019A.....	12,750,000
Series 2019B.....	12,400,000
Series 2020.....	27,960,000
The Bonds.....	14,420,000
Less: The Refunded Bonds.....	<u>(6,755,000)</u>
Total.....	\$199,715,000

Note: (1) Source: the City.

**General Obligation Bonded Debt(I)**  
**(Principal Only)**

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Calendar Year	Series 2012A	Series 2013A	Series 2013B	Series 2014	Series 2015A	Series 2015B	Series 2016A	Series 2016B	Series 2017A	Series 2017B	Series 2017C	Series 2018A	Series 2018B
2021 .....	\$ 910,000	\$ 610,000	\$ 1,815,000	\$ 530,000	\$ 560,000	\$ 1,750,000	\$ 600,000	\$ 745,000	\$ 580,000	\$ 845,000	\$ 235,000	\$ 0	\$ 0
2022 .....	740,000	635,000	1,865,000	550,000	580,000	1,725,000	620,000	770,000	600,000	865,000	245,000	570,000	180,000
2023 .....	765,000	660,000	1,920,000	575,000	600,000	0	645,000	790,000	625,000	880,000	260,000	595,000	185,000
2024 .....	790,000	685,000	895,000	600,000	625,000	0	670,000	815,000	645,000	905,000	270,000	750,000	770,000
2025 .....	810,000	710,000	920,000	590,000	645,000	0	685,000	840,000	670,000	935,000	280,000	785,000	810,000
2026 .....	475,000	740,000	0	620,000	645,000	0	715,000	865,000	695,000	960,000	290,000	825,000	850,000
2027 .....	490,000	645,000	0	650,000	675,000	0	690,000	0	720,000	990,000	305,000	865,000	895,000
2028 .....	505,000	670,000	0	670,000	700,000	0	700,000	0	690,000	0	310,000	910,000	940,000
2029 .....	520,000	700,000	0	690,000	730,000	0	715,000	0	715,000	0	325,000	955,000	985,000
2030 .....	535,000	730,000	0	710,000	750,000	0	730,000	0	735,000	0	340,000	1,005,000	1,035,000
2031 .....	555,000	760,000	0	735,000	775,000	0	745,000	0	755,000	0	355,000	1,055,000	1,085,000
2032 .....	570,000	790,000	0	755,000	795,000	0	770,000	0	780,000	0	365,000	1,105,000	1,140,000
2033 .....	0	835,000	0	780,000	820,000	0	785,000	0	800,000	0	380,000	1,140,000	1,175,000
2034 .....	0	0	0	810,000	850,000	0	805,000	0	825,000	0	395,000	1,175,000	1,215,000
2035 .....	0	0	0	0	880,000	0	825,000	0	845,000	0	415,000	1,215,000	1,255,000
2036 .....	0	0	0	0	0	0	845,000	0	870,000	0	0	1,260,000	1,295,000
2037 .....	0	0	0	0	0	0	0	0	905,000	0	0	1,300,000	1,340,000
2038 .....	0	0	0	0	0	0	0	0	0	0	0	1,350,000	1,390,000
2039 .....	0	0	0	0	0	0	0	0	0	0	0	1,395,000	0
2040 .....	0	0	0	0	0	0	0	0	0	0	0	1,445,000	0
2041 .....	0	0	0	0	0	0	0	0	0	0	0	1,500,000	0
2042 .....	0	0	0	0	0	0	0	0	0	0	0	1,560,000	0
2043 .....	0	0	0	0	0	0	0	0	0	0	0	1,625,000	0
Total .....	\$7,665,000	\$9,170,000	\$7,415,000	\$9,265,000	\$10,630,000	\$3,475,000	\$11,545,000	\$4,825,000	\$12,455,000	\$6,380,000	\$4,770,000	\$24,385,000	\$16,545,000

Note: (1) Source: the City.

(Continued on following page)

**General Obligation Bonded Debt(1)**  
 (Principal Only)

(Page 2 of 2)

Calendar Year	Series 2018C	Series 2018D	Series 2019A	Series 2019B	Series 2020	The Bonds(2)	Less: The Refunded Bonds Series 2012A	Total Outstanding Debt	Cumulative Retirement(2)	
									Amount	Percent
2021	\$1,105,000	\$ 0	\$ 0	\$ 405,000	\$ 0	\$ 0	\$ 0	\$ 10,690,000	\$ 10,690,000	5.35%
2022	710,000	180,000	330,000	425,000	240,000	350,000	(740,000)	11,440,000	22,130,000	11.08%
2023	745,000	185,000	350,000	450,000	1,410,000	1,085,000	(765,000)	11,960,000	34,090,000	17.07%
2024	780,000	160,000	365,000	470,000	1,640,000	1,120,000	(790,000)	12,165,000	46,255,000	23.16%
2025	820,000	165,000	385,000	495,000	1,730,000	1,145,000	(810,000)	12,610,000	58,865,000	29.47%
2026	860,000	175,000	400,000	520,000	1,815,000	820,000	(475,000)	11,795,000	70,660,000	35.38%
2027	895,000	180,000	420,000	545,000	1,905,000	845,000	(490,000)	11,225,000	81,885,000	41.00%
2028	930,000	190,000	445,000	570,000	2,000,000	870,000	(505,000)	10,595,000	92,480,000	46.31%
2029	0	195,000	465,000	600,000	2,195,000	900,000	(520,000)	10,170,000	102,650,000	51.40%
2030	0	205,000	490,000	630,000	1,835,000	945,000	(535,000)	10,140,000	112,790,000	56.48%
2031	0	210,000	515,000	660,000	1,875,000	995,000	(555,000)	10,520,000	123,310,000	61.74%
2032	0	220,000	540,000	695,000	745,000	1,010,000	(570,000)	9,710,000	133,020,000	66.60%
2033	0	225,000	565,000	730,000	795,000	445,000	0	9,475,000	142,495,000	71.35%
2034	0	235,000	595,000	765,000	815,000	455,000	0	8,940,000	151,435,000	75.83%
2035	0	245,000	625,000	805,000	830,000	465,000	0	8,405,000	159,840,000	80.03%
2036	0	255,000	655,000	845,000	1,540,000	470,000	0	8,035,000	167,875,000	84.06%
2037	0	265,000	690,000	885,000	1,570,000	480,000	0	7,435,000	175,310,000	87.78%
2038	0	280,000	725,000	930,000	1,625,000	490,000	0	6,790,000	182,100,000	91.18%
2039	0	0	760,000	975,000	1,655,000	500,000	0	5,285,000	187,385,000	93.83%
2040	0	0	795,000	0	1,740,000	510,000	0	4,490,000	191,875,000	96.07%
2041	0	0	835,000	0	0	520,000	0	2,855,000	194,730,000	97.50%
2042	0	0	880,000	0	0	0	0	2,440,000	197,170,000	98.73%
2042	0	0	920,000	0	0	0	0	2,545,000	199,715,000	100.00%
<b>Total</b>	<b>\$6,845,000</b>	<b>\$3,570,000</b>	<b>\$12,750,000</b>	<b>\$12,400,000</b>	<b>\$27,960,000</b>	<b>\$14,420,000</b>	<b>\$(6,755,000)</b>	<b>\$199,715,000</b>		

Note: (1) Source: the City.

The following table shows the City's outstanding general obligation debt service, including the Bonds and excluding the Refunded Bonds.

**General Obligation Bonds(1)**  
 (Principal and Interest)

Calendar Year	Sub-Total Debt Service(2)	The Bonds(3)		Less: The Refunded Bonds Series 2012A	Total Debt Service(3)
		Principal	Interest		
12/1/2021 .....	\$ 18,094,601	\$ 0	\$ 0	\$ (103,066)	\$ 13,936,754
12/1/2022 .....	18,667,978	350,000	494,523	(946,131)	14,409,454
12/1/2023 .....	18,047,070	1,085,000	396,888	(948,931)	13,286,963
12/1/2024 .....	17,780,820	1,120,000	364,338	(950,981)	12,762,087
12/1/2025 .....	17,738,065	1,145,000	330,738	(947,281)	12,753,241
12/1/2026 .....	16,404,325	820,000	296,388	(587,981)	11,577,455
12/1/2027 .....	15,342,215	845,000	271,788	(588,731)	10,627,196
12/1/2028 .....	14,246,315	870,000	246,438	(589,031)	9,646,905
12/1/2029 .....	13,381,015	900,000	220,338	(588,881)	8,922,242
12/1/2030 .....	12,983,486	945,000	175,338	(588,281)	8,950,973
12/1/2031 .....	12,987,253	995,000	128,088	(591,563)	8,956,212
12/1/2032 .....	11,813,650	1,010,000	108,188	(588,525)	8,979,697
12/1/2033 .....	11,257,408	445,000	87,988	0	8,716,047
12/1/2034 .....	10,395,811	455,000	79,088	0	8,003,957
12/1/2035 .....	9,559,341	465,000	69,988	0	7,361,936
12/1/2036 .....	8,908,770	470,000	60,688	0	7,128,112
12/1/2037 .....	8,041,450	480,000	51,288	0	6,503,517
12/1/2038 .....	7,143,225	490,000	41,688	0	5,655,554
12/1/2039 .....	5,405,175	500,000	31,888	0	4,639,052
12/1/2040 .....	4,431,500	510,000	21,888	0	3,953,588
12/1/2041 .....	2,654,150	520,000	11,050	0	3,185,200
12/1/2042 .....	2,657,400	0	0	0	2,657,400
12/1/2043 .....	<u>2,656,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,656,000</u>
Total .....	\$260,597,022	\$14,420,000	\$3,488,598	\$(8,019,384)	\$195,269,540

Notes: (1) Source: the City.  
 (2) Includes the City's outstanding general obligation bonds Series 2012A, Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2015B, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A, Series 2019B and Series 2020.

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A portion of the debt service on the City's outstanding general obligation bonds is expected to be paid from sources other than general property taxes levied throughout the City. These sources include incremental taxes in TIF districts, special service area taxes, and revenues from various enterprise funds including sewer services fees ("Other Debt Service Sources"). The City's total general obligation debt service schedule and portion expected to be paid from Other Debt Service Sources is presented in the table below; no assurance is given that such Other Debt Service Sources will be available or will be so applied.

**Total and Scheduled for Abatement General Obligation Debt Service(1)**

Calendar Year	Outstanding G.O. Debt Service(2)		Expected to be Paid from Other Debt Service Source(3)		Net Debt Service	The Bonds		Less: The Refunded Bonds Series 2012A	Total Net Debt Service(4)
	Principal	Interest	Principal	Interest		Principal	Interest		
12/1/2021	\$ 11,011,858	\$ 6,893,444	\$ 2,150,801	\$ 1,714,682	\$ 14,039,819	\$ 0	\$ 0	\$ (103,066)	\$ 13,936,754
12/1/2022	12,161,951	6,440,929	2,501,423	1,590,395	14,511,062	350,000	494,523	(946,131)	14,409,454
12/1/2023	10,913,786	6,003,896	2,660,123	1,503,552	12,754,007	1,085,000	396,888	(948,931)	13,286,963
12/1/2024	10,905,623	5,589,562	2,857,355	1,409,099	12,228,731	1,120,000	364,338	(950,981)	12,762,087
12/1/2025	11,289,660	5,163,734	2,921,839	1,306,770	12,224,785	1,145,000	330,738	(947,281)	12,753,241
12/1/2026	10,413,698	4,714,024	2,879,865	1,198,808	11,049,049	820,000	296,388	(587,981)	11,577,455
12/1/2027	9,779,479	4,293,841	2,883,700	1,090,480	10,099,140	845,000	271,788	(588,731)	10,627,196
12/1/2028	9,078,517	3,903,015	2,879,246	982,788	9,119,498	870,000	246,438	(589,031)	9,646,905
12/1/2029	8,571,959	3,546,188	2,851,138	876,224	8,390,785	900,000	220,338	(588,881)	8,922,242
12/1/2030	8,994,482	3,230,064	3,023,090	782,540	8,418,917	945,000	175,338	(588,281)	8,950,973
12/1/2031	9,343,746	2,895,540	3,131,781	682,817	8,424,687	995,000	128,088	(591,563)	8,956,212
12/1/2032	9,270,000	2,543,650	2,785,560	578,056	8,450,034	1,010,000	108,188	(588,525)	8,979,697
12/1/2033	9,030,000	2,227,408	2,587,237	487,111	8,183,060	445,000	87,988	0	8,716,047
12/1/2034	8,485,000	1,910,811	2,525,376	400,566	7,469,869	455,000	79,088	0	8,003,957
12/1/2035	7,940,000	1,619,341	2,415,150	317,243	6,826,948	465,000	69,988	0	7,361,936
12/1/2036	7,565,000	1,343,770	2,074,924	236,422	6,597,425	470,000	60,688	0	7,128,112
12/1/2037	6,955,000	1,086,450	1,896,160	173,061	5,972,230	480,000	51,288	0	6,503,517
12/1/2038	6,300,000	843,225	1,905,492	113,867	5,123,866	490,000	41,688	0	5,655,554
12/1/2039	4,785,000	620,175	1,243,772	54,239	4,107,164	500,000	31,888	0	4,639,052
12/1/2040	3,980,000	451,500	990,000	19,800	3,421,700	510,000	21,888	0	3,953,588
12/1/2041	2,335,000	319,150	0	0	2,654,150	520,000	11,050	0	3,185,200
12/1/2042	2,440,000	217,400	0	0	2,657,400	0	0	0	2,657,400
12/1/2043	2,545,000	111,000	0	0	2,656,000	0	0	0	2,656,000
Total	\$184,094,759	\$65,968,116	\$49,164,031	\$15,518,518	\$185,380,326	\$14,420,000	\$3,488,598	\$(8,019,384)	\$195,269,540

- Notes: (1) Source: the City.  
 (2) Includes the City's outstanding general obligation bonds Series 2012A, Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2015B, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A, Series 2019B and Series 2020.  
 (3) Does not include Series 2010A, Series 2015B, Series 2016B, Series 2018A and Series 2019A.  
 (4) Does not include abatements for the new money portion of the Bonds.

### Detailed Overlapping Bonded Debt(1)

	Outstanding Debt(2)	Applicable to the City	
		Percent(3)	Amount
<b>Schools:</b>			
School District Number 65 .....	\$ 64,886,167	91.55%	\$ 59,402,030
High School District Number 202.....	23,365,000	91.55%	21,390,205
Community College District Number 535.....	47,200,000	13.44%	<u>6,343,617</u>
Total Schools .....			\$ 87,135,852
<b>Others:</b>			
Cook County .....	\$2,596,351,750	2.06%	\$ 53,357,003
Cook County Forest Preserve District.....	122,255,000	2.06%	2,512,433
Metropolitan Water Reclamation District.....	2,181,154,590	2.09%	45,606,613
Lighthouse Park District of Evanston .....	0	100.00%	-0
Skokie Park District.....	19,819,679	0.84%	166,008
Ridgeville Park District .....	0	99.89%	<u>0</u>
Total Others .....			<u>\$101,642,056</u>
Total Schools and Others Overlapping Bonded Debt.....			\$188,777,908

- Notes: (1) Source: Cook County Clerk and the MSRB's Electronic Municipal Market Access system ("EMMA").  
(2) As of May 12, 2021.  
(3) Percentages based on 2019 EAVs, the latest available.

### Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2015-2019 ACS) Pop. 74,587)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2019 .....	\$ 3,432,148,547	100.00%	33.33%	\$ 46,015.37
Estimated Actual Value, 2019.....	10,296,445,641	300.00%	100.00%	138,046.12
Direct Bonded Debt (2) .....	\$ 199,715,000	5.82%	1.94%	\$ 2,677.61
Less: Direct Debt (Supported by Other Sources).....	<u>(49,164,031)</u>	<u>(1.43%)</u>	<u>(0.48%)</u>	<u>(659.15)</u>
Direct Debt (Property Tax Supported)(2).....	\$ 150,550,969	4.39%	1.46%	\$ 2,018.46
Self-Imposed Direct Limit (Property Tax Supported)(3).....	\$ 155,000,000	4.52%	1.51%	\$ 2,078.11
<b>Overlapping Bonded Debt:(4)</b>				
Schools .....	\$ 87,135,852	2.54%	0.85%	\$ 1,168.24
All Others .....	<u>101,642,056</u>	<u>2.96%</u>	<u>0.99%</u>	<u>1,362.73</u>
Total Overlapping Bonded Debt.....	\$ <u>188,777,908</u>	<u>5.50%</u>	<u>1.83%</u>	\$ <u>2,530.98</u>
Total Net Direct and Overlapping Bonded Debt (2)(4).....	\$ 339,328,877	9.89%	3.30%	\$ 4,549.44

- Notes: (1) Source: the City and Cook County Clerk.  
(2) Includes the Bonds, excludes the Refunded Bonds.  
(3) See "Debt Information" above for a discussion of the City's self-imposed debt limit. Direct Debt (Supported by Other Sources) is not subject to the self-imposed debt limit.  
(4) As of May 12, 2021 for overlapping bonded debt.

The following table shows the general obligation debt trends for the last ten years.

**General Obligation Debt Trends(1)**

<u>Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Library Component Unit</u>	<u>Total General Obligation</u>
2/28/2010.....	\$111,233,880	\$40,236,120	\$ 0	\$151,470,000
2/28/2011.....	117,322,439	36,212,561	0	153,535,000
12/31/2011.....	122,579,206	35,115,794	0	157,695,000
12/31/2012.....	120,938,742	33,221,258	0	154,160,000
12/31/2013.....	117,531,511	30,411,358	2,767,131	150,710,000
12/31/2014.....	116,836,839	29,787,840	2,125,321	148,750,000
12/31/2015.....	114,683,721	30,957,894	1,643,381	147,284,996
12/31/2016.....	112,107,778	29,902,079	1,970,143	143,980,000
12/31/2017.....	117,965,915	25,504,953	3,029,128	146,499,996
12/31/2018.....	144,701,820	25,839,037	4,829,139	175,369,998
12/31/2019.....	154,954,664	28,608,753	6,481,578	190,044,995

Note: (1) Source: the City's audited financial statement for the fiscal year ending December 31, 2019.

**PROPERTY ASSESSMENT AND TAX INFORMATION**

As a home-rule municipality, the City has the ability to levy real property taxes on the taxable property in the City without limitation as to rate or amount. The City levies real property taxes for general government purposes, pension contributions, and general obligation debt service. Real property taxes are applied to taxable property based on its assessed value (less various exemptions), as equalized among counties by the Department of Revenue. This is referred to as the equalized assessed valuation or "EAV." See "Real Property Assessment, Tax Levy, and Collections Procedures" herein.

The following table shows the City's EAV for the last ten years.

**Historical EAV(1)**

<u>Tax Year</u>	<u>EAV(2)</u>	<u>Percentage Change</u>
2010.....	\$3,041,884,087	(7.99%)(3)(4)
2011.....	2,727,367,573	(10.34%)
2012.....	2,514,621,552	(7.80%)
2013.....	2,201,697,038	(12.44%)(4)
2014.....	2,244,569,975	1.95%
2015.....	2,196,021,525	(2.16%)
2016.....	2,670,411,769	21.60%(4)
2017.....	2,740,060,120	2.61%
2018.....	2,720,580,914	(0.71%)
2019.....	3,432,148,547	26.15%(4)

- Notes: (1) Source: the City's audited financial statement for fiscal year ending December 31, 2019 and the Cook County Clerk.  
 (2) Does not include TIF incremental values.  
 (3) Percent change based on 2009 EAV of \$3,305,989,369.  
 (4) Reassessment years.

For the 2019 levy year, the City's EAV was comprised of 77.30% residential, 1.01% industrial, 21.63% commercial, and less than 1% farm and railroad property valuations.

**EAV by Classification of Property(I)**

Property Class	Levy Years				
	2015	2016(2)	2017	2018	2019(2)
Residential.....	\$1,751,252,888	\$2,151,672,082	\$2,178,182,897	\$2,150,065,734	\$2,653,214,356
Farm.....	15,467	15,467	15,467	15,467	15,467
Commercial.....	410,670,248	483,830,858	527,589,667	537,739,734	742,361,383
Industrial.....	32,549,681	33,333,491	32,680,857	31,050,996	34,692,634
Railroad.....	1,533,241	1,559,871	1,591,232	1,708,983	1,864,707
Total.....	\$2,196,021,525	\$2,670,411,769	\$2,740,060,120	\$2,720,580,914	\$3,432,148,547
Percent Change +(-).....	(2.16%)(3)	21.60%	2.61%	(0.71%)	26.15%

- Notes: (1) Source: Cook County Clerk. Does not include TIF values.  
 (2) Triennial reassessment year.  
 (2) Percentage change based on 2014 EAV of \$2,244,569,975.

**Tax Increment Financing**

Under Illinois law, municipalities may designate particular areas as redevelopment project areas and may provide for tax increment financing for redevelopment project costs in those TIF districts. In a TIF district, collections of real property taxes levied by all taxing bodies, to the extent attributed to increases in the EAV of the TIF district over its EAV when the TIF district was so designated, are deposited in a special tax allocation fund of the municipality and are available for use by the municipality to pay qualified redevelopment costs with respect to the TIF district. Qualified redevelopment costs include, among other items, costs of construction of public works or improvements, costs of rehabilitation of public or private buildings, and costs of land acquisition. Amounts in the special tax allocation fund for a TIF district also may be used to pay debt service on bonds issued by the municipality for qualified redevelopment costs of that district (“TIF Bonds”). To the extent that the tax collections in respect of a TIF district are deposited in the special tax allocation fund and used for qualified redevelopment costs or related debt service, they are not available for other governmental purposes, including paying unrelated general obligation bonds of the municipality.

As of tax year 2019, the City has designated four TIF districts as listed below. The total incremental EAV of these districts for this tax year totaled \$53,252,726. The EAV for these districts at the time the districts were so designated (the base or “frozen” value) was \$71,200,202.

**Increment Financing Districts(I)**

Location/Name of TIF	Year Established	Year Expires	Base EAV	2019 EAV	Incremental EAV
Area 5.....	2004	2027	\$11,416,635	\$ 26,788,194	\$15,371,559
Area 6.....	2005	2028	37,477,570	59,261,842	21,784,272
Chicago/Main.....	2012	2035	10,816,879	12,936,437	2,119,558
Dempster/Dodge.....	2011	2034	11,489,118	25,466,455	13,977,337
Total.....			\$71,200,202	\$124,452,928	\$53,252,726

Note: (1) Source: Cook County Clerk and the City.

### EAV of Tax Increment Financing Districts(I)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Frozen Value.....	\$ 99,927,882	\$ 91,489,225	\$ 91,489,225	\$65,761,846	\$ 71,200,202
Incremental Value.....	<u>64,362,312</u>	<u>68,721,151</u>	<u>77,954,625</u>	<u>14,165,065</u>	<u>53,252,726</u>
Total EAV(1).....	\$164,290,194	\$160,210,376	\$169,443,850	\$79,926,911	\$124,452,928

Note: (1) Source: Cook County Clerk. The Total EAV of the TIF districts located in the City may not equal the sum of the Frozen Value and the Incremental EAV where the current EAV of certain TIF districts is less than the Frozen Value.

TIF Bonds may, in some cases, also be general obligations of the municipality. In that case general obligation bonds, in addition to their other claims for payment, may have a claim for payment from the amounts on deposit in the special tax allocation fund for that TIF district.

### Special Service Areas

Under Illinois law, municipalities may establish special service areas and may levy real property taxes with respect to taxable real property within the special service area to pay costs of special municipal services for the area or to pay debt service on bonds of the municipality issued to provide those special services.

The City has established a number of special service areas for the upgrade of streets and sidewalks in its central business district. Taxes levied and collected with respect to special service areas are not shown as general revenues of the City.

### Property Tax Rates

Property tax rates for City purposes, as well as rates for governmental bodies that substantially overlap the City are shown below.

### Representative Tax Rates(I) (Per \$100 EAV)

	Levy Years				
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City Rates:					
Corporate.....	\$ 0.390	\$0.295	\$0.294	\$0.388	\$0.316
Bond and Interest .....	0.499	0.423	0.409	0.413	0.399
Garbage .....	0.000	0.000	0.015	0.031	0.040
Police Pension .....	0.421	0.379	0.378	0.382	0.326
Fire Pension.....	0.329	0.301	0.300	0.300	0.269
IMRF .....	0.124	0.102	0.093	0.056	0.063
General Assistance.....	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total City Rates .....	\$ 1.762	\$1.501	\$1.490	\$1.570	\$1.413
Other(2):					
Cook County .....	\$ 0.552	\$0.533	\$0.496	\$0.489	\$0.454
Cook County Forest Preserve District .....	0.069	0.063	0.062	0.060	0.059
Metropolitan Water Reclamation District .....	0.426	0.406	0.402	0.396	0.389
Consolidated Elections .....	0.034	0.000	0.031	0.000	0.030
City of Evanston - Library Fund .....	0.282	0.241	0.247	0.254	0.218
City of Evanston - General Assistance .....	0.038	0.035	0.034	0.034	0.033
North Shore Mosquito Abatement District ..	0.012	0.010	0.010	0.010	0.009
Elementary School District 65.....	3.810	3.676	3.673	3.891	3.185
Evanston Township High School 202 .....	2.792	2.332	2.329	2.462	2.024
Oakton Community College District 535.....	<u>0.271</u>	<u>0.231</u>	<u>0.232</u>	<u>0.246</u>	<u>0.221</u>
Total Rate .....	\$10.048	\$9.028	\$9.006	\$9.412	\$8.035

Notes: (1) Source: Cook County Clerk.

(2) Representative tax rates for other government units are from Evanston Township tax code 17001, which represents the largest portion of the City's 2019 EAV, the most current available.

The following table shows the collection history for real property taxes levied by the City.

**Tax Extensions and Collections(1)**

Levy Year	Coll. Year	Taxes Extended	Total Collections	
			Amount	Percent
2010	2011	41,479,398	40,176,467	96.86%
2011	2012	43,397,590	42,412,945	97.73%
2012	2013	43,330,121	42,335,505	97.70%
2013	2014	43,869,798	43,101,105	98.25%
2014	2015	45,557,079	44,551,112	97.79%
2015	2016	46,394,914	45,180,452	97.38%
2016	2017	47,538,529	46,820,921	98.49%
2017	2018	48,161,247	47,063,613	97.72%
2018	2019	49,712,625	49,249,972	99.07%
2019	2020	55,139,563	43,173,654	78.30%

Note: (1) Source: the City.

The following table shows the ten largest property taxpayers in the City.

**Principal Taxpayers(1)**

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2019 EAV(2)</u>
Orrington TT LLC Golub	Commercial Buildings and Public Parking Garage	\$ 48,327,941
Rotary International	Non-Profit Organization	42,299,621
FSP 909 Davis Street	Real Property	29,315,114
McCaffery Interests	Real Property	27,799,441
TIAA PK Evanston Inc.	Apartment Building, Super Maker, Retail Store	21,954,969
MB Sherman Highlands	Real Property	21,632,787
1890 Maple LLC	Apartments	20,971,974
Omni Orrington Hotel	Hotel	19,789,146
500 Davis Owners LLC	Real Property	16,643,706
Northwestern Memorial Hospital	Hospital	16,070,428
Total		\$264,805,127
Ten Largest Taxpayers as a Percent of the City's 2019 EAV (\$3,432,148,547)		7.72%

- Notes: (1) Source: Cook County Clerk.  
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2019 EAV is the most current available for this purpose.

**REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

**Summary of Property Assessment, Tax Levy and Collection Procedures**

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

## **Real Property Assessment**

The County Assessor (the “Assessor”) is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the City, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the “South Tri”), north and northwest suburbs (the “North Tri”), and the City of Chicago (the “City Tri”). The City is located in the North Tri and was last reassessed for the 2016 tax levy year. The City will next be reassessed for the 2019 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the “Assessed Valuation”) for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

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In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the “Mark up to Market” option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as “Landmark” or “Contributing” buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as “Landmark” or “Contributing” buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the “Board of Review”), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the “PTAB”), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the “Circuit Court”) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

## **Equalization**

After the Assessor has established the Assessed Valuation for each parcel for a given year and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the “Equalization Factor”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33 1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the “Assessment Base”). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160

## Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$10,000 for tax year 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer’s homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of \$100,000 or less (“Qualified Homestead Property”). If the taxpayer’s annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2017, the maximum exemption is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of (i) \$55,000 through assessment year 2016 and (ii) \$65,000 beginning in assessment year 2017. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

Beginning January 1, 2015 purchasers of certain single-family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

## **Tax Levy**

As part of the annual budgetary process of governmental units (the “Units”) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit’s maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year’s EAV for all property currently in the City. The prior year’s EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year’s EAV.

## Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the “Warrant Books”) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector’s authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

## Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year’s tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year’s tax bill. The second installment is for the balance of the current year’s tax bill and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in the County; the first installment penalty date has been March 1 for all such years. However, for 2010, the first installment penalty date was established as April 1 by statute.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019(1)	October 1, 2020

Note: (1) Source: Cook County Clerk’s Office. Due to the impact of COVID-19, Cook County approved an ordinance declaring that no interest will accrue on the second installment of 2019 taxes, due on August 3, 2020, provided the taxes are paid on or before October 1, 2020. Said ordinance was amended in November 2020, providing that the first installment of property taxes for the 2020 tax year will be due on March 2, 2021, and the second installment will be due on August 2, 2021, but that no interest penalties for any late payments of tax year 2020 taxes will accrue until after May 3, 2021, for the first installment of taxes and October 1, 2021, for the second installment of taxes.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the City promptly credits the taxes received to the funds for which they were levied.

With 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited, and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

The City is a Home Rule unit of government and is not subject to the Limitation Law.

## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The City covenanted in the Bond Ordinance that it will not take any action or fail to take any action which would adversely affect the ability of the City to levy and collect the taxes levied by the City for payment of principal of and interest on the Bonds. The City also covenanted that it and its officers will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the City, collected and deposited as provided in the Bond Ordinance.

## FINANCIAL INFORMATION

### Introduction

The Comprehensive Annual Financial Report (Annual Report) of the City for the fiscal year ended December 31, 2020, is hereby submitted. The Annual report is prepared by the City's Finance Division in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). 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 fairly present 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 for the period of January 1, 2020, to December 31, 2020. 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, City management 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 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.

The attached report includes all the funds and capital assets of the City and its component unit, the Evanston Library. The Town of the City of Evanston (the Township) has been previously presented as a separate legal entity which administered General Assistance for food, shelter and medical needs. Effective May 1, 2014, the City of Evanston assumed all the responsibility of providing the services that were previously provided by the Township. Audits after 2014 include the functions of the Township.

Library activity numbers are shown separately as a discrete component unit based on an ordinance passed by the City Council on March 10, 2012 giving the Library independence in running day to day operations. The Library has a separate Board whose members are appointed by the Mayor.

The City's financial statements have been audited by Sikich, 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 December 31, 2020, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, 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.

### **Summary of Financial Information**

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities.

The following summary of financial information is taken from the CAFR of the City for fiscal years ended December 31, 2016 through December 31, 2020. This summary does not purport to be complete, copies of which are available upon request. Reference should be made to the CAFR for fiscal year ended December 31, 2020 included as **APPENDIX A** of this Final Official Statement. Sikich LLP has neither reviewed nor approved this summary.

### **No Consent or Updated Information Requested of the Auditor**

The tables contained in this "**FINANCIAL INFORMATION**" section (the "Excerpted Financial Information") are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2020 (the "2020 Audit"), which was approved by formal action of the City Council and attached to this Final Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2020 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2020 Audit in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information and 2020 Audit has not been updated since the date of the 2020 Audit. The inclusion of the Excerpted Financial Information and 2020 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2020 Audit. Questions or inquiries relating to financial information of the City since the date of the 2020 Audit should be directed to the City.

## Statement of Net Position(I)

Audited as of December 31

	2016	2017	2018	2019	2020
<b>ASSETS:</b>					
Cash and Equivalents .....	\$ 18,901,196	\$ 15,457,547	\$ 22,062,904	\$ 15,356,403	\$ 30,159,541
Investments .....	20,845,279	22,197,493	30,529,881	39,997,847	15,719,663
Receivables, Net of Allowance for Uncollectibles:					
Property Taxes .....	40,496,906	40,970,189	42,535,188	46,888,583	47,691,027
Utility Taxes .....	810,741	773,993	691,680	694,112	642,025
Notes .....	8,143,355	8,435,420	300,000	400,000	200,000
Loans .....	0	0	8,287,151	7,932,682	8,268,718
Special Assessments .....	236,596	616,153	505,950	482,723	534,032
Other .....	2,019,471	1,890,739	2,242,069	974,586	1,212,035
Due from Other Governments .....	8,099,813	6,897,928	7,594,341	9,131,085	8,119,534
Due from Component Unit .....	843,954	0	184,855	0	261,892
Due from Fiduciary Funds .....	5,000	10,000	0	0	0
Internal Balances .....	217,508	142,598	(20,676)	(816,877)	3,259,460
Inventories .....	881,649	963,433	1,257,595	1,407,988	1,601,988
Prepaid Items .....	2,437,950	1,505,795	543,658	2,231,472	3,259,527
Net Pension Asset - IMRF .....	0	0	8,569,417	0	2,414,619
Capital Assets:					
Capital Assets Not Being Depreciated .....	26,043,940	37,236,311	53,638,172	87,412,008	40,405,297
Capital Assets Being Depreciated, Net .....	<u>141,634,859</u>	<u>136,489,442</u>	<u>132,969,350</u>	<u>131,245,836</u>	<u>186,226,767</u>
Total Assets .....	<u>\$271,618,217</u>	<u>\$273,587,041</u>	<u>\$311,891,535</u>	<u>\$343,338,448</u>	<u>\$349,976,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension Items - Police .....	\$ 13,132,006	\$ 17,597,313	\$ 18,486,534	\$ 22,189,652	\$13,164,327
Pension Items - Fire .....	8,498,842	13,605,333	12,660,843	15,614,276	9,989,183
OPEB Items .....	0	0	0	2,466,349	4,308,383
Pension Items - IMRF .....	<u>18,078,641</u>	<u>12,906,817</u>	<u>2,816,383</u>	<u>17,493,657</u>	<u>5,268,102</u>
Total Deferred Outflows of Resources .....	<u>\$ 39,709,489</u>	<u>\$ 44,109,463</u>	<u>\$ 33,963,760</u>	<u>\$ 57,763,934</u>	<u>\$ 32,729,995</u>
Total Assets and Deferred Outflows of Resources .....	<u>\$311,327,706</u>	<u>\$317,696,504</u>	<u>\$345,855,295</u>	<u>\$401,102,382</u>	<u>\$382,706,120</u>
<b>LIABILITIES:</b>					
Vouchers Payable .....	\$ 6,966,964	\$ 9,540,454	\$ 9,305,731	\$ 16,577,344	\$ 7,932,806
Accrued Payroll .....	839,121	1,110,921	1,164,967	2,261,457	3,122,598
Accrued Interest .....	340,667	378,652	416,505	487,754	614,684
Due to Other Governments .....	442,788	94,969	98,654	128,501	770,279
Due to Component Unit .....	309,962	12,794	0	324,908	0
Due to Fiduciary Fund .....	60,757	60,020	71,534	33,398	59,189
Unearned Revenue .....	1,246,032	1,092,133	1,062,423	1,075,374	0
Noncurrent Liabilities:					
Due Within One Year .....	21,946,797	16,556,417	17,560,617	16,025,178	13,329,264
Due in More Than One Year .....	<u>337,312,768</u>	<u>341,857,594</u>	<u>380,901,001</u>	<u>410,052,020</u>	<u>380,744,311</u>
Total Liabilities .....	<u>\$369,465,856</u>	<u>\$370,703,954</u>	<u>\$410,581,432</u>	<u>\$446,965,934</u>	<u>\$406,573,131</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Pension Items - Police Pension .....	\$ 1,524,126	\$ 2,678,500	\$ 7,430,082	\$ 7,823,290	\$ 18,095,147
Pension Items - Fire Pension .....	0	2,699,350	2,645,470	6,779,910	11,154,371
Pension Items - IMRF .....	0	1,693,721	14,763,695	3,770,156	9,727,187
OPEB Items .....	0	0	1,090,158	986,277	3,295,880
Property Taxes Levied for Future Periods .....	<u>40,496,906</u>	<u>40,970,189</u>	<u>42,535,188</u>	<u>46,888,583</u>	<u>47,673,467</u>
Total Deferred Inflows of Resources .....	<u>\$ 42,021,032</u>	<u>\$ 48,041,760</u>	<u>\$ 68,464,593</u>	<u>\$ 66,248,216</u>	<u>\$ 89,946,052</u>
Total Liabilities and Deferred Inflows of Resources .....	<u>\$411,486,888</u>	<u>\$418,745,714</u>	<u>\$479,046,025</u>	<u>\$513,214,150</u>	<u>\$496,519,183</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets .....	\$ 51,587,637	\$ 51,574,591	\$ 52,536,443	\$ 53,783,908	\$ 65,388,067
Restricted .....	18,523,340	11,990,220	8,708,515	15,555,267	19,843,337
Unrestricted .....	<u>(170,270,160)</u>	<u>(164,614,021)</u>	<u>(194,435,688)</u>	<u>(181,450,943)</u>	<u>(199,044,467)</u>
Total Net Position .....	<u>\$(100,159,183)</u>	<u>\$(101,049,210)</u>	<u>\$(133,190,730)</u>	<u>\$(112,111,768)</u>	<u>\$(113,813,063)</u>

Note: (1) Source: the City's audited financial statements for years ending December 31, 2016-2020.

**Statement of Activities  
Governmental Activities  
Net (Expense) Revenue and Changes in Net Position(1)**

	For the Fiscal Year Ended December 31				
	2016	2017	2018	2019	2020
<b>GOVERNMENTAL ACTIVITIES:</b>					
General Management and Support.....	\$ (8,062,835)	\$ (12,716,564)	\$ (11,011,284)	\$ (10,634,147)	\$ (10,425,696)
Public Safety .....	(51,929,456)	(57,355,765)	(76,193,234)	(51,408,088)	(76,894,452)
Public Works .....	(8,990,122)	(21,699,349)	(19,838,572)	(17,792,490)	(11,862,804)
Health and Human Resource Development .....	(2,200,993)	(2,211,601)	(2,389,876)	(1,839,648)	(2,993,669)
Recreational and Cultural Opportunities .....	(8,401,069)	(8,621,626)	(7,732,640)	(4,700,095)	3,722,830
Housing and Economic Development.....	(8,064,132)	3,392,458	(665,896)	2,915,784	(10,859,818)
Interest .....	(3,778,833)	(3,354,290)	(4,683,429)	(5,453,818)	(5,252,478)
Total Governmental Activities .....	\$ (91,427,440)	\$(102,566,737)	\$(122,514,931)	\$ (88,912,502)	\$(114,566,087)
<b>GENERAL REVENUES:</b>					
Taxes:					
Property Tax .....	\$ 45,610,041	\$ 46,563,227	\$ 47,101,540	\$ 44,162,966	\$ 51,655,091
Other Taxes .....	4,558,031	7,034,356	8,322,498	9,257,763	6,796,543
Personal Property Replacement Taxes .....	1,421,037	1,394,387	1,350,173	1,744,366	1,500,129
Sales and Home Rule Tax .....	17,932,528	16,070,630	16,962,657	16,905,373	16,444,775
Utility Tax .....	6,661,934	6,607,719	6,667,199	6,372,647	5,856,287
Liquor Tax .....	2,647,321	3,009,899	3,211,772	3,367,406	2,878,922
Parking Tax.....	2,616,846	2,965,327	2,983,168	3,271,175	2,423,938
Real Estate Transfer Tax .....	3,527,714	3,888,522	3,805,801	2,671,279	3,251,428
Income Tax .....	7,155,930	6,767,021	7,185,203	7,991,868	8,202,429
Investment Income.....	118,340	234,780	778,276	1,669,433	422,559
Miscellaneous .....	4,628,123	3,343,422	5,260,067	4,373,920	3,213,994
Transfers .....	433,484	3,797,420	1,480,488	8,203,268	10,218,697
Total General Revenues .....	\$ 97,311,329	\$ 101,676,710	\$ 105,108,842	\$ 109,991,464	\$ 112,864,792
Change in Net Position .....	\$ 5,883,889	\$ (890,027)	\$ (17,406,089)	\$ 21,078,962	\$ (1,701,295)
Net Position - Beginning of Year.....	\$(106,043,072)(2)	\$(100,159,183)	\$(115,784,641)(2)	\$(133,190,730)	\$(112,111,768)
Net Position - End of Year .....	\$(100,159,183)	\$(101,049,210)	\$(133,190,730)	\$(112,111,768)	\$(113,813,063)

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2016-2020.  
(2) As restated.

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**General Fund(1)  
 Balance Sheet**

	Audited as of December 31				
	2016	2017	2018	2019	2020
<b>ASSETS:</b>					
Cash and Equivalents.....	\$ 1,230,734	\$ 4,036,411	\$ 3,061,672	\$ 7,227,257	\$12,936,503
Investments.....	5,093,668	1,731,308	1,046,721	1,508,466	698,440
Receivables:					
Property Taxes.....	28,177,453	28,599,196	30,009,195	32,472,987	31,408,539
Utility.....	810,741	773,993	691,680	694,112	642,025
Notes.....	200,000	300,000	300,000	400,000	200,000
Other.....	1,548,313	1,861,808	2,237,788	929,505	1,141,203
Due from Other Governments.....	7,066,670	6,120,698	6,878,584	7,805,551	6,937,382
Due from Component Unit.....	193,159	0	184,855	0	261,892
Due from Other Funds.....	3,430,218	3,846,698	5,598,151	7,318,558	5,833,888
Advances to Fiduciary Funds.....	5,000	10,000	0	0	0
Advances to Other Funds.....	122,663	0	0	0	0
Inventories.....	0	0	9,966	15,394	19,606
Total Assets.....	<u>\$47,878,619</u>	<u>\$47,280,112</u>	<u>\$50,018,612</u>	<u>\$58,371,830</u>	<u>\$60,079,478</u>
<b>LIABILITIES:</b>					
Vouchers Payable.....	\$ 3,042,151	\$ 3,569,393	\$ 2,997,845	\$ 3,194,607	\$ 2,184,536
Accrued Payroll.....	839,121	1,110,921	1,164,967	2,261,457	3,122,598
Due to Other Funds.....	3,368,372	23,967	0	0	0
Due to Component Unit.....	0	0	0	324,908	0
Due to Other Governments.....	0	0	0	0	629,652
Due to Fiduciary Funds.....	60,757	60,020	71,534	33,398	59,189
Advances from Other Funds.....	476,800	476,800	1,857,600	4,119,200	4,000,000
Unearned Revenue.....	246,032	92,133	62,423	75,374	0
Total Liabilities.....	<u>\$ 8,033,233</u>	<u>\$ 5,333,234</u>	<u>\$ 6,154,369</u>	<u>\$10,008,944</u>	<u>\$ 9,995,975</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes Levied for Future Periods.....	<u>\$28,177,453</u>	<u>\$28,599,196</u>	<u>\$30,009,195</u>	<u>\$32,472,987</u>	<u>\$31,408,539</u>
Total Deferred Inflows of Resources.....	<u>\$28,177,453</u>	<u>\$28,599,196</u>	<u>\$30,009,195</u>	<u>\$32,472,987</u>	<u>\$31,408,539</u>
Total Liabilities and Deferred Inflows of Resources.....	<u>\$36,210,686</u>	<u>\$33,932,430</u>	<u>\$36,163,564</u>	<u>\$42,481,931</u>	<u>\$41,404,514</u>
<b>FUND BALANCES:</b>					
Nonspendable.....	\$ 0	\$ 300,000	\$ 309,966	\$ 415,394	\$ 219,606
Assigned.....	5,045,638	4,179,617	4,303,220	4,329,586	3,867,167
Unassigned.....	6,622,295	8,868,065	9,241,862	11,144,919	14,588,191
Total Fund Balances.....	<u>\$11,667,933</u>	<u>\$13,347,682</u>	<u>\$13,855,048</u>	<u>\$15,889,899</u>	<u>\$18,674,964</u>
Total Liabilities, Deferred Inflows, and Fund Balances...	<u>\$47,878,619</u>	<u>\$47,280,112</u>	<u>\$50,018,612</u>	<u>\$58,371,830</u>	<u>\$60,079,478</u>

Note: (1) Source: the City's audited financial statements for years ending December 31, 2016-2020.

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**General Fund(I)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

	For the Fiscal Year Ended December 31				
	2016	2017	2018	2019	2020
<b>REVENUES:</b>					
Taxes .....	\$ 54,336,773	\$ 58,812,954	\$ 60,830,670	\$ 62,839,205	\$ 61,844,183
Licenses and Permits.....	17,933,413	13,357,610	11,663,823	10,011,661	11,852,700
Intergovernmental .....	18,445,108	18,024,694	19,045,016	19,855,436	20,623,159
Charges for Service .....	8,694,803	8,679,945	9,993,411	8,840,673	7,878,650
Fines and Forfeits .....	3,611,901	3,467,693	3,765,058	5,108,237	2,982,548
Investment Income.....	30,285	38,558	94,929	210,357	69,081
Miscellaneous .....	1,338,381	1,858,107	2,536,638	1,777,486	1,925,810
Total Revenues.....	<u>\$104,390,664</u>	<u>\$104,239,561</u>	<u>\$107,929,545</u>	<u>\$108,643,055</u>	<u>\$107,176,131</u>
<b>EXPENDITURES:</b>					
Current:					
General Management and Support.....	\$ 15,929,441	\$ 16,839,903	\$ 16,101,597	\$ 16,725,107	\$ 17,519,219
Public Safety .....	60,939,168	63,444,262	64,252,245	64,372,499	65,564,462
Public Works .....	13,240,692	13,032,463	12,616,790	12,881,405	11,566,570
Health and Human Resource Development .....	3,021,327	3,110,698	3,141,991	2,989,435	3,749,232
Recreational and Cultural Opportunities .....	11,893,837	12,371,359	12,789,472	12,246,544	9,351,125
Housing and Economic Development.....	2,455,754	2,536,144	3,260,808	2,902,161	3,131,019
Total Expenditures .....	<u>\$107,480,219</u>	<u>\$111,334,829</u>	<u>\$112,162,903</u>	<u>\$112,117,151</u>	<u>\$110,881,627</u>
Excess (Deficiency) of Revenues Over Expenditures .....	\$ (3,089,555)	\$ (7,095,268)	\$ (4,233,358)	\$ (3,474,096)	\$ (3,705,496)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In .....	\$ 8,099,626	\$ 12,446,096	\$ 8,133,142	\$ 8,817,013	\$ 9,369,103
Transfers Out .....	<u>(4,046,974)</u>	<u>(3,671,079)</u>	<u>(3,392,418)</u>	<u>(3,308,066)</u>	<u>(2,878,542)</u>
Total Other Financing Sources (Uses).....	\$ 4,052,652	\$ 8,775,017	\$ 4,740,724	\$ 5,508,947	\$ 6,490,561
Net Change in Fund Balances.....	\$ 963,097	\$ 1,679,749	\$ 507,366	\$ 2,034,851	\$ 2,785,065
Fund Balances - Beginning of Year .....	<u>\$ 10,704,836</u>	<u>\$ 11,667,933</u>	<u>\$ 13,347,682</u>	<u>\$ 13,855,048</u>	<u>\$ 15,889,899</u>
Fund Balances - End of Year.....	<u>\$ 11,667,933</u>	<u>\$ 13,347,682</u>	<u>\$ 13,855,048</u>	<u>\$ 15,889,899</u>	<u>\$ 18,674,964</u>

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2016-2020.

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## Overview of Budget for Fiscal Years 2018, 2019 and 2020

The total budget of the City for the fiscal year ending December 31, 2018 was \$308.8 million. The General Fund portion of the total budget for fiscal year ending December 31, 2018 was \$114.2 million. The City ended the fiscal year ending December 31, 2018 for the General Fund with a surplus of \$507,366.

The total budget of the City for the fiscal year ending December 31, 2019 was \$319.2 million. The General Fund portion of the total budget for fiscal year ending December 31, 2019 was \$114.2 million. The City ended the fiscal year ending December 31, 2019 for the General Fund with a surplus of \$2.0 million.

The total budget of the City for the fiscal year ending December 31, 2020 is \$317.3 million. The General Fund portion of the total budget for fiscal year ending December 31, 2020 is \$118.8 million. The City expects the General Fund to end the fiscal year ending December 31, 2020 with a surplus of approximately \$1.6 million, excluding transfers.

### General Fund(I) Budget Financial Information

	Projected Budget Twelve Months Ending <u>12/31/2021</u>
<b>REVENUES:</b>	
Property Taxes .....	\$ 30,386,622
Other Taxes .....	55,040,000
Other Revenue .....	1,055,000
Licenses, Permits and Fees .....	7,663,550
Charges for Services .....	10,187,350
Interfund Transfers .....	8,599,103
Fines and Forfeitures .....	4,670,500
Intergovernmental Revenue .....	1,006,967
Interest Income .....	<u>55,100</u>
Total Revenues .....	\$118,664,192
<b>EXPENDITURES:</b>	
General Government .....	\$ 19,810,305
Community Development .....	4,226,659
Police .....	42,585,548
Fire Management and Support .....	26,850,760
Health .....	1,397,250
Parks, Recreation and Community Service .....	11,821,200
Public Works Agency .....	<u>12,630,021</u>
Total Expenditures .....	\$119,321,743
Excess (Deficiency) of Revenues Over (Under) Expenditures .....	\$ (657,551)

Note: (1) Source: the City.

## Insurance Coverage

The City maintains commercial all-risk property insurance with regard to City facilities, subject to a deductible of \$75,000 per occurrence. The City maintains general liability insurance for claims in excess of \$2.0 million per occurrence.

## PENSION AND RETIREMENT OBLIGATIONS<sup>(1)</sup>

### Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (“IMRF”), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in the State (other than those covered by the Police or Firefighters' Pension Plan). 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 supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources’ measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required; benefits and refunds are recognized as an expense and liability when due and payable.

#### *Plan Membership.*

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	692
Inactive employees entitled to but not yet receiving benefits	390
Active employees	<u>517</u>
Total	1,599

The IMRF data included in the table above included membership of both the City and the Library.

*Benefits Provided.* IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*Contributions.* Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by State statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2020 was 8.7% of covered payroll.

(1) Source: the City’s audited financial statement for fiscal year ending December 31, 2020.

*Actuarial Assumptions.* The City’s net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
<u>Assumptions</u>	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. There were no changes in assumptions made since the prior measurement date.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the City’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Discount Rate Sensitivity.* The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$24,065,108	\$(3,062,601)	\$(25,454,869)
Library	2,809,128	(357,499)	(2,971,356)
Total	\$26,874,236	\$(3,420,100)	\$(28,426,225)

## Illinois Municipal Retirement Fund

### Schedule of Changes in Net Pension Liability and Related Ratios<sup>1</sup>

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
<b>Balances at January 1, 2019</b>	<b>\$250,883,936</b>	<b>\$227,623,622</b>	<b>\$23,260,314</b>
Changes for the period			
Service Cost	3,926,313	-	3,926,313
Interest	17,812,836	-	17,812,836
Difference between expected and actual experience	(166,989)	-	(166,989)
Changes in assumptions	-	-	-
Employer contributions	-	2,379,845	(2,379,845)
Employee contributions	-	1,845,576	(1,845,576)
Net investment income	-	43,379,549	(43,379,549)
Benefit payments and refunds	(14,305,617)	(14,305,617)	-
Administrative expense	-	-	-
Other (net transfer)	-	647,604	(647,604)
Net changes	7,266,543	33,946,957	(26,680,414)
<b>Balances at December 31, 2019</b>	<b>\$258,150,479</b>	<b>\$261,570,579</b>	<b>\$(3,420,100)</b>

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the net pension liability at January 1, 2019, the employer contributions, and the net pension liability (asset) at December 31, 2019 was \$21,001,738, \$2,131,151, and (\$3,062,601), respectively. The Library's proportionate share of the net pension liability at January 1, 2019, the employer contributions and the net pension liability (asset) at December 31, 2019 was \$2,258,576, \$248,694, and (\$357,499), respectively.

#### Police and Firefighters' Pension Plans<sup>(1)</sup>

*Plan Administration.* 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 accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

The plans are governed by a five-member pension board. Two members appointed by the City's Council, one elected by retired pension members, and two elected by active members, constitute the pension board.

The Police and Firefighters' Pension Plans are accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized on an expense and liability when due and payable.

<sup>1</sup> P. 63, 2020 CAFR, Note 13 EMPLOYEE RETIREMENT SYSTEMS – 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 liability.

*Benefits Provided.* As provided for in the Illinois Compiled Statutes, the Police and Firefighters' Pension Funds provide retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police and Firefighters' Pension Funds as provided for in Illinois Compiled Statutes.

### Police Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees hired on or after January 1, 2011 attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

### Firefighters' Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth 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. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees hired on or after January 1, 2011 attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of (1) the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or (2) the average monthly salary obtained during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded annually. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

*Plan Membership.* At January 1, 2020, plan membership consisted of:

	Police	Firefighters'
Inactive plan members or beneficiaries currently receiving benefits	183	146
Inactive plan members entitled to but not yet receiving benefits	19	2
Active plan members	<u>155</u>	<u>102</u>
Total	357	250

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2020, the City's contribution was 73.05% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2019, the contribution percentage was 9.455%. If a participant leaves covered with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2020, the City's contribution was 88.77% of covered payroll.

*Actuarial Assumptions.* The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions:

	Police	Firefighters'
Actuarial Valuation Date	December 31, 2020	December 31, 2020
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 year smoothing	5 year smoothing
Inflation Rate	2.50%	2.50%
Projected Salary Increases	7.36% - 3.62%	7.36% - 3.62%
Interest Rate	6.50%	6.50%
Cost of Living Adjustments	3.00% - 1.25%	3.00% - 1.25%

Mortality rates were based on PubS.H-2010 Employee mortality, projected five years past the valuation date with ScaleMP-2019.

*Discount Rate.* The discount rate used to measure the total police pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 90% of the past service cost on the level dollar method by 2040.

The discount rate used to measure the total firefighters' pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 90% of the past service cost on the level dollar method by 2040..

*Discount Rate Sensitivity.* The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police Pension Fund:			
Discount Rate	5.50%	6.50%	7.50%
Net Pension-Liability	\$137,125,985	\$101,621,116	\$ 72,466,825
Firefighters' Pension Fund:			
Discount Rate	5.50%	6.50%	7.50%
Net Pension-Liability	<u>\$116,474,233</u>	<u>\$ 90,789,910</u>	<u>\$ 69,664,838</u>
Total Net Pension Liability	<u>\$253,600,218</u>	<u>\$192,411,026</u>	<u>\$142,131,663</u>

*Schedule of Changes in Net Pension Liability and Related Ratios<sup>2</sup>*

Total Pension Liability – Calendar Year Ending December 31, 2020

	Police	Firefighters'
Service Cost	\$ 4,018,178	\$2,948,730
Interest	16,138,601	12,013,035
Changes in Benefit Terms	-	-
Difference Between Expected and Actual Experience	2,021,226	122,642
Changes of Assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	\$(13,376,879)	\$(10,255,160)
Net Change in Total Pension Liability	8,801,126	4,829,247
Total Pension Liability – Beginning of Year	250,956,427	186,994,776
Total Pension Liability – End of Year	\$259,757,553	\$ 191,824,023

Plan Fiduciary Net Position – Calendar Year Ending December 31, 2020

	Police	Firefighters'
Contributions – Employer	\$11,225,650	\$ 9,257,516
Contributions – Employee	1,522,969	986,040
Net investment income	17,521,008	\$ 11,387,655
Benefit payments, including Refunds of Member Contributions	\$(13,376,879)	\$(10,255,160)
Administrative Expense	\$ (66,152)	\$ (148,979)
Net Change in Plan Fiduciary Net Position	16,826,596	11,227,072
Plan Fiduciary Net Position – Beginning	141,309,841	89,807,041
Plan Fiduciary Net Position – Ending	\$158,136,437	\$101,034,113
Employer Net Pension Liability	\$101,621,116	\$90,789,910
Plan Fiduciary Net Position as a Percent of Total Pension Liability	60.88%	52.67%

*Schedule of Employer Contributions<sup>3</sup>*

Police Pension Plan

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Percent Contributed	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
2020	\$11,225,650	11,225,650	\$ -	100.00%	\$15,368,002	73.0%
2019	\$10,502,308	\$10,502,308	-	100.0%	15,980,131	65.7%
2018	10,462,704	10,462,704	-	100.0%	15,845,701	66.0%
2017	10,237,200	10,300,549	(63,349)	100.6%	15,352,846	67.1%
2016	9,380,940	9,450,824	(69,884)	100.7%	17,474,672	54.1%
2015	8,257,475	8,804,264	(546,789)	106.6%	14,921,328	59.0%

<sup>2</sup> p. 75, 2020 CAFR, Schedule of Changes in the Employers Net Pension Liabilities and Related Ratios

<sup>3</sup> pp. 82-83, 2020 CAFR, Required Supplemental Information

Firefighters' Pension Plan

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Percent Contributed	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
2020	\$9,247,042	9,257,516	(\$10,474)	100.10%	\$10,428,768	88.8%
2019	\$8,266,584	\$8,266,584	-	100.0%	10,314,544	79.9%
2018	8,344,947	8,344,947	-	100.0%	11,618,255	71.8%
2017	8,148,709	8,205,800	(57,091)	100.7%	10,311,920	79.6%
2016	7,350,865	7,396,641	(45,776)	100.6%	10,546,779	70.1%
2015	\$5,903,483	6,385,244	(481,761)	108.2%	10,396,357	61.4%

**OTHER POSTEMPLOYMENT BENEFITS<sup>1</sup>**

The City and the Library administer a single-employer defined benefit health care plan which provides coverage to active employees and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses at established contribution rates.

The City's and Library's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment 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 and the Library 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 \$540 for single coverage to \$1,984 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 \$493 for single coverage to \$1,984 for family coverage. For the year ended December 31, 2020, the City and Library's estimated contribution to the plan is \$925,502. The City's and the Library's annual other postemployment 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. 75. 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 30 years.

*Plan Membership.* At December 31, 2020, membership consisted of the following:

Retirees and beneficiaries current receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	10
Active employees	<u>682</u>
Total	763

<sup>1</sup> P. 48, 2020 CAFR, Section D. Postemployment Benefits other than Pensions (Defined Benefit Plan)

## **REGISTRATION, TRANSFER AND EXCHANGE**

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the designated corporate trust office of the Bond Registrar in Chicago, Illinois. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the designated corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond beginning at the close of business on the fifteenth day of the month next preceding any interest payment date on such Bond (known as the record date) and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner’s legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

## **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department of Revenue of the State of Illinois under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **“THE UNDERTAKING.”**

The City, pursuant to issuing its prior bonds, entered into continuing disclosure undertakings (the “Prior Undertakings”) to disseminate its audited financial statements and annual financing information (together, the “Annual Report”) and to file notice of certain events with respect to such prior bonds to certain information repositories as required by the Rule. The list of events for which the City is required to provide notice includes rating changes on the prior bonds.

The City failed to file its annual financial information for fiscal year 2017 within the required timeframe pursuant to the Prior Undertakings for certain of its prior bonds. Notices of such failures have since been filed on EMMA for the City’s outstanding prior bonds.

The City failed to file notices of certain rating changes by Moody’s Investors Service on certain of its prior bonds within the required timeframe pursuant to the Prior Undertakings and the Rule. Notices of such rating changes have since been filed on EMMA for the City’s outstanding prior bonds.

The City has put procedures in place to ensure timely compliance with all of its continuing disclosure undertakings. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **“THE UNDERTAKING – Consequences of Failure of the City to Provide Information”** herein. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

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## THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

### Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any, (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 270 days after the last day of the City's fiscal year (currently December 31). If Audited Financial Statements are not available when the Annual Financial Information is filed the City will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the City. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means:

1. The tables under the heading of "**FINANCES**" within this Final Official Statement;
2. Certain tables under the heading "**PROPERTY ASSESSMENT AND TAX INFORMATION**" within this Final Official Statement entitled "**Historical EAV**", "**EAV By Classification of Property**", "**Representative Tax Rates**", and "**Tax Extensions and Collections**";
3. All of the tables under the heading "**DEBT INFORMATION**" (other than the table entitled "**Total and Scheduled for Abatement General Obligation Debt Service**") within this Final Official Statement; and
4. All of the tables under the heading "**FINANCIAL INFORMATION**" (**Excluding Budget Financial Information**) within this Final Official Statement.

"Audited Financial Statements" means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

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## Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The “Events” are:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City\*;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material\*\*; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.\*\*

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

\*\*The term “financial obligation” means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

## **Consequences of Failure of the City to Provide Information**

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

## **Amendment; Waiver**

Notwithstanding any other provision of the Undertaking, the City by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

## **Termination of Undertaking**

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance.

## **Future Changes to the Rule**

Notwithstanding anything in the Undertaking to the contrary, in the event the Commission, the MSRB or other regulatory authority approves or requires changes to the requirements of the Rule, the City is permitted, but is not required, to unilaterally modify the covenants in of the Undertaking, without complying with the requirements described in “- **Termination of Undertaking**” above, in order to comply with, or conform to, such changes. In the event of any such modification of the Undertaking, the City will file a copy of the Undertaking, as revised, on EMMA in a timely manner.

## **Additional Information**

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

## **Dissemination of Information; Dissemination Agent**

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

## **OPTIONAL REDEMPTION**

The Bonds due December 1, 2028-2030, inclusive, are not subject to optional redemption. The Bonds due December 1, 2031-2041, inclusive, are callable in whole or in part on any date on or after December 1, 2030, at a price of par and accrued interest. If less than all of such Bonds of a single maturity are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

### MANDATORY REDEMPTION

The Bonds maturing on December 1, 2028 and December 1, 2038, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as set forth below:

For the Bonds maturing on December 1, 2028:

<u>Year</u>	<u>Principal Amount</u>
2022.....	\$ 350,000
2023.....	1,085,000
2024.....	1,120,000
2025.....	1,145,000
2026.....	820,000
2027.....	845,000

The final principal amount of the Bonds maturing on December 1, 2028, is \$870,000.

For the Bonds maturing on December 1, 2038:

<u>Year</u>	<u>Principal Amount</u>
2036.....	\$470,000
2037.....	480,000

The final principal amount of the Bonds maturing on December 1, 2038, is \$490,000.

All of the Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The Bond Registrar is authorized and directed to mail notice of mandatory sinking fund redemption of the Bonds in the manner provided in the Bond Ordinance. The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the City shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Failure to give such notice by mail to any registered owner of the Bonds (or portion thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of other Bonds (or portions thereof). All Bonds (or portions thereof) so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

## LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

## CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the “Bond Counsel”), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed only those portions of this Final Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of the interest on the Bonds. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

## FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

## INVESTMENT RATING

The Bonds have been rated “AA” (Stable) by S&P Global Ratings. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described under the heading “**CONTINUING DISCLOSURE**”, the form of which is attached hereto as **APPENDIX D**, neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

## **DEFEASANCE**

Any Bond or Bonds (a) which are paid and cancelled; (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon; or (c) (i) for which sufficient funds and Defeasance Obligations (as hereinafter defined) have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of Bond Counsel or other bond counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the City Council; shall cease to have any lien on or right to receive or be paid from Bond Moneys or the Bond Fund (each as defined in the Bond Ordinance) and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set in the Bond Ordinance herein as such relates to lien and security of the outstanding Bonds. “Defeasance Obligations” means (a) noncallable, non-redeemable, direct and general full faith and credit obligations of the United States Treasury (“Directs”), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs, or (c) other noncallable, non-redeemable, obligations unconditionally guaranteed as to timely payment to maturity by the United States Treasury.

## **UNDERWRITING**

The Bonds were offered for sale by the City at a public, competitive sale on August 23, 2021. The best bid submitted at the sale was submitted by Northland Securities, Inc., Milwaukee, Wisconsin (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$15,624,976.45 (reflecting the par amount of \$14,420,000, plus a net reoffering premium of \$1,338,217.25, and less an Underwriter’s discount of \$133,240.80). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields set forth in this Final Official Statement.

## **MUNICIPAL ADVISORS**

The City has engaged Speer Financial, Inc., Chicago, Illinois and Sycamore Advisors LLC, Chicago, Illinois, as municipal advisors (the “Municipal Advisors”) in connection with the issuance and sale of the Bonds. The Municipal Advisors are Independent Registered Municipal Advisors in accordance with the rules of the MSRB. The Municipal Advisors will not participate in the underwriting of the Bonds. The financial information included in this Final Official Statement has been compiled by the Municipal Advisors from publicly available sources. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisors are not firms of certified public accountants and do not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisors are not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor are the Municipal Advisors obligated by the City’s continuing disclosure undertaking.

## CERTIFICATION

We have examined this Final Official Statement dated August 23, 2021, for the \$14,420,000 General Obligation Corporate Purpose Bonds, Series 2021, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ **ERIKA STORLIE**  
*City Manager*  
City of Evanston  
Cook County, Illinois

/s/ **DANIEL BISS**  
*Mayor*  
City of Evanston  
Cook County, Illinois

**APPENDIX A**

**CITY OF EVANSTON  
COOK COUNTY, ILLINOIS**

**FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS**

# City of Evanston, Illinois

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City of  
**Evanston**<sup>™</sup>

**CITY OF EVANSTON, ILLINOIS**  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2020

*Comprehensive Annual Financial Report  
For the Year Ended December 31, 2020*

Prepared by the Finance Division of the City Manager's Office

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**CITY OF EVANSTON**  
Principal Officials  
December 31, 2020

LEGISLATIVE

Stephen H. Hagerty, Mayor  
 1st Ward  
 Judy Fiske  
 2nd Ward  
 Peter Braithwaite  
 3rd Ward  
 Melissa A. Wynne  
 4th Ward  
 Donald N. Wilson  
 5th Ward  
 Robin Rue Simmons  
 6th Ward  
 Thomas M. Suffredin  
 7th Ward  
 Eleanor Revelle  
 8th Ward  
 Ann Rainey  
 9th Ward  
 Cicely L. Fleming  
 Devon Reid, City Clerk

EXECUTIVE

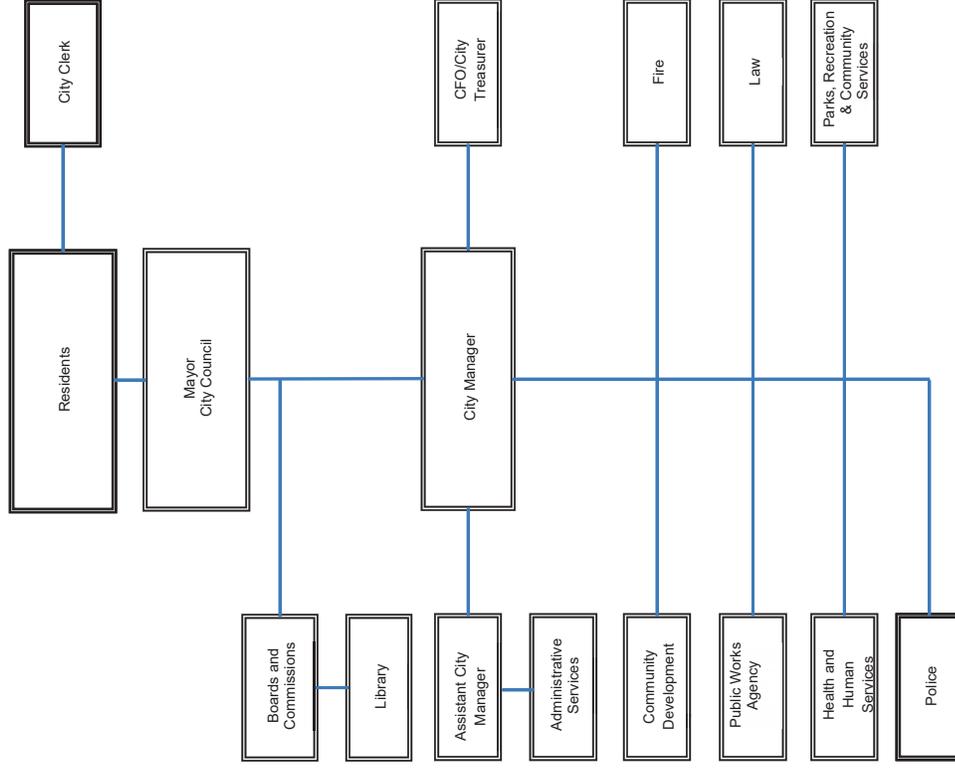
Erika Storlie, City Manager  
 Kimberly Richardson, Deputy City Manager  
 Hitesh Desai, CFO / Treasurer

ADMINISTRATIVE

Interim Administrative Services Director  
 Luke Stowe  
 Health and Human Services Director  
 Ikenga Ogbo  
 Community Development Director  
 Johanna Leonard  
 Parks, Recreation, & Community Services Director  
 Lawrence Hemingway  
 Corporation Counsel  
 Kelley Gandurski  
 Public Works Agency Director  
 Dave Stoneback  
 Police Chief  
 Demitrous Cook  
 Fire Chief  
 Brian Scott  
 Library Director  
 Karen Danczak Lyons



**City of Evanston**  
Organizational Chart





Government Finance Officers Association

# 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

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



June 28, 2021

The Honorable Mayor Stephen H. Hagerty,  
Members of the City Council  
City of Evanston, Illinois

### INTRODUCTION

The Comprehensive Annual Financial Report (Annual Report) of the City of Evanston (City) for the fiscal year ended December 31, 2020, is hereby submitted. The Annual report is prepared by the City's Finance Division in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). 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 fairly present 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 for the period of January 1, 2020, to December 31, 2020. 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, City management 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 assistance, findings and recommendations, and auditors' reports on the internal control

City Manager's Office  
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Evanston, Illinois 60201-2798  
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TTY 847.448.8064  
www.cityofevanston.org

structure and compliance with applicable laws and regulations, is to be presented in a separate single audit report.

The attached report includes all the funds and capital assets of the City and its component unit, the Evanston Library. The Town of the City of Evanston (the Township) has been previously presented as a separate legal entity which administered General Assistance for food, shelter and medical needs. Effective May 1, 2014, the City of Evanston assumed all the responsibility of providing the services that were previously provided by the Township. Audits after 2014 include the functions of the Township.

Library activity numbers are shown separately as a discrete component unit based on an ordinance passed by the City Council on March 10, 2012 giving the Library independence in running day to day operations. The Library has a separate Board whose members are appointed by the Mayor.

The City's financial statements have been audited by Sikich, 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 December 31, 2020, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, 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 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 75,000 is diverse by race, religion, age, education, economics, and occupation. With

8,700 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

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

In 1863, the Village of Evanston was incorporated as a town, and after several annexations in 1892, the town became a city. The City's southern boundary 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.

**The Government:** The City is a home rule municipality under the Illinois Constitution. As such, it has no tax rate or debt limits imposed by Illinois statute, 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 to a four-year term. Each Alderman 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 Executive 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 10 departments.

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 Ridgeville Park District. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

**Budget Process:** The City's fiscal year 2021 began on January 1, 2021. The City Manager submitted to the City Council a proposed operating budget in October 2020 for the fiscal year 2021 commencing the following January 1. The City budget team started the budget process for fiscal year 2021 in late summer followed by meeting with all departments for their individual budgets. On November 23, 2020, the Council adopted the ordinance 110-O-20 approving the FY 2021 budget. The City operates under the Illinois Budget Act, adopting a budget by an ordinance. All Funds are included in the Ordinance.

The City is committed to long-term financial planning. The City closely monitors factors that contribute to long-term financial stability, including, bond ratings, debt ratios, and equalized assessed valuation. The City is also pursuing strategies to expand the City's revenue base and diversify revenue sources.

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. 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 cash basis. The Comprehensive Annual Financial Report (CAFR) of the City presents expenditures and revenues on both a GAAP basis and a budgetary basis for comparison.

**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 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). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2020, the City projected that 36.5% (\$117.2 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, General Obligation Debt, Parking, Water, and Sewer Funds.

The Enterprise Funds (Water, Parking, Solid Waste Fund 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 GASB. The accounts of the City are divided into separate self-balancing funds comprised of its assets, liabilities, fund equity, revenues, and expenditures, as appropriate.

The City's expenditures are monitored on a regular basis by the Finance Department. Disbursements are made by fund and only if expenditures are within the authorized budget.

### **MAJOR INITIATIVES – FISCAL YEAR 2021**

Following are annual goals and major initiatives by department as a part of budget document preparation.

The City Manager's Office: Continue to monitor the city's response to COVID-19. • Continue to provide the community with timely, consistent COVID-19 information. • Win the GFOA Award for the 2021 Budget & 2020 Annual Report. • Continue to monitor citywide Amazon spending. • Improve City website accessibility by providing staff with plain language training. • Collaborate with internal departments to create a stand-alone RFQ template - review and revise Bid and RFP templates. • Perform clean-up and maintenance on 50% of Evanston's outdoor public art pieces. • Rebuild the Evanston's Arts Council in policy and membership, and to successfully onboard strong, capable community members. • Work with relevant departments and the Budget Office to develop long term funding strategies for implementing CARP. Successfully support approval of updating building and energy codes that set a standard for building electrification and phasing out fossil infrastructure in buildings. • Begin implementation of the provisions listed in the Environmental Justice Resolution. • Identify resources to complete the climate risk and vulnerability assessment

The Law Department will: • Work with City Council and staff to secure new economic and community development opportunities. • Continue to litigate a substantial majority of cases in-house and seek to prevail at summary disposition or trial in litigation. • Analyze and evaluate the City's purchasing contracts for all types of contracts.

The Administrative Services Department will: Focus on the timing of purchases/costs across all divisions to further increase operational efficiency and reduce the potential for delays and poor resource allocation. • Continue to analyze internal service and operational data through an equity lens. • Continue citywide implementation and roll-out of additional Google Apps. • Develop software/programs/office set-ups to ensure more efficient employees while working remotely. • Continue to use online software systems for learning management and performance management. • Roll out state-mandated annual sexual harassment training and ethics training. • Implement new timekeeping software system for more efficient payroll processes. • Review alternative means to

digitize maintenance and storage of HR documents. • Continue to use an alternative sustainable fuel source for City vehicles and increase the electric vehicle charging program. • Review and implementation of parking review study to be completed in 2021 (citations, fees and general areas that need improvement).

The Community Development Department will: Improve procedures for processing building permits and contractor registrations. Start the review process for adoption of the 2021 edition of the International Code Council model codes. Work across transportation and transit agencies within Evanston to maintain and grow a reliable, safe, accessible, and active transportation network with affordable housing and market rate developers, including the Housing Authority of Cook County, on housing projects to build new affordable and mixed income housing in transit-oriented development (TOD) areas.

The Economic Development division is part of the City Manager's Office. They will: Strengthen community workforce development by coordinating disparate activities. • Design economic development strategies focused on community economic wellbeing and sustainability. • Coordinate with Community Development on improved built environment as a strategy of retention and attraction, which works in harmony with the natural environment. • Provide targeted financial and technical support to Evanston businesses and align Economic Development activities to expand workforce development in support of CARP implementation.

The Police Department will: Develop relationships with other municipal governments interested in the Evanston Police Department providing dispatch services on the STARCOM radios system. Decommission the Police Department's legacy 470MHz T-Band radio infrastructure. Research and evaluate the PACE scheduling software system department-wide, with a goal of implementation by 2022. Ensure mandated training required by State law, Illinois Police Training Board, and Illinois Attorney General, especially crisis intervention training for all sworn personnel, and Human Services Boards, and the Citizen Police Review Commission. Continue to reduce the cost of Police vehicle purchases by downsizing the type of vehicles purchased. Implement a more community-based policing strategy involving foot patrol units in the wars and problem-solving methods in the patrol division.

The Fire Department will: Emergency Management will continue to play a pivotal role in helping lead the City's Crisis Management Team's COVID-19 pandemic response using the NIMS and the FEMA planning process in collaboration with local, county, state and federal partners. • The Department will present the City's first ever Emergency Preparedness Fair. • Expanding our City's Evanston Alerts Emergency Notification System to incorporate Wireless Emergency Activations (WEA). • All members will be trained and re-certified in Advanced Cardiac Life Support (ACLS). • The Department will continue to work with Oakton Community College on implementing an apprenticeship program aimed at preparing Evanston residents for a career in the fire service. • The

community engagement programs, Fire Explorer, ETHS Public Safety, Citizen CPR, and Citizen Fire Academy will be offered through our Department members. • The Department will look to expand the ECHO (Evanston Community Health Outreach) program with AMITA St. Francis Hospital and community stakeholders.

The Health and Human Services Department will: Continue to prioritize the response to COVID-19 in the community including facilities housing high risk populations such as in our long-term care facilities and congregated homes. • Continue to transition to regular HHS operations while responding to COVID-19 related activities. • Conduct COVID-19 vaccination activities when the vaccines are made available. • Partner with Community Action Advocates to increase visibility of social services support to vulnerable populations. • Create a clearinghouse of data to better measure health equity achievements. • Create a community cohort of Seeking Educational Equity and Diversity (SEED) members. • Increase outreach and participants at the Rethink Your Drink programs. • Develop the Evanston Project for Local Assessment of Needs (EPLAN) for the State's recertification of the Health and Human Services Department.

The Public Works Agency will: Complete construction on the Howard Street Corridor Improvements project • Begin construction on the Central Street Bridge Replacement project • Replace approximately 65 light fixtures in street light poles with new LED fixtures in conformance with the Street Light Master Plan. • Receive proposals and award a contract for the Commercial, Business, Institutional and Multifamily Residential Buildings Solid Waste Franchise Services.

The Parks, Recreation and Community Services will: Provide creative and innovative programming to the community considering pandemic restrictions. • Continue to increase the overall number of participants in tennis and pickleball. • Work collaboratively with D65 to provide pandemic safe recreational programming for youth that are e-learning • Provide more outdoor programming and events • Maintain and encourage additional partnerships with other recreational groups or individuals to further enhance and diversify the programs available to residents at the Robert Crown Community Center. • Execute and implement cooperative agreements to offer running club programs. • Work with IT to improve communication equipment at the lakefront to improve radio communications. • By April 2021, develop and introduce a new facility use and allocation management program for user groups and organizations that utilize our outdoor athletic fields. • By June 2022, the Special Recreation staff will create a program plan and budget for providing winter/spring break camps or days out programs for Park School students. • Create more partnerships with community organizations to bring a wider variety of programming to Levy participants both virtually and in person. • Continue to provide virtual programming to seniors that are not ready to re-enter the facility. • Continue to provide weekly communications regarding programming options, services offered, meal pick up and updates. • Rebuild and revive programming at Fleetwood-Jourdain Center post pandemic. • Create positive childhood experiences through programs and camps •

Anticipate the needs of the changing community and structure programming and facilities accordingly.

Library operations are shown separately in the City's Comprehensive Annual Financial Report as a discrete component unit. The Evanston Public Library promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages.

#### **FACTORS AFFECTING FINANCIAL CONDITION**

The following are factors which could give a broader context to the financial information contained in this Annual Report.

**Local Economy:** Since March 2020, the world has experienced a pandemic caused by the novel coronavirus known as COVID-19. This crisis has deeply affected the City's priorities and operations. Since day one, employees across the organization have been dedicated to fighting the virus, keeping our residents safe, and continuing to provide vital City services in frequently changing circumstances. While City employees work harder than ever during the pandemic, the City has experienced catastrophic losses in revenue to fund operations. The revenue losses are due to a contraction of economic activity because of the pandemic.

The City has taken many steps to mitigate the impact of revenue losses. Since March 2020, 12 full-time employees have been laid off, and the City Manager instituted a hiring freeze for all vacant positions. This has led to about 50 vacant positions across all City departments being held open in 2020, yielding savings of close to \$4 million. Non-union and AFSCME employees were also required to take 10 unpaid furlough days before December 15, some of which were unpaid holidays for non-union employees. Fire Department employees represented by IAFF have agreed to forgo general wage increases for 2021 and 2022 in lieu of furlough days.

The City expects to receive approximately \$5.5 million in grant funding related to the COVID-19 response. These grants are given on a reimbursement basis. Most grants have carried forward into 2021, and appropriate amounts are shown in the 2021 budget.

The city was also awarded \$43.1 million under American Rescue Plan Act of 2021 (ARPA). The City received half of that money from the Department of Treasury in May 2021. . These funds can be used for eligible projects including supporting public health expenditures, addressing negative economic impacts, providing premium pay for essential workers, investing in Water, Sewer, and Broadband infrastructure. For the 2021 Budget, the City focused on maintaining core services and ensuring the continued health and safety of our residents. In September 2020, staff hosted four

community budget conversations, which gave residents an opportunity to share ideas and concerns related to the 2021 budget. The feedback from these meetings can be found on the City's Budget webpage. Across all meetings, themes emerged related to the importance of human and social services in the face of ongoing pandemic. Residents stated concerns related to affordable housing, food security, support for small businesses, and preventing future COVID-19 outbreaks.

Altogether, the City experienced around \$10 million loss in General Fund revenues for 2020 and around \$3.5 million loss in the Parking Fund.

As the economy continues to recover and pandemic-related restrictions are lifted, staff anticipates revenue numbers to improve for the second half of 2021.

Some of the revenues which suffered the most in General Fund were sales Tax, Athletic Tax, Hotel Tax, Parking Tax, Liquor Tax, and Motor Fuel Tax. The Parking Fund suffered loss of revenue from parking meters and parking garages because of the contracted economy.

Some revenues like Permit fees, Income Tax and Use Tax exceeded not only their 2020 budget numbers but also 2019 actual revenues.

Despite these adverse circumstances, The City ended FY2020 for General Fund (including Human Services and Foreign Fire Insurance Funds) with an operating surplus of \$2.8 million. Total revenues and expenditures (including transfers) are \$116.6 million and \$113.8 respectively.

Overall, General Fund expenditures were at 95.5% of budgeted expenditures with Community Development, Health Department and Police Department reporting less than 100% expenditures for FY 2020; while Fire department reporting slightly higher than budgeted numbers.

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#### 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 December 31, 2019. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for its annual 2020 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. The city has already applied for the GFOA Award for its annual 2021 budget.

We acknowledge the contributions and excellent work of Andy Villamin, Accounting Manager and his staff in preparing the financial statements. Appreciation is also extended to all other Finance Division and City Staff who contributed to the preparation of this report. We also express gratitude to the Mayor's Office and Members of City Council for their interest and support in planning and conducting the City's financial affairs.

Respectfully submitted,

*Kimberly Richardson*

Kimberly Richardson  
Acting City Manager

*Hitesh Desai*

Hitesh Desai  
Chief Financial Officer/Treasurer

#### FINANCIAL SECTION



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*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Stephen H. Hagerty, Mayor  
and Members of the City Council  
City of Evanston, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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. The financial statements of the Evanston Public Library were not audited in accordance with *Government Auditing Standards*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

### Change in Accounting Principle

The Village adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, 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 fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or

to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 28, 2021 on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

*Sieich LLP*

Naperville, Illinois  
June 28, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

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 iv of this report.

### FINANCIAL HIGHLIGHTS

- A. The City's net position increased by \$1,313,808 from the prior fiscal year. The governmental net position decreased by \$1,701,295 or 1.5% from the prior period and the business-type activities net position increased by \$3,015,103 or 1.0% from the prior period.
- B. The governmental activities revenue decreased by \$2,410,000 or 1.7% from the prior period principally due to decrease in capital grants and contributions. The expenses increased by \$22,385,286 or 17.3% principally due to an increase in public safety related expenses.
- C. The business-type activities revenue increased by \$2,670,494 or 5.9%, principally due to increase in charges for services. The expenses increased by \$669,173 or 2.0% from the prior period.
- D. The total cost of all City programs increased by \$23,054,459 or 14.13%. This increase was mainly attributable to an increase in public safety related expenses.
- E. Total assets of the City increased by \$21,321,743 mainly due to increase in capital assets; while total liabilities went down by \$28,417,675 due to decrease in pension liabilities.
- F. Deferred outflows and inflows resources of the city had a net deferred inflows increase of \$21,262,935 principally due to increase in the business-type net deferred inflows.

### USING THIS ANNUAL REPORT

The financial statements focus 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 unit - the Library). Effective May 1, 2014 the City of Evanston assumed all rights, powers, assets, properties and duties of the Evanston Township, including the responsibility of providing the services that were previously provided by the Township. The functions of the Township are reported along with the City, while the Library financials are shown as a discretely presented component unit beginning in 2013.

MD&A 1

### 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 (e.g., the City's Fleet Services Fund).

The first of these government-wide statements is the *Statement of Net Position*. 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 position. Beginning in 2013, this statement also includes separate presentation of Library assets and liabilities. Over time, increases or decreases in net position 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 financial 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 position changed during the current fiscal period. All current period revenues and expenses for the City and Library 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 all government-wide sources.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, revenues 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, solid waste services, 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 4 - 7 of this report.

### REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

#### Fund Financial Statements

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

The City has three kinds of funds:

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

MD&A 2

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

Budgetary comparison statements for General Fund are included in the required supplementary section of this report. Budgetary comparison schedules for various special revenue funds and the debt service funds are also included 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 8 – 12 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. 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 13 - 17 of this report.

*Fiduciary funds* such as the Police and Firefighter's 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. These financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 18 - 19 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 20 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 81 – 94 of this report.

Major funds and component units are reported in the basic financial statements, as discussed. Combining statements, individual statements and schedules for nonmajor and internal service funds are presented in a subsequent section of this report beginning on page 95. Additional information on capital assets and long-term debt can be found on page 37 and 45, respectively.

**Financial Analysis of the City as a Whole**

The City's combined net position increased by \$1,313,808 from \$185,539,106, as restated, to \$186,852,914.

**STATEMENT OF POSITION**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019 (as restated)	2020	2019 (as restated)
Current and Other Assets	\$ 123,129,061	124,680,604	27,224,987	18,587,294	150,354,048	143,267,898
Capital Assets	226,632,064	218,657,844	366,557,958	360,296,585	593,190,022	578,954,429
Total Assets	349,761,125	343,338,448	393,782,945	378,883,879	743,544,070	722,222,327
Deferred Outflows	32,729,995	57,763,934	5,403,237	4,841,293	38,133,232	62,605,227
	382,491,120	401,102,382	399,186,182	383,725,172	781,677,302	784,827,554
Long-Term Liabilities	394,073,575	426,077,198	89,264,447	77,548,599	483,338,022	503,625,797
Other Liabilities	12,499,536	20,888,736	5,134,084	4,874,804	17,633,640	25,763,540
Total Liabilities	406,573,111	446,965,934	94,398,531	82,423,403	500,971,662	529,389,337
Deferred Inflows	89,945,052	66,248,216	4,121,674	2,395,895	94,067,726	68,644,111
Total Liabilities and Deferred Inflows	496,519,183	513,214,150	98,520,205	84,819,298	595,039,388	598,033,448
Net Investment in Capital Assets	65,388,067	53,783,908	284,515,854	289,022,749	349,903,921	342,806,657
Restricted	19,843,337	15,555,267	-	-	19,843,337	15,555,267
Unrestricted (Deficit)	(199,044,467)	(181,450,943)	16,150,123	9,883,125	(182,894,344)	(171,567,818)
Restatement	-	-	(1,255,000)	-	-	(1,255,000)
Total Net Position	\$ (113,813,063)	(112,111,768)	300,665,977	297,650,874	186,852,914	185,539,106

The City's total revenues increased by \$260,094 or 0.1%. The City's total expenses for all programs increased by \$23,054,458 or 14.1%. Business-type activity revenues increased by \$2,670,494 in the current fiscal period mainly due to increase in charges for services. Business-type activity expenses increased by \$669,172, while governmental activity expense increased by \$22,385,286 due to higher cost in public safety. The list of expenses can be found in the table below.

The governmental activities experienced a decrease of \$1,701,295 in the net position balance. This is principally due to increased cost in public safety.

The business-type activities experienced an increase of \$3,015,103 in the net position balance primarily due to the combined net operating surplus in the Water, Sewer and Solid Waste Funds in the amount of \$8,985,869; offset by a decrease in Parking Fund of \$5,970,766.

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

**STATEMENT OF CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
Program Revenues:						
Charge for services	\$ 24,297,935	25,803,631	46,083,374	43,876,455	70,381,309	69,680,086
Operating grants and contributions	9,671,509	5,775,144	-	-	9,671,509	5,775,144
Capital grants and contributions	2,971,261	8,630,229	382,670	-	3,353,931	8,630,229
General Revenues:						
Sales taxes	16,444,775	16,905,373	-	-	16,444,775	16,905,373
Property taxes	51,655,091	44,162,966	1,332,500	830,000	52,987,591	44,992,966
Utility fees	5,856,287	6,372,647	-	-	5,856,287	6,372,647
Income taxes	820,249	7,911,888	-	-	8,732,137	7,911,888
Other	20,084,954	24,685,909	-	7,412	20,064,954	24,693,321
Investment income	42,259	1,608,433	1,980,782	56,546	56,457	2,233,994
Total Revenue	139,586,800	141,997,200	47,939,222	45,286,428	187,526,022	187,283,628
Expenses						
General management and support	18,629,851	19,440,079	-	-	18,629,851	19,440,079
Public safety	8,304,466	56,355,432	-	-	8,304,466	56,355,432
Public works	18,572,687	26,844,149	-	-	18,572,687	26,844,149
Health and human resources development	3,718,980	2,895,010	-	-	3,718,980	2,895,010
Recreation and cultural opportunities	1,325,788	11,081,641	-	-	1,325,788	11,081,641
Housing and economic development	20,927,335	6,907,087	-	-	20,927,335	6,907,087
Interest	5,252,475	5,433,838	-	-	5,252,475	5,433,838
Water	-	-	1,610,233	12,879,721	1,610,233	12,879,721
Sewer	-	-	6,794,936	6,692,939	6,794,936	6,692,939
Solid Waste	-	-	531,941	507,850	531,941	507,850
Motor vehicle/parking system	-	-	3,881,012	9,585,685	3,881,012	9,585,685
Total Expense	151,206,792	129,121,536	34,703,122	34,035,940	186,211,914	166,157,456
Increase (decrease) in net position before transfers	(11,919,992)	12,875,664	13,233,800	11,250,478	13,161,308	24,081,172
Transfers	10,218,697	8,205,286	(10,218,697)	(8,205,286)	-	-
Increase (decrease) in net position	(1,701,295)	21,078,962	3,015,103	3,045,192	13,161,308	24,081,172
Net Position - Beginning	(12,111,760)	(153,190,730)	29,808,574	29,577,664	186,796,106	162,659,574
Change in accounting principle	-	-	-	(1,250,000)	-	-
Net Position - Beginning, Restated	(12,111,760)	(153,190,730)	29,808,574	28,327,664	186,796,106	162,659,574
Net Position - Ending	\$ (13,813,055)	(132,111,768)	30,066,577	29,808,574	186,857,414	186,784,106

**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 period in comparison with upcoming financing requirements. Governmental funds reported fund balances of \$51,240,691 as of December 31, 2020 which includes \$219,606 non-spendable, \$19,455,992 restricted, \$17,191,562 assigned and \$14,373,531 unassigned fund balance. The restricted fund balance consists of amounts required to be set aside by external authorities.

Fund Balance amounts reported for governmental activities are different than the statement of net position because of the treatment of capital assets, liabilities, payables and most importantly pension liabilities. This reporting difference is clearly stated on page 10 of this report.

**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 reported an increase of \$2,785,065 with actual revenue of \$107,176,131 and expenses of \$110,881,627. The City reported an increase in fund balance mainly due to net transfers from other funds.

Starting FY 2016 the Police and Fire pension employer contributions were included in the Adopted Budget documents. These had previously been reported in a separate fund. So now, Property tax and Personal Property Replacement Taxes are included in the General Fund and then transferred to the respective pension funds.

The fund balance of the General Obligation Debt Fund had an increase of \$304,028 from \$417,431 to \$721,459.

**Combined Nonmajor Governmental Funds**

Combined nonmajor fund balances totaled \$31,844,268, a decrease of \$3,751,467 from prior period of \$35,595,735 (after reclassification of Crown Capital Fund). Non-major funds with surpluses for the fiscal year include Motor Fuel, Home Fund, Emergency Telephone System, Good Neighbor, Reparatons, Chicago Main TIF, SSD #9, General Assistance, Dempster Dodge TIF, Howard Ridge TIF, West Evanston TIF, SSD #4, SSD #7, SSD #8 and Crown Community Center. Nonmajor funds with deficits for the period include Neighborhood Improvement, Affordable Housing, Community Development Block Grant, Community Development Loan, SSD #6 and Capital Improvements, Crown Capital and Special Assessment.

### **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 proprietary funds operated by the City are the Water, Sewer, Solid Waste and Parking Funds. These funds have a combined net increase of \$3,015,103 in the net position. The Water Fund reported the highest increase in the amount of \$5,593,682. This increase is mainly due to the settlement of the water rate issue with Skokie. The Solid Waste Fund added \$634,931 to the net position during the year. The Sewer Fund reported an increase of \$2,757,256, while Parking Fund reported a decrease of \$5,970,766. It should also be noted that the Water and Sewer Funds carry substantial debt levels, although Parking and Solid Waste Funds have lesser debts.

### **Internal Service Funds**

The City's combined internal service fund's net position increased by \$3,175,175 from a deficit of \$3,427,939, as of January 1, 2020 to a net deficit of \$252,764 as of December 31, 2020. The decrease in net deficit can be attributed to net revenue of \$3,129,410 in the Insurance Fund mainly due to reduction in claim settlements coupled with transfers from other funds.

### **General Fund Budgetary Highlights**

Total budgetary basis revenues for the General Fund were \$107,176,131 while total expenditures were \$110,881,627. Overall General Fund revenue came in lower than budget by \$5,094,273. Total expenditures in the General Fund were lower than budgeted amounts by \$7,350,575. The actual net deficiency of 3,705,496 was offset by \$6,490,561 in net transfers to the General Fund from other funds.

### **Capital Assets**

The City's Capital Asset policy generally includes capitalizing assets or properties with \$20,000 or more in value (with the exception of vehicles to the \$20,000 threshold). The City's capital assets (net of depreciation) for governmental and business-type activities as of December 31, 2020, were \$593,190,022. The governmental funds capital assets had a net increase of \$7,974,220, while business type capital assets increased by \$6,261,373. Overall, capital assets increased by 2.5% for the City as a whole. The net increase in capital assets were principally due to an increase in capital projects for the year. Readers desiring more detailed information on capital asset activity should refer to Note 5 in the Notes to the Financial Statements.

### **Long-Term Debt**

As of December 31, 2020, the City had outstanding total general obligation bonded debt of \$185,791,070 of which \$35,903,953 was for business type activities to be paid for by the City's Water, Solid Waste and Sewer Funds. Overall general obligation bonded debt represents a \$2,227,653 increase from 2019. The City's general obligation debt service principal payments for 2020 totaled \$11,277,351. During the current year, the City issued \$27,960,000 in 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 refer to Note 7 in the Notes to the Financial Statements.

### **Bond Ratings**

The City's 2020 General obligation bonds are rated AA (stable outlook) by S&P and AA+ by Fitch Ratings.

### **Economic Factors**

Evanston is a diverse community consisting primarily of residential homes, several nonprofit organizations including a very well-known private university, two hospitals, and many smaller scale retail shops and restaurants as well as some popular big box retailers.

**Local Economy:** Since March 2020, the world has experienced a pandemic caused by the novel coronavirus known as COVID-19. This crisis has deeply affected the City's priorities and operations. Since day one, employees across the organization have been dedicated to fighting the virus, keeping our residents safe, and continuing to provide vital City services in frequently changing circumstances. While City employees work harder than ever during the pandemic, the City has experienced catastrophic losses in revenue to fund operations. The revenue losses are due to a contraction of economic activity because of the pandemic.

The city expects to receive approximately \$4.5 million in grant funding related to COVID-19 response. These grants are given on a reimbursement basis. Most grants have carried forward into 2021, and appropriate amounts are shown in the 2021 budget.

Altogether, the City experienced around \$10 million loss in General Fund revenues for 2020 and around \$3.5 million loss in the Parking Fund. Some of the revenues which suffered the most were sales Tax, Athletic Tax, Hotel Tax, Parking Tax, Liquor Tax, Motor Fuel Tax etc. in the General Fund. Parking Fund suffered the loss of revenue from parking meters and parking garages because of the contracted economy.

Some of the revenues like Permit fees, Income Tax and Use Tax exceeded not only their 2020 budget numbers but also 2019 actual revenues

### **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 Manager's Office, Finance Division at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201, Telephone 847-448-8082, or access the website at [www.cityofevanston.org](http://www.cityofevanston.org).

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2020

	Primary Government		Component Unit Evanston Public Library
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and equivalents	\$ 30,159,541	\$ 16,449,477	\$ 46,609,018
Investments	15,719,663	-	15,719,663
Receivables (net, where applicable, of allowances for uncollectibles)	47,691,027	1,332,500	49,023,527
Property taxes	642,025	-	642,025
Utility taxes	-	10,668,316	10,668,316
Accounts	200,000	199,000	399,000
Notes	8,268,718	-	8,268,718
Loans	534,032	-	534,032
Special assessments	1,212,035	116,204	1,328,239
Other	8,119,534	-	8,119,534
Due from other governments	261,892	-	261,892
Due from component unit	3,259,460	(3,259,460)	-
Internal balances	1,601,988	898,658	2,500,646
Inventories	3,259,527	172,310	3,431,837
Prepaid items	2,414,619	647,982	3,062,601
Net pension asset			
Capital assets			
Capital assets not being depreciated	40,405,297	7,637,024	48,042,321
Capital assets being depreciated, net	186,226,767	358,920,934	545,147,701
<b>Total Assets</b>	<b>349,976,125</b>	<b>393,782,945</b>	<b>743,759,070</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Asset retirement obligations	-	3,755,762	3,755,762
Pension items - Police	13,164,327	-	13,164,327
Pension items - Fire	9,989,183	-	9,989,183
Pension items - IMRF	5,268,102	1,413,737	6,681,839
OPEB items	4,308,383	233,738	4,542,121
<b>Total Deferred Outflows of Resources</b>	<b>32,729,995</b>	<b>5,403,237</b>	<b>38,133,232</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>382,706,120</b>	<b>399,186,182</b>	<b>781,892,302</b>

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2020

	Governmental Activities	Primary Government Business-Type Activities	Component Unit Evanston Public Library
<b>LIABILITIES</b>			
Vouchers payable	\$ 7,932,806	\$ 4,799,263	\$ 12,732,069
Retainage payable	-	29,550	29,550
Deposits payable	-	1,362	1,362
Accrued payroll	3,122,598	-	3,122,598
Accrued interest	614,684	303,909	918,593
Due to other governments	770,279	-	770,279
Due to primary government	-	-	-
Due to fiduciary fund	59,189	-	59,189
Unearned revenue	-	-	-
Noncurrent liabilities	-	-	-
Due within one year	13,329,264	6,731,262	20,060,526
Due in more than one year	380,744,311	82,533,185	463,277,496
<b>Total Liabilities</b>	<b>406,573,131</b>	<b>94,398,531</b>	<b>500,971,662</b>
			<b>8,004,425</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - Police Pension	18,095,147	-	18,095,147
Pension items - Fire Pension	11,154,371	-	11,154,371
Pension items - IMRF	9,727,187	2,610,367	12,337,554
OPEB items	3,295,880	178,807	3,474,687
Property taxes levied for future periods	47,673,467	1,332,500	49,005,967
<b>Total Deferred Inflows of Resources</b>	<b>89,946,052</b>	<b>4,121,674</b>	<b>94,067,726</b>
			<b>9,233,921</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>496,519,183</b>	<b>98,520,205</b>	<b>595,039,388</b>
			<b>17,238,346</b>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	65,388,067	284,515,854	349,903,921
Restricted for			
Highway maintenance	3,962,742	-	3,962,742
Emergency telephone system	1,389,650	-	1,389,650
HUD approved projects	273,213	-	273,213
Neighborhood improvements	6,870,188	-	6,870,188
Repairs	218,142	-	218,142
Capital improvements	350,818	-	350,818
Debt service	6,389,067	-	6,389,067
General assistance	389,537	-	389,537
Endowment	-	-	-
Unrestricted	(199,044,467)	16,150,123	(182,894,344)
<b>Total Net Position (Deficit)</b>	<b>\$ (113,813,063)</b>	<b>\$ 300,665,977</b>	<b>\$ 186,852,914</b>
			<b>12,393,883</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2020

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General management and support	\$ 18,629,848	\$ 7,266,730	\$ 937,422	\$ -
Public safety	83,014,656	49,191,831	1,200,373	-
Public works	18,572,687	45,687	4,351,696	2,312,500
Health and human resource development	3,718,980	258,837	466,474	-
Recreational and cultural opportunities	1,325,788	483,125	217,364	-
Housing and economic development	20,982,155	6,975,536	2,498,180	658,761
Interest	5,352,478	-	-	-
<b>Total Governmental Activities</b>	<b>151,506,792</b>	<b>24,297,935</b>	<b>9,671,509</b>	<b>2,971,261</b>
Business-Type Activities				
Water	13,612,133	23,934,080	-	-
Sewer	6,704,936	10,240,666	-	382,670
Solid waste	5,315,941	6,016,372	-	-
Motor vehicles parking system	8,981,912	7,289,536	-	-
<b>Total Business-Type Activities</b>	<b>34,705,122</b>	<b>46,083,874</b>	<b>-</b>	<b>382,670</b>
<b>Total Primary Government</b>	<b>\$ 186,211,914</b>	<b>\$ 70,381,809</b>	<b>\$ 9,671,509</b>	<b>\$ 3,353,931</b>
Evanston Public Library				
Community services	\$ 8,628,336	\$ 65,679	\$ 611,659	\$ -
Interest	189,427	-	-	-
<b>Total Evanston Public Library</b>	<b>\$ 8,817,763</b>	<b>\$ 65,679</b>	<b>\$ 611,659</b>	<b>\$ -</b>

CITY OF EVANSTON, ILLINOIS

Balance Sheet  
Governmental Funds

December 31, 2020

	Net (Expense) Revenue and Change in Net Position			
	Governmental Activities	Primary Government	Total Government	Component Unit
		Business-Type Activities	Primary Government	Evanston Public Library
\$ (10,425,696)	\$ -	\$ (10,425,696)	\$ -	-
(76,894,452)	-	(76,894,452)	-	-
(11,862,804)	-	(11,862,804)	-	-
(2,993,669)	-	(2,993,669)	-	-
3,723,830	-	3,723,830	-	-
(10,859,818)	-	(10,859,818)	-	-
(5,252,478)	-	(5,252,478)	-	-
(114,566,087)	-	(114,566,087)	-	-
-	10,321,747	10,321,747	-	-
-	3,829,800	3,829,800	-	-
-	(697,569)	(697,569)	-	-
-	(1,692,536)	(1,692,536)	-	-
-	11,761,422	11,761,422	-	-
(114,566,087)	11,761,422	(102,804,665)	-	-
-	-	-	(7,952,998)	-
-	-	-	(189,427)	-
-	-	-	-	(81,424,225)

	Net (Expense) Revenue and Change in Net Position			
	Governmental Activities	Primary Government	Total Government	Component Unit
		Business-Type Activities	Primary Government	Evanston Public Library
General Revenues				
Taxes				
Property tax	51,665,091	1,332,500	52,997,591	7,749,036
Other taxes	6,796,543	-	6,796,543	-
Personal property replacement taxes	1,500,129	-	1,500,129	-
Sales and home rule tax	16,444,775	-	16,444,775	-
Utility tax	5,856,287	-	5,856,287	-
Liquor tax	2,878,922	-	2,878,922	-
Parking tax	2,423,938	-	2,423,938	-
Real estate transfer tax	3,251,428	-	3,251,428	-
Income tax	8,202,429	-	8,202,429	-
Investment income	422,559	139,878	562,437	680,905
Gain on sale of capital assets	3,213,994	-	3,213,994	92,998
Miscellaneous	10,218,697	(10,218,697)	-	-
Transfers				
Total	112,864,792	(8,746,319)	104,118,473	8,522,939
Change in Net Position	(1,701,295)	3,015,103	1,313,808	3,805,514
Net Position (Deficit), January 1	(112,111,768)	298,905,874	186,794,106	12,013,369
Change in accounting principle	-	(1,255,000)	(1,255,000)	-
Net Position (Deficit), January 1, Restated	(112,111,768)	297,650,874	185,539,106	12,013,369
Net Position (Deficit), December 31	(113,813,063)	300,665,977	186,852,914	12,393,883

See accompanying notes to financial statements.

(This statement is continued on the following page.)

	Net (Expense) Revenue and Change in Net Position			
	Governmental Activities	Primary Government	Total Government	Component Unit
		Business-Type Activities	Primary Government	Evanston Public Library
ASSETS				
Cash and equivalents	\$ 12,936,503	\$ -	\$ 12,936,503	\$ 28,528,251
Investments	698,440	1,277,044	1,975,484	15,719,663
Receivables	31,408,539	13,936,264	45,344,803	47,691,027
Property taxes	642,025	-	642,025	642,025
Utility	200,000	-	200,000	200,000
Notes	-	-	-	8,268,718
Loans	-	-	-	534,032
Special assessments	1,141,203	-	1,141,203	1,145,485
Other	6,937,382	-	6,937,382	8,119,534
Due from other governments	261,892	-	261,892	261,892
Due from component unit	5,833,888	-	5,833,888	9,314,402
Due from other funds	-	-	-	4,000,000
Advances to other funds	19,606	-	19,606	19,606
Inventories	-	-	-	-
Total Assets	\$ 60,079,478	\$ 15,213,308	\$ 75,292,786	\$ 124,444,635

CITY OF EVANSTON, ILLINOIS

Balance Sheet  
Governmental Funds

December 31, 2020

	General	General Obligation Debt Service	Nomajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES</b>				
Vouchers payable	\$ 2,184,536	\$ -	\$ 5,493,735	\$ 7,678,271
Accrued payroll	3,122,598	-	-	3,122,598
Due to other governments	629,652	-	140,627	770,279
Due to other funds	-	555,586	541,804	1,097,390
Due to fiduciary funds	59,189	-	-	59,189
Advances from other funds	4,000,000	-	-	4,000,000
<b>Total Liabilities</b>	<b>9,995,975</b>	<b>555,586</b>	<b>6,176,166</b>	<b>16,727,727</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Long-term loans	-	-	8,802,750	8,802,750
Property taxes levied for future periods	31,408,539	13,936,263	2,328,665	47,673,467
<b>Total Deferred Inflows of Resources</b>	<b>31,408,539</b>	<b>13,936,263</b>	<b>11,131,415</b>	<b>56,476,217</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>41,404,514</b>	<b>14,491,849</b>	<b>17,307,581</b>	<b>73,203,944</b>
<b>FUND BALANCES</b>				
Nonspendable	200,000	-	-	200,000
Inventory	19,606	-	-	19,606
Restricted				
Highway maintenance	-	-	3,962,742	3,962,742
Emergency telephone system	-	-	1,389,630	1,389,630
HUD approved projects	-	-	273,213	273,213
Neighborhood improvements	-	-	6,482,843	6,482,843
Reparations	-	-	218,142	218,142
Debt service	-	721,459	5,667,608	6,389,067
General Assistance	-	-	389,537	389,537
Capital improvements	-	-	350,818	350,818
Assigned				
Capital improvements	-	-	13,324,395	13,324,395
Other	3,867,167	-	-	3,867,167
Unassigned	14,588,191	-	(214,660)	14,373,531
<b>Total Fund Balances</b>	<b>18,674,964</b>	<b>721,459</b>	<b>31,844,268</b>	<b>51,240,691</b>
<b>Total Liabilities, Inflows of Resources, and Fund Balances</b>	<b>\$ 60,079,478</b>	<b>\$ 15,213,308</b>	<b>\$ 49,151,849</b>	<b>\$ 124,444,635</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Reconciliation of Fund Balances of Governmental Funds to the  
Governmental Activities in the Statement of Net Position

December 31, 2020

Fund Balances of Governmental Funds		\$
Amounts reported for governmental activities in the statement of net position are different because:		51,240,691
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Total governmental capital assets	\$ 226,632,064	
Less internal service fund portion	7,607,700	219,024,364
Total OPEB liability payable is not due and payable in the current period and, therefore, is not reported in the governmental funds		(20,877,864)
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds		(614,684)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
General obligation bonds payable		
Total governmental general obligation bonds payable	\$ (149,887,117)	(149,227,117)
Less internal service fund portion	(660,000)	(11,356,880)
Bonds premium liability		(11,005,956)
Compensated absences payable		
Net pension liability (asset) is shown as a liability (asset) on the statement of net position		
Illinois Municipal Retirement Fund		2,414,619
Police Pension Fund		(101,621,116)
Firefighters' Pension Fund		(90,789,910)
Differences between expected and actual experiences, assumption changes, net differences between projected, and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position		
Illinois Municipal Retirement Fund		(4,459,085)
Police Pension Fund		(4,930,820)
Firefighters' Pension Fund		(1,165,188)
OPEB		1,005,897
Deferred inflows for long-term loans are not available and, therefore, not revenue in fund financial statements		8,802,750
The net position of the internal service fund is included in the governmental activities on the statement of net position		(252,764)
<b>Net Position of Governmental Funds</b>		<b>\$ (113,813,063)</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Fiscal Year Ended December 31, 2020

	General	General Obligation Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 61,844,183	\$ 12,814,109	\$ 7,908,639	\$ 82,566,931
Licenses and permits	11,852,700	-	-	11,852,700
Special assessments	-	-	185,074	185,074
Intergovernmental	20,623,159	-	6,969,264	27,592,423
Charges for services	7,878,650	-	-	7,878,650
Fines and forfeits	2,982,548	-	-	2,982,548
Investment income	69,081	24,864	328,614	422,559
Miscellaneous	1,925,810	-	4,180,105	6,105,915
<b>Total Revenues</b>	<b>107,176,131</b>	<b>12,838,973</b>	<b>19,571,696</b>	<b>139,586,800</b>
<b>Expenditures</b>				
Current				
General management and support	17,519,219	41	1,247,714	18,766,974
Public safety	65,564,462	-	1,405,489	66,969,951
Public works	11,566,570	-	7,220,083	18,786,653
Health and human resource development	3,749,232	-	3,749,232	7,498,464
Recreational and cultural opportunities	9,351,125	-	5,911,625	15,262,750
Housing and economic development	3,131,019	-	12,389,420	15,520,439
Capital outlay	-	-	-	-
Debt service	-	9,987,933	-	9,987,933
Principal	-	5,643,147	-	5,643,147
Interest	-	133,766	79,935	213,701
Fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>110,881,627</b>	<b>15,764,887</b>	<b>28,254,266</b>	<b>154,900,780</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,705,496)</b>	<b>(2,925,914)</b>	<b>(8,682,570)</b>	<b>(15,313,980)</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	10,092,495	6,105,000	16,197,495
Premium on bonds issued	-	1,961,790	417,020	2,378,810
Payment to escrow agent	-	(12,143,396)	-	(12,143,396)
Transfers in	9,369,103	3,319,053	2,945,000	15,633,156
Transfers (out)	(2,878,542)	-	(4,535,917)	(7,414,459)
<b>Total Other Financing Sources (Uses)</b>	<b>6,490,561</b>	<b>3,229,942</b>	<b>4,931,103</b>	<b>14,651,606</b>
<b>Net Change in Fund Balances</b>	<b>2,785,065</b>	<b>304,028</b>	<b>(3,751,467)</b>	<b>(662,374)</b>
<b>Fund Balances, January 1</b>	<b>15,889,899</b>	<b>417,431</b>	<b>35,595,735</b>	<b>51,903,065</b>
<b>Fund Balances, December 31</b>	<b>\$ 18,674,964</b>	<b>\$ 721,459</b>	<b>\$ 31,844,268</b>	<b>\$ 51,240,691</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2020

	Net Change in Fund Balances - Total Governmental Funds	\$
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	17,791,438	
Some expenses in the statement of net position (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(10,280,182)	
Depreciation		
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities		
Issuance of general obligation bonds	(16,193,881)	
Premium on bond issuance	(2,378,810)	
Payment to escrow agent	11,933,496	
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	9,987,933	
The amortization of premium on long-term debt is reported as a reduction of interest expense on the statement of activities	941,200	
Changes in total other postemployment benefits obligations are reported only in the statement of activities	(232,294)	
The change in compensated absences payable is shown as an expense on the statement of activities	(1,474,594)	
The change in the accrual of interest is reported as interest expense on the statement of activities	(126,930)	
The change in the net pension liability (asset) is reported only in the statement of activities	18,952,702	
Illinois Municipal Retirement Fund	8,025,470	
Police Pension Fund	6,397,825	
Firefighters' Pension Fund		
The change in deferred inflows and outflows of resources is reported only in the statement of activities	(18,182,586)	
Illinois Municipal Retirement Fund	(19,297,182)	
Police Pension Fund	(9,999,554)	
Firefighters' Pension Fund	(465,492)	
OPEB		
The change in deferred inflows for long-term loans is not an expense on the statement of activities	387,345	
Internal service funds are reported separately in the fund financial statements	3,175,175	
Change in Net Position of Governmental Activities	\$	(1,701,295)

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Net Position  
Proprietary Funds

December 31, 2020

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
<b>Current Assets</b>						
Cash and cash equivalents	\$ 11,982,201	\$ 2,081,491	\$ -	\$ 2,385,785	\$ 16,449,477	\$ 1,631,290
Receivables	-	-	1,332,500	-	1,332,500	-
Property taxes	-	-	-	-	-	-
Accounts - water and sewerage charges	-	-	-	-	-	-
Accounts - billed	6,750,299	212,040	172,330	-	7,134,669	-
Accounts - unbilled	1,313,451	1,550,323	669,873	-	3,533,647	-
Other	85,143	31,061	-	-	116,204	66,550
Inventories	776,880	121,778	-	-	898,658	1,582,382
Prepaid items	-	-	172,310	-	172,310	3,259,527
Due from other funds	-	1,662,516	-	-	1,662,516	1,000,000
<b>Total Current Assets</b>	<b>20,907,974</b>	<b>5,628,148</b>	<b>2,378,074</b>	<b>2,385,785</b>	<b>31,229,981</b>	<b>7,539,749</b>
<b>Noncurrent Assets</b>						
Capital assets						
Capital assets not being depreciated	3,240,346	-	-	4,396,478	7,637,024	-
Capital assets being depreciated	150,953,943	261,977,104	554,672	92,256,655	505,742,374	26,637,106
Accumulated depreciation	(35,222,504)	(71,234,611)	(67,906)	(40,296,419)	(146,821,440)	(19,029,406)
<b>Total Capital Assets</b>	<b>118,971,985</b>	<b>190,742,493</b>	<b>486,766</b>	<b>56,356,714</b>	<b>366,557,958</b>	<b>7,607,700</b>
<b>Other assets</b>						
Net pension asset	372,463	87,775	82,802	104,942	647,982	-
Notes receivable	-	-	-	199,000	199,000	-
<b>Total Other Assets</b>	<b>372,463</b>	<b>87,775</b>	<b>82,802</b>	<b>303,942</b>	<b>846,982</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>119,344,448</b>	<b>190,830,268</b>	<b>569,568</b>	<b>56,660,656</b>	<b>367,404,940</b>	<b>7,607,700</b>
<b>Total Assets</b>	<b>140,252,422</b>	<b>196,458,416</b>	<b>2,947,642</b>	<b>59,046,441</b>	<b>398,704,921</b>	<b>15,147,449</b>
<b>Deferred Outflows of Resources</b>						
Asset retirement obligations	3,755,762	-	-	-	3,755,762	-
Pension items - IMRF	812,622	191,504	180,654	228,957	1,413,737	-
Other items	92,306	54,472	49,409	37,551	233,738	28,110
<b>Total Deferred Outflows of Resources</b>	<b>4,660,690</b>	<b>245,976</b>	<b>230,063</b>	<b>266,508</b>	<b>5,403,237</b>	<b>28,110</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>144,913,112</b>	<b>196,704,392</b>	<b>3,177,705</b>	<b>59,312,949</b>	<b>404,108,158</b>	<b>15,175,559</b>

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position  
Proprietary Funds

December 31, 2020

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
<b>Current Liabilities</b>						
Vouchers payable	\$ 4,558,867	\$ 136,164	\$ -	\$ 104,232	\$ 4,799,263	\$ 254,535
Retention payable	29,550	-	-	-	29,550	-
Deposits payable	486	184	692	-	1,362	-
Interest payable - restricted	151,414	140,851	-	11,644	303,909	-
Notes payable - IEP A	1,012,135	4,325,673	-	-	5,337,808	-
Current portion of GO bonds payable	927,816	218,690	-	-	1,146,506	-
Current portion of total OPEB liability	18,492	10,912	9,898	7,522	46,824	15,584
Claims payable	2,544,589	-	804,514	1,572,873	4,921,976	915,250
Due to other funds	128,749	24,358	18,239	28,778	200,124	28,424
Compensated absences payable	9,372,098	4,856,832	833,343	1,725,049	16,787,322	7,171,545
<b>Total Current Liabilities</b>	<b>21,349,813</b>	<b>16,719,857</b>	<b>833,343</b>	<b>1,725,049</b>	<b>38,069,670</b>	<b>660,000</b>
<b>Noncurrent Liabilities</b>						
Notes payable - IEP A	31,794,827	4,173,535	-	1,519,758	37,488,120	-
General obligation bonds payable	5,081,625	-	-	-	5,081,625	-
Asset retirement obligations	431,750	254,784	231,102	175,638	1,093,274	121,529
Total OPEB liability	-	-	-	-	-	7,339,250
Claims payable	514,994	97,433	72,957	115,112	800,496	114,495
Compensated absences payable	59,173,009	21,245,609	304,059	1,810,508	82,533,185	8,235,274
<b>Total Long-Term Liabilities</b>	<b>68,545,107</b>	<b>26,102,441</b>	<b>1,137,402</b>	<b>3,535,557</b>	<b>99,320,507</b>	<b>15,406,819</b>
<b>Total Liabilities</b>	<b>89,894,920</b>	<b>42,822,304</b>	<b>870,745</b>	<b>5,260,606</b>	<b>137,048,172</b>	<b>21,067,819</b>
<b>Deferred Inflows of Resources</b>						
Pension items - IMRF	1,500,450	353,599	333,565	422,753	2,610,367	-
OPEB items	70,614	41,670	37,797	28,726	178,807	21,504
Deferred property taxes	-	-	1,332,500	-	1,332,500	-
<b>Total Deferred Inflows of Resources</b>	<b>1,571,064</b>	<b>395,269</b>	<b>1,703,862</b>	<b>451,479</b>	<b>4,121,674</b>	<b>21,504</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>91,465,984</b>	<b>43,217,573</b>	<b>2,574,607</b>	<b>5,712,085</b>	<b>141,170,846</b>	<b>22,589,323</b>
<b>Net Position</b>						
Net investment in capital assets	63,887,394	165,304,738	486,766	54,836,956	284,515,854	6,947,700
Unrestricted	10,909,547	4,901,944	(150,325)	488,957	16,150,123	(7,200,464)
<b>Total Net Position</b>	<b>\$ 74,796,941</b>	<b>\$ 170,206,682</b>	<b>\$ 336,441</b>	<b>\$ 55,325,913</b>	<b>\$ 300,665,977</b>	<b>\$ (252,764)</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds

For the Fiscal Year Ended December 31, 2020

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Operating Revenues	\$ 22,243,283	\$ 10,217,259	\$ 4,612,302	\$ 7,070,349	\$ 44,143,193	\$ 23,887,832
Charges for services	1,690,797	24,807	6,070	219,007	1,940,681	70
Miscellaneous	23,934,080	10,242,066	4,618,372	7,289,356	46,083,874	23,887,902
Total Operating Revenues	856,695	1,724,432	1,386,592	2,152,928	6,120,647	-
Operating Expenses Excluding Depreciation	8,849,695	593,508	3,888,224	3,894,412	17,225,839	21,338,692
Administration	9,706,390	2,317,940	5,274,816	6,047,340	23,346,486	21,338,692
Operations	14,227,690	7,924,126	(656,444)	1,242,016	22,737,388	2,549,210
Total Operating Expenses Excluding Depreciation	2,865,860	3,773,557	41,125	2,899,593	9,580,135	1,532,788
Depreciation	11,361,830	4,150,569	(697,569)	(1,657,577)	13,157,253	1,016,422
Operating Income (Loss)	71,494	15,111	-	53,273	139,878	433
Non-Operating Revenue (Expenses)	(1,040,083)	(703,439)	-	(34,979)	(1,778,501)	-
Investment income	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	-
Total Non-Operating Revenue (Expenses)	(968,589)	(688,328)	1,332,500	18,294	(306,123)	158,753
Income (Loss) Before Transfers and Capital Contributions	10,393,241	3,462,241	634,931	(1,639,283)	12,851,130	1,175,175
Transfers and Contributions	-	-	-	140,907	140,907	2,000,000
Transfers in	(4,799,559)	(1,087,655)	-	(4,472,390)	(10,359,604)	-
Transfers (out)	-	-	-	-	-	-
Capital Contributions	-	382,670	-	-	382,670	-
Total Transfers and Capital Contributions	(4,799,559)	(704,985)	-	(4,331,483)	(9,836,027)	2,000,000
Net Income (Loss)	5,593,682	2,757,256	634,931	(5,970,766)	3,015,103	3,175,175
Net Position (Deficit), January 1	70,458,259	167,449,426	(298,490)	61,296,679	298,905,874	(3,427,939)
Change in accounting principle	(1,255,000)	-	-	-	-	(1,255,000)
Net Position (Deficit), January 1, Restated	69,203,259	167,449,426	(298,490)	61,296,679	297,650,874	(3,427,939)
Net Position, December 31	\$ 74,796,941	\$ 170,206,682	\$ 336,441	\$ 55,325,913	\$ 300,665,977	\$ (252,764)

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows  
Proprietary Funds

For the Fiscal Year Ended December 31, 2020

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	\$ 17,975,104	\$ 10,285,812	\$ 4,582,802	\$ 7,294,356	\$ 40,138,074	\$ 3,354,205
Receipts from customers and users	2,378,029	(1,030,861)	(528,299)	1,181,953	2,000,822	18,705,048
Receipts from payments provided interfund services provided	-	-	-	-	-	817,026
Receipts from other agencies	(8,849,316)	(353,199)	(3,763,344)	(4,041,987)	(17,007,846)	(3,640,896)
Payments to suppliers	(311,632)	(1,349,489)	(1,336,812)	(1,813,962)	(4,811,895)	(3,715,922)
Payments to employees	-	-	-	-	-	(15,435,134)
Payments for insurance premiums	-	-	-	-	-	-
Net Cash from Operating Activities	11,192,185	7,552,283	(1,045,653)	2,620,360	20,319,155	84,327
Cash Flows from Noncapital Financing Activities	-	-	1,332,500	-	1,332,500	-
Property taxes	(4,799,559)	(704,985)	-	(4,331,483)	(9,836,027)	2,000,000
Transfers in (out)	(4,799,559)	(704,985)	1,332,500	(4,331,483)	(8,503,527)	2,000,000
Net Cash from Noncapital Financing Activities	-	-	-	-	-	-
Cash Flows from Capital and Related Financing Activities	(11,383,748)	(2,951,456)	(286,847)	(335,618)	(14,957,669)	184,007
Sale of capital assets	6,482,063	1,522,589	-	1,522,589	9,527,241	660,000
Acquisition and construction of capital assets	7,756,627	-	-	-	7,756,627	-
Proceeds from general obligation bonds	(1,046,544)	(242,874)	-	-	(1,289,418)	-
Principal paid on general obligation bonds	(1,113,324)	(761,949)	-	(26,166)	(1,901,439)	-
Interest paid on general obligation bonds	(219,051)	(482,649)	-	-	(5,040,400)	-
Principal paid on IEPA loans	-	-	-	-	-	-
Net Cash from Capital and Related Financing Activities	476,023	(7,255,339)	(286,847)	1,160,805	(5,965,358)	(1,177,432)
Cash Flows from Investing Activities	71,494	15,111	-	53,273	139,878	433
Interest income	71,494	15,111	-	53,273	139,878	433
Net Cash from Investing Activities	6,940,143	(392,930)	-	(497,045)	6,050,148	907,328
Net Increase (Decrease) in Cash and Cash Equivalents	5,042,698	2,474,441	-	2,882,830	10,399,329	723,962
Cash and Cash Equivalents	\$ 11,982,201	\$ 2,081,491	\$ -	\$ 2,385,785	\$ 16,449,477	\$ 1,631,290
Beginning	-	-	-	-	-	-
Ending	-	-	-	-	-	-

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows  
Proprietary Funds

For the Fiscal Year Ended December 31, 2020

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 11,361,830	\$ 4,130,569	\$ (697,569)	\$ (1,657,577)	\$ 13,157,253	\$ 1,016,422
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation	2,865,860	3,773,557	41,125	2,899,593	9,580,135	1,532,788
Changes in assets and liabilities						
Accounts receivable	(5,958,600)	43,746	(35,570)	-	(5,950,424)	(1,066,550)
Notes receivable	-	-	-	5,000	5,000	-
Interfund receivable	519,976	(474,427)	-	1,692,136	1,737,685	-
Prepaid expenses	-	-	-	-	-	-
Inventories	(73,182)	2,706	-	-	(70,476)	(1,028,055)
Compensated absences	91,482	7,438	40,030	15,027	153,977	(189,788)
OPEB items	60,502	89,157	22,772	22,180	194,611	29,056
Pension items - IMRF	(120,876)	(28,209)	(13,022)	(48,907)	(211,014)	25,876
Deposits payable	(376)	-	-	-	(376)	-
Vouchers payable	(169,883)	(12,274)	(197,482)	(307,092)	(686,731)	(51,749)
Interfund payable	2,544,589	-	(205,937)	-	2,338,652	(1,011,623)
Deferred outflows - asset retirement obligations	70,863	-	-	-	70,863	-
Chairs payable	-	-	-	-	-	827,959
Net Cash from Operating Activities	\$ 11,192,185	\$ 7,552,263	\$ (1,045,653)	\$ 2,620,360	\$ 20,319,155	\$ 84,327

Noncash investing, capital, and related financing activities

Capital assets acquired through vouchers and retainage payable	\$ 4,233,970	\$ 67,742	\$ -	\$ -	\$ 4,301,712	\$ -
Capital contributions	-	382,670	-	-	382,670	-
Payment to Refunding Escrow Agent	(2,087,056)	(431,158)	-	-	(2,518,214)	-
Issuance of Refunding Bonds	2,110,969	436,098	-	-	2,547,067	-
Issuance Costs on Refunding Bonds	(25,913)	(4,940)	-	-	(28,853)	-
Total noncash investing, capital, and related financing activities	\$ 4,233,970	\$ 450,412	\$ -	\$ -	\$ 4,684,382	\$ -

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2020

	Pension Trust
Assets	
Investments at fair value	\$ 13,986,889
Cash and cash equivalents	20,637,048
U.S. Treasury obligations	25,043,336
U.S. agency obligations	31,691,233
Corporate bonds	41,496,949
Common stock	124,801,842
Equity mutual funds	-
Index funds	1,068,929
Real estate	8,966
Prepays	402,308
Receivables	59,189
Accrued interest	259,196,689
Due from City	26,139
Total Assets	626,471,938
Liabilities	
Vouchers payable	26,139
Total Liabilities	26,139
Net Position Restricted For Pensions	\$ 259,170,550

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

For the Fiscal Year Ended December 31, 2020

<p>Additions</p> <p>Contributions - employer</p> <p>Contributions - plan members</p> <p>Total Contributions</p> <p>Investment income</p> <p>Net appreciation in fair value of investments</p> <p>Interest on investments</p> <p>Less investment expenses</p> <p>Total Investment Income</p> <p>Total Additions</p> <p>Deductions</p> <p>Administration</p> <p>Benefit payments and refunds</p> <p>Total Deductions</p> <p>Net Increase</p> <p>Net Position Restricted For Pensions</p> <p>January 1</p> <p>December 31</p>	<p>\$ 20,483,166</p> <p>2,509,009</p> <p>22,992,175</p> <p>24,715,463</p> <p>4,757,867</p> <p>(548,467)</p> <p>28,924,863</p> <p>51,917,038</p> <p>215,131</p> <p>23,648,239</p> <p>23,863,370</p> <p>28,053,668</p> <p>231,116,882</p> <p>\$ 259,170,550</p>
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**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2020

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See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

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CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Evanston, Illinois (the City) and Evanston Public Library (the Library or EPL) 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 and the Library's accounting policies are described below.

A. Reporting Entity

This report includes all of the funds of the City and the Library. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit:

The Town of the City of Evanston, Illinois (the Township) has been previously presented as a separate legal entity which administers General Assistance, a public welfare program assigned by Illinois law to townships. Eligible clients received General Assistance for food, shelter, and medical needs. Through the town fund levy, the Township also supported a number of community action programs, which provided direct services to welfare recipients. The Township was governed by a Township Board of Trustees and provided services within the same geographic boundaries of the City. The Township Board of Trustees were the same individuals as the City Council. The Township board levied taxes and was responsible for adopting the Township budget and approving payment of bills. On April 30, 2014, the Township was discontinued and dissolved following the March 18, 2014 general election vote taken by the registered voters of the Township. Pursuant to 60 ILCS 1/27-15 and 1/27-20, effective 12:00 am May 1, 2014, the City assumed all rights, powers, assets, property, obligations, and duties of the Township, including the responsibility of providing the services that were previously provided by the Township. Beginning May 1, 2014, the functions of the Township are reported along with the City.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued  
Discrete Component Unit

The EPL promotes the development of independent, self-confident, and literate citizens through the provision of open access to cultural, intellectual, and informational resources for all ages. Beginning FY 2013, the Library financials are shown separately as a discrete component unit of the City. However, the Library does not issue its own independent set of financial statements. The Library Debt Service Fund was created as a part of FY2014 budget. The Library is governed by the Library Board of Trustees. The board members are appointed by the Mayor of the City.

The Library Director submits a proposed budget to the EPL Board of Trustees for the upcoming calendar year. This budget is included in the budget documents submitted by the City Manager to the City Council. The Library budget is legally enacted through passage of a resolution by the City Council.

The EPL serves the community through three branches. The EPL partners with Northwestern University and other agencies to implement digitally based science, technology, and math learning opportunities for teens. The EPL is continually focused on expanding summer reading programs to serve the patrons of all ages. The Library has also expanded community outreach by promoting library services at various local places and events.

The City's financial statements include two pension trust funds:

Police Pension Employees Retirement System

The City's financial statements include the Police Pension Employees Retirement System (PPERS) as a fiduciary component unit reported as a pension trust fund. The City's sworn police employees participate in the PPERS. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City Council, one elected pension beneficiary, and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the City's contribution levels. Accordingly, the PPERS is fiscally dependent on the City.

Firefighters' Pension Employees Retirement System

The City's financial statements include the Firefighters' Pension System (the FPPERS) as a fiduciary component unit reported as a Pension Trust Fund. The City's sworn full-time firefighters participate in the FPPERS. FPPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City Council, one elected pension beneficiary, and two elected from active participants of the Firefighters' Pension Fund constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPPERS is fiscally dependent on the City.

Joint Ventures:

The City participates in one joint venture, which is reported as non-equity governmental joint venture and is described in Footnote 13. The joint venture is Solid Waste Agency of Northern Cook County (SWANCC).

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and the Library. 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.

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 and the Library use 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 restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of general capital assets (capital projects funds), and the funds restricted, committed, or assigned for 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.

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. When these assets are held under the terms of a formal trust agreement, a private purpose trust fund is used. 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 Ended December 31, 2020

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.

The City and the Library's 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, generally 60 days except for sales taxes and telecommunication taxes which use 90 days. 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.

1.) Taxes	5.) Recycling program fees and sales
Property *	
Sales (home rule)	6.) Fines
Utility	Traffic fines
Personal property	
Hotel tax	7.) Intergovernmental
Athletic contest tax	Motor fuel tax allotments
Cigarette tax	Local motor fuel tax allotments
Liquor tax	Grants
Parking tax	Supplemental Security income reimbursements
	Income taxes
2.) Licenses	Sales taxes
	Use tax
3.) Franchise fees	
	8.) Investment income
4.) Charges for services	

\* Property taxes are defined as available if collected within at most 60 days after fiscal year end. All other revenue items are considered to be measurable and available only when cash is received by the City and the Library.

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 accounted for in another fund.

The *General Obligation Debt Fund* is a debt service fund which accumulate monies for the principal and interest payments on general obligation debt.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The City reports the following major proprietary funds:

The *Water Fund* accounts for the provision of water services to the residents of the City and the sale of water to the Villages of Skokie and Lincolnwood, Illinois and the Northwest Water Commission and 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, 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 *Solid Waste Fund* accounts for the recycling, refuse, and yard waste removal services related fees and expenses. Refuse and yard waste are contracted out, while recycling is handled by the City staff. The City has elected to present this fund as major.

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.

The Library reports the Operating Fund, Endowment Fund, Capital Improvement Fund, and Debt Service Fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 non-operating 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 non-operating revenues and expenses.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

The City and Library report unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred revenues arise when property tax levies are intended to finance the next fiscal year. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City and Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the issuance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City and Library have a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

E. Cash and Equivalents

Cash and equivalents represent cash on hand, cash deposited in interest-bearing and non-interest-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 with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

G. Inventories and Prepaid Items

Inventories in the Water, Sewer, and Fleet Service Funds are valued at cost. Inventory amounts are recorded on the basis of a physical count.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaid items are recorded based on consumption method.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Capital Assets

A capital asset is property, such as equipment, buildings, land, utility infrastructure, roads, bridges with a cost or value equal to or greater than \$20,000 (per asset) at the date of acquisition and an expected useful life of more than one year (12 months or longer). Acquisition of motor vehicles is an exception to the \$20,000 threshold. Also additional cost of less than \$20,000 associated with an asset may be capitalized if the expense is necessary to put the asset in service or its intended use, and/or if it extends the service life of the asset. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 Statement No. 34 has been reported.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Description	Years	Description	Years
Land improvements	10-100	Buildings and improvements	10-50
Leasehold improvements	10-100	Office equipment and furniture	5-15
Plant	20-100	Machinery and equipment	3-15
Transmission and distribution system	5-100	Infrastructure	30-100
Sewer system and underground lines	75-100	Library collections	7
Parking meters	15	Intangible assets	5-10

I. Compensated Absences

It is the City's and the Library'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 types statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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 Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Self-Insurance

The City and the Library are 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. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

M. Property Taxes

Property taxes are collected by the Cook County Collector and are remitted periodically to all taxing bodies, including the City and Library. 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:

Description	Date
Lien date	January 1 of levy year
Levy date	December of levy year
First installment due date (55% of prior bill)	March 1/April 1 of year following levy year
Second installment due date (balance of total bill)	September 1/October 1 of year following levy year

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). On this basis, property tax revenue includes all cash distributions of property tax related to the 2019 tax levy received during the fiscal period between January 1, 2020 and December 31, 2020. A 3% allowance for loss is reflected in the City and the Library financial statements.

The 2020 tax levy collections are intended to finance the 2021 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. Fund Equity

Governmental fund equity is classified as fund balance. In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional notes disclosures regarding fund balance classification policies and procedures. The City Council may, by an ordinance, establish, modify, or remove a fund balance commitment. In accordance with GASB Statement No. 54, the City and the Library classifies governmental fund balance as follows:

1. Nonspendable - Includes fund balance amounts that can not be spent either because they are not in spendable form or because legal or contractual stipulations require them to be maintained intact.
2. Restricted - Consists of fund balances with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
3. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action of the City. This formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
4. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: (1) Council may take official action to assign amounts, (2) all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
5. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

Assignments may not create unassigned deficits in any fund. However, nonspendable, restricted, or committed fund balance may create an unassigned deficit. Also, restricted, committed, and assigned balances themselves may not be negative.

The City has established a policy requiring a minimum of 16.6% or two months of operating expenditures to be maintained as a reserve. This is reported as unassigned fund balance.

The City and the Library consider restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City and the Library would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

In the government-wide and proprietary financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the City. Net investment in capital assets represents the book value of capital assets less any long-term debt outstanding issued to construct the capital assets.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O. 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.

P. 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.

Q. Contingent Debt

The City approved the issuance of \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 2010-2011 to provide financial assistance to Channahon Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from the City, improvement to the existing building, financing existing debt, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the monies, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. The Series 2010 Revenue Bonds were refunded in 2019, and the City approved the issuance of \$3,925,000 Series 2019A Revenue Bonds and \$3,735,000 Series 2019B Revenue Bonds, dated December 1, 2019. As of December 31, 2020, outstanding bond balance of the 2019A Revenue Bonds was \$3,790,000 and outstanding balance of the 2019B Revenue Bonds was \$3,640,000.

The City approved the issuance of \$13,590,000 Series 2011 Revenue Bonds during the fiscal period ended December 31, 2011 to provide financial assistance to Roycemore School, deemed to be in public interest. The use of proceeds includes the property purchase and renovation of 1201 Davis, the new location of the school, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the monies, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2020, outstanding bond balance was \$11,515,000.

R. Deferred Implementation

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The Insurance Fund, an internal service fund, had a net deficit of \$8,463,688 as of December 31, 2020. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 9 had a net deficit of \$2,14,660 as of December 31, 2020. 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 Ended December 31, 2020

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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 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 Government, the Illinois Metropolitan Investment Fund (IMET), and The Illinois Funds.

The Illinois Funds, created by the Illinois State Legislature under the control of the State Comptroller, operates as qualified external investment pools in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Funds Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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

The Firefighters' and Police Pension Funds are set up for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. All investments are governed and authorized by the respective Fire and Police Pension Boards. The investment objectives and parameters mirror those listed above for the City. However, unlike the City's public funds, the Firefighters' and Police Pension Funds may invest in various equity accounts up to a limit of 65% 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 Ended December 31, 2020

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

C. Types of Investments

**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.

The following table presents the investment and maturities of the City's debt securities as of December 31, 2020:

City Investment Type	Investment Maturities (In Years)			
	Fair Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years Greater than 10 Years
Municipal bonds	\$ 2,892,923	2,714,694	178,229	-
Total	\$ 2,892,923	2,714,694	178,229	-

**Credit Risk.** State law limits investments in commercial paper, corporate bonds, and mutual 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 Police and Firefighters' Pension Funds have investments in corporate bonds with S&P ratings ranging from BBB- to AAA. The Illinois Funds and money markets were rated AAA by Standard & Poor's. IMET exclusively invests in AAA Standard & Poor's securities, such as treasury and agency obligations. The City's municipal bond investments were rated from Aa3 to Aa2 by Moody's. IMET's Convenience Fund collateralizes all of its deposits 110%. The investments in the securities of the U.S. government agencies were all rated AAA or Aaa by the Standard & Poor's and by Moody's. Investor's Services. The following investments of the City in The Illinois Funds, PMA, and IMET are valued at the funds' share price, the price for which the investments could be sold.

The City has the following recurring fair value measurements as of December 31, 2020. The investments in municipal bonds and mutual funds are valued using quoted matrix pricing models (Level 2 inputs).

**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 held by the counterparty's trust department in the City's name.

On September 29, 2014, IMET was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. This resulted in a decrease in the value of the City's IMET investment in the amount of \$552,862 and leaving an impairment on the remaining balance of \$169,720. The City believes that it will recover the remaining value of the investment.

**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 from 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. Collateral is required for City deposits equal to or greater than the amount of City deposits which exceed FDIC insured amounts. The City's depository pledges a Federal Home Loan Bank line of credit in the City's name as collateral. All of the City's deposits were insured or collateralized at December 31, 2020.

Deposits consist of deposits in interest-bearing and non-interest-bearing checking accounts. At December 31, 2020, the carrying amount of the City's deposits, including cash on hand of \$10,200 was \$36,150,511. The financial institutions' balances totaled \$35,770,568.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 4. RECEIVABLES

A. Summary of Receivables

Other receivables as of December 31, 2020 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:

Receivables (net, where applicable, of allowances for uncollectibles):	Governmental Activities		General Business-Type Activities		Total
Amusement tax	\$ 90,297	\$ -	\$ -	\$ -	90,297
Cigarette tax	-	-	115,163	-	115,163
Cannabis tax	-	-	-	31,063	31,063
Franchise fees	-	-	395,837	-	395,837
FEMA reimbursement	-	-	22,769	-	22,769
Hotel tax	-	-	285,498	-	285,498
Liquor tax	-	-	81,680	-	81,680
Local motor fuel tax	-	-	64,853	-	64,853
Parking tax	-	-	50,000	-	50,000
Police services	-	-	33,260	-	33,260
Transportation network tax	-	-	85,141	-	85,141
Other miscellaneous	-	-	-	-	157,819
Net Total Receivables	\$ 1,212,035	\$ 116,204	\$ -	\$ -	1,328,239

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

B. Loans Receivable - Special Revenue Funds

The City provides resources to city residents for the sale and rehabilitation of single-family and multi-family housing. Initial funding for these resources was from Community Development Block Grant (CDBG) and Housing and Urban Development (HUD) Funds. Three types of loans are made: (1) title transfer loans which are due in full when the housing unit is sold, (2) amortizing loans which are due in monthly installments over varying lengths of time, and (3) forgivable loans which are forgiven over varying lengths of time based on occupancy requirements. 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 \$78,000 exists in the Special Revenue Funds due to doubtful accounts. Loan activity for the current period is summarized as follows:

Loan Type	Interest Rates	Loans Made		Loan Repayments		Ending
		Beginning	Ending	Adjustments	Ending	
Title Transfer	0% - 8%	\$ 2,446,266	\$ 206,615	\$ 132,990	\$ -	\$ 2,519,891
Amortizing	0% - 8%	1,037,834	511,053	206,998	-	1,341,889
Forgivable	0% - 8%	4,526,582	-	-	(41,644)	4,484,938
Allowance		(78,000)	-	-	-	(78,000)
Total Loans		\$ 7,932,682	\$ 717,668	\$ 339,988	\$ (41,644)	\$ 8,268,718

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 5. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the fiscal year ended December 31, 2020 was as follows:

	Beginning	Additions	Deletions	Transfers	Ending
<b>Governmental Activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 7,193,044	\$ 57,023	\$ -	\$ -	\$ 7,250,067
Right of way	18,695,896	-	-	-	18,695,896
Artwork	375,551	97,500	-	-	471,051
Construction in progress	61,149,517	14,860,647	62,021,881	-	13,988,283
Total Capital Assets, not being Depreciated	87,412,008	15,015,170	62,021,881	-	40,405,297
Capital Assets, being Depreciated/Amortized:					
Buildings and improvements	88,351,138	53,622,597	-	-	141,973,735
Office equipment and furniture	6,317,558	956,996	-	-	7,274,554
Intangible assets	7,845,305	368,814	-	-	8,212,119
Machinery and equipment	28,795,093	2,380,868	934,347	-	30,241,614
Infrastructure	191,902,807	9,490,312	-	-	201,393,119
Capitalized leases	502,532	-	-	-	502,532
Total Capital Assets being Depreciated/Amortized	323,712,433	66,819,587	934,347	-	389,597,673
Less Accumulated Depreciation/Amortization for:					
Buildings and improvements	41,827,835	2,463,103	-	-	44,290,938
Office equipment and furniture	4,750,206	359,263	-	-	5,109,469
Intangible assets	6,882,370	234,634	-	-	7,117,004
Machinery and equipment	20,754,885	1,770,105	908,661	-	21,616,329
Infrastructure	117,764,401	6,981,957	-	-	124,746,358
Capitalized leases	486,900	3,908	-	-	490,808
Total Accumulated Depreciation/Amortization	192,466,597	11,812,970	908,661	-	203,370,906
Total Capital Assets being Depreciated/Amortized, Net	131,245,836	55,006,617	25,686	-	186,226,767
Governmental Activities Capital Assets, Net	\$ 218,657,844	\$ 70,021,787	\$ 62,047,567	\$ -	\$ 226,632,064

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 5. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Transfers	Ending
<b>Business-Type activities:</b>					
Capital Assets, not being Depreciated:					
Land	\$ 4,592,141	\$ -	\$ -	\$ -	\$ 4,592,141
Construction in progress	17,745,314	2,091,649	17,151,832	-	2,685,131
Artwork	359,752	-	-	-	359,752
Total Capital Assets, not being Depreciated	22,697,207	2,091,649	17,151,832	-	7,637,024
Capital Assets, being Depreciated/Amortized:					
Land improvements	9,826,890	82,964	-	-	9,909,854
Buildings and improvements	77,713,291	170,043	-	-	77,883,334
Leasehold improvements	772,131	-	-	-	772,131
Plant	46,352,087	21,853,394	-	-	68,205,481
Transmission and distribution system	76,956,907	5,406,634	-	-	82,363,541
Sewer system and underground lines	257,028,512	2,600,867	-	-	259,629,379
Intangible assets	1,250,490	-	-	-	1,250,490
Equipment	3,146,634	787,789	-	-	3,934,423
Parking meters	1,793,741	-	-	-	1,793,741
Total Capital Assets being Depreciated/Amortized	474,840,683	30,901,691	-	-	505,742,374
Less Accumulated Depreciation/Amortization for:					
Land improvements	3,498,950	461,868	-	-	3,960,818
Buildings and improvements	32,237,045	2,018,211	-	-	34,255,256
Leasehold improvements	357,804	25,793	-	-	383,597
Plant	20,716,610	1,568,705	-	-	22,285,315
Transmission and distribution system	11,255,116	1,297,155	-	-	12,552,271
Sewer system and underground lines	66,711,952	3,503,724	-	-	70,215,676
Intangible assets	732,345	100,237	-	-	832,582
Equipment	1,017,915	409,008	-	-	1,426,923
Parking meters	713,568	195,434	-	-	909,002
Total Accumulated Depreciation/Amortization	137,241,305	9,580,135	-	-	146,821,440
Total Capital Assets being Depreciated/Amortized, Net	337,599,378	21,321,556	-	-	358,920,934
Business-Type Activities Capital Assets, Net	\$ 360,296,585	\$ 23,413,205	\$ 17,151,832	\$ -	\$ 366,557,958

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 5. 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	\$ 494,479
Public safety	767,192
Public works	7,672,651
Housing and economic development	9,303
Recreation and cultural opportunities	1,336,556
Internal service funds	1,532,789
Total Depreciation Expense - Governmental Activities	<u>\$ 11,812,970</u>
Business-Type Activities:	
Water	\$ 2,865,860
Sewer	3,773,557
Solid waste	41,125
Motor vehicle parking	2,899,593
Total Depreciation Expense - Business-Type Activities	<u>\$ 9,580,135</u>

B. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2020 is as follows:

Capital Improvement Fund	\$ 8,951,861
Crown Capital Improvement Fund	2,228,663
Motor Fuel Tax Fund	110,296
Water Fund	6,250,822
Motor Vehicle Parking System Fund	132,442
Chicago Main TIF	6,078
Total Construction Commitments	<u>\$ 17,680,162</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 6. 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 December 31, 2020, interfund receivables and payables consist of the following:

Funds	Due From	Due To
General Fund	\$ 6,095,780	\$ 59,189
General Obligation Debt Service Fund	-	555,586
Water Fund	-	2,544,589
Sewer Fund	1,662,516	-
Solid Waste Fund	-	804,514
Motor Vehicle Parking System Fund	-	1,572,873
Nonmajor Governmental Funds	3,480,514	541,804
Fiduciary	59,189	-
Internal Service Funds	1,000,000	5,957,552
Total	<u>\$ 12,297,999</u>	<u>\$ 12,036,107</u>

Component Unit	Due From	Due To
City	-	-
Library Operating Fund	-	\$ 132,876
Library Capital Improvements Fund	-	129,016
Total	<u>\$ -</u>	<u>\$ 261,892</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 6. INTERFUNDS - Continued

B. Interfund Advances

At December 31, 2020, interfund advances consist of the following:

	Funds	Advances To	Advances From
Governmental Funds			
Capital Improvements Fund		\$ -	\$ 4,000,000
Total General Fund		-	4,000,000
Nonmajor Governmental Funds			
Capital Improvements Fund		4,000,000	-
Total Nonmajor Governmental Funds		4,000,000	-
Grand Total		\$ 4,000,000	\$ 4,000,000

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 6. INTERFUNDS - Continued

C. 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 December 31, 2020, transfers in (out) consist of the following:

	Funds	Transfers In	Transfers Out
Governmental Funds			
General Fund		\$ 260,000	\$ -
Emergency Telephone System		5,000	-
Dempster Dodge TIF		30,000	-
Howard Ridge TIF		30,000	-
Chicago-Main TIF		200,000	-
Capital Improvement		3,799,559	-
Water		330,167	-
Sewer		92,000	-
Special Assessment		2,972,390	-
Motor Vehicle Parking System		-	-
Solid Waste		-	-
Motor Fuel Tax		1,044,987	-
West Evanston TIF		35,000	-
General Obligation Debt Service		-	1,503,542
Crown Community Center		-	175,000
Good Neighbor		480,000	-
Reparations		-	200,000
Fleet		-	-
Equipment Replacement		-	-
Insurance		-	1,000,000
Total General Fund		9,369,103	2,878,542
General Obligation Debt Service Fund			
General		1,503,542	-
Sewer		257,488	-
Special Assessment		385,930	-
Crown Capital		637,500	-
Chicago-Main TIF		230,610	-
Dempster Dodge TIF		160,870	-
Howard Ridge TIF		143,113	-
Total General Obligation Debt Service Fund		3,319,053	-

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

	Funds	
	Transfers In	Transfers Out
Nonmajor Governmental Funds		
Crown Capital	\$ 1,500,000	\$ -
Parking	500,000	-
Sewer	-	637,500
General Obligation Debt Service	-	637,500
Total Crown Capital	2,000,000	1,275,000
Dempster Dodge TIF		
General	-	5,000
West Evanston Tax Increment District	100,000	-
General Obligation Debt Service	-	160,870
Total Dempster Dodge TIF	100,000	165,870
Howard Ridge TIF		
General	-	30,000
General Obligation Debt Service	-	143,113
Parking Fund	-	140,907
Total Howard Ridge TIF	-	314,020
Chicago-Main TIF		
General	-	30,000
General Obligation Debt Service	-	230,610
Total Chicago-Main TIF	-	260,610
West Evanston Tax Increment District		
General	-	35,000
Dempster Dodge TIF	-	100,000
Total West Evanston Tax Increment District	-	135,000
Capital Improvements		
General	-	290,000
Good Neighbor	320,000	-
Neighborhood Improvement	150,000	-
Total Capital Improvement	470,000	290,000
Special Assessment		
General	-	92,000
General Obligation Debt Service	-	385,930
Total Special Assessment	-	477,930
Emergency Telephone System		
General	-	260,000
Total Emergency Telephone System	-	260,000
Motor Fuel Tax		
General	-	1,044,987
Total Motor Fuel Tax	-	1,044,987
Crown Community Center		
General	175,000	-
Total Crown Maintenance	175,000	-

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

	Funds	
	Transfers In	Transfers Out
Nonmajor Governmental Funds - Continued		
Good Neighbor	\$ -	\$ 480,000
Capital Improvement	-	320,000
Total Good Neighbor	-	800,000
Neighborhood Improvement		
Capital Improvement	-	150,000
Total Neighborhood Improvement	-	150,000
Reparations		
General	200,000	-
Total Reparations	200,000	-
Total Nonmajor Governmental Funds	2,945,000	4,535,917
Total Governmental Funds	15,633,156	7,414,459
Enterprise Funds		
Water		
General	-	3,799,559
Total Water	-	1,000,000
Sewer		
General	-	330,167
General Obligation Debt Service Fund	-	257,488
Crown Capital Fund	-	500,000
Total Sewer	-	1,087,655
Motor Vehicle Parking System		
General	-	2,972,390
Crown Capital Fund	-	1,500,000
Howard Ridge TIF	140,907	-
Total Motor Vehicle Parking System	140,907	4,472,390
Total Enterprise Funds	140,907	10,359,004
Internal Service Funds		
Insurance		
General	1,000,000	-
Water	1,000,000	-
Total Insurance	2,000,000	-
Total Internal Service Funds	2,000,000	-
Total Primary Government	17,774,063	17,774,063
Total	\$ 17,774,063	\$ 17,774,063

Note - Transfers between the primary government and component unit have been reclassified on the statement of activities.

**CITY OF EVANSTON, ILLINOIS**  
**Notes to the Financial Statements**  
 For the Fiscal Year Ended December 31, 2020

**NOTE 7. LONG-TERM DEBT**

**A. Changes in Long-Term Debt**

	Interest Rate	Final Maturity Date	Balance Restricted 12/31/2019	Issued	Refunded	Payments	Balance 12/31/2020	Due Within One Year
<b>G.O. Debt Governmental Activities</b>								
Series 2010A	2.00%-3.625%	12/1/2029	\$ 4,060,000	\$ -	\$ 3,715,000	\$ 345,000	\$ -	-
Series 2011A	2.00%-4.50%	12/1/2031	8,823,512	-	8,218,496	605,016	-	-
Series 2012A	2.00%-3.25%	12/1/2032	5,320,000	-	-	645,000	4,675,000	700,000
Series 2013A	2.00%-4.75%	12/1/2033	8,205,000	-	-	500,000	7,705,000	520,000
Series 2013B	2.00%-3.00%	12/1/2025	9,016,390	-	-	1,739,508	7,276,882	1,788,893
Series 2014	1.25%-5.00%	12/1/2034	7,550,000	-	-	400,000	7,150,000	415,000
Series 2015A	2.00%-4.00%	12/1/2035	5,400,000	-	-	420,000	5,000,000	450,000
Series 2015B	2.00%-4.00%	12/1/2032	5,225,000	-	-	1,750,000	3,475,000	1,750,000
Series 2016A	2.00%-4.00%	12/1/2036	8,325,000	-	-	405,000	7,920,000	1,425,000
Series 2016B	2.00%-3.00%	12/1/2026	5,555,000	-	-	730,000	4,825,000	745,000
Series 2017A	3.00%-4.00%	12/1/2027	10,805,000	-	-	455,000	10,350,000	485,000
Series 2017B	4.00%-5.00%	12/1/2027	6,628,874	-	-	763,102	5,865,772	776,893
Series 2017C	2.05%-4.00%	12/1/2035	5,000,000	-	-	230,000	4,770,000	235,000
Series 2018A	3.12%-5.00%	12/1/2043	24,385,000	-	-	-	24,385,000	-
Series 2018B	2.29%-5.00%	12/1/2038	9,675,450	-	-	888,911	8,786,539	917,988
Series 2018C	4.00%-5.00%	12/1/2038	3,570,000	-	-	-	3,570,000	-
Series 2018D	3.70%-4.25%	12/1/2035	12,750,000	-	-	-	12,750,000	-
Series 2019A	1.72%-2.85%	12/1/2040	7,020,000	-	-	211,396	6,808,604	222,378
Series 2019B	2.00%-5.00%	12/1/2040	-	16,853,881	-	-	16,853,881	-
Series 2020	2.00%-5.00%	12/1/2040	-	16,853,881	-	-	16,853,881	-
Subtotal Governmental Activities			154,954,665	16,853,881	11,933,496	9,987,933	149,887,117	9,311,152
Bonds premium			9,919,270	2,378,810	-	941,200	11,356,880	-
OPEB liability - City			20,645,570	232,294	-	-	20,877,864	857,463
OPEB liability - Internal Service Funds			113,314	23,798	-	-	137,112	15,584
Net pension liability - IMRF *			16,538,083	-	-	16,538,083	-	-
Net pension liability - Police Pension			109,646,586	-	-	8,025,470	101,621,116	-
Net pension liability - Firefighters Pension			97,187,735	-	-	6,397,825	90,789,910	-
Compensated absences payable - City			9,351,362	5,287,139	-	3,812,545	11,005,956	2,201,191
Compensated absences payable - Internal Service Funds			114,063	51,870	-	22,813	143,120	28,624
Claims payable			7,426,550	2,219,500	-	1,391,550	8,254,500	915,250
Subtotal Other Governmental Activities Liabilities			271,122,533	10,193,411	-	37,129,486	244,186,458	4,018,112
Total Governmental Activities Debt and Liabilities			\$ 426,077,198	\$ 27,047,292	\$ 11,933,496	\$ 47,117,419	\$ 394,073,575	\$ 13,329,264
<b>G.O. Debt Business-Type Activities</b>								
Series 2011A WS	2.00%-4.50%	12/1/2031	\$ 2,706,484	\$ -	\$ 2,521,501	\$ 184,983	\$ -	\$ -
Series 2012A	2.00%-3.25%	12/1/2032	3,195,000	-	-	205,000	2,990,000	210,000
Series 2013A	2.00%-2.50%	12/1/2033	1,450,000	-	-	85,000	1,365,000	90,000
Series 2014	1.25%-5.00%	12/1/2034	2,225,000	-	-	110,000	2,115,000	115,000
Series 2015A	2.00%-4.00%	12/1/2035	4,705,000	-	-	220,000	4,485,000	230,000
Series 2016A	2.00%-4.00%	12/1/2036	3,215,000	-	-	145,000	3,070,000	150,000
Series 2017A	3.00%-4.00%	12/1/2037	905,000	-	-	40,000	865,000	40,000
Series 2018B	2.29%-5.00%	12/1/2038	4,837,719	-	-	181,089	4,656,630	187,012
Series 2018C	4.00%-5.00%	12/1/2038	1,339,550	-	-	118,346	1,221,204	124,994
Series 2019B	1.66%-2.68%	12/1/2039	3,950,000	-	-	118,346	3,831,654	124,994
Series 2020	2.00%-5.00%	12/1/2040	-	11,106,119	-	-	11,106,119	-
Subtotal Business-Type Activities			28,608,753	11,106,119	2,521,501	1,289,418	35,903,953	1,146,506
IMRF loans	2.55%-3.59%	Various	40,691,551	7,756,627	-	5,040,700	43,407,478	5,337,808
Bonds premium			1,973,532	971,759	-	214,618	2,730,673	-
Compensated absences payable - City			846,645	323,304	-	169,329	1,000,620	200,124
Asset retirement obligations			5,081,625	-	-	-	5,081,625	-
Net pension liability - IMRF *			4,463,655	-	-	4,463,655	-	-
OPEB liability			964,463	175,635	-	-	1,140,098	46,824
Subtotal Other Business-Type Activities Liabilities			13,329,920	14,706,998	-	4,847,602	9,953,016	246,948
Total Business-Type Activities Debt and Liabilities			\$ 82,650,224	\$ 20,333,444	\$ 2,521,501	\$ 11,177,220	\$ 89,264,441	\$ 6,731,262
Total Governmental and Business-Type Activities Debt and Liabilities			\$ 508,727,422	\$ 47,380,736	\$ 14,454,997	\$ 58,295,139	\$ 483,338,022	\$ 20,060,526

Note: Sewer Fund, Water Fund, Solid Waste Fund, Parking Fund, and General Fund have been used to liquidate IMRF pension liability. General Fund, Fleet Fund, Water Fund, Parking Fund, Solid Waste Fund, and Sewer Fund have been used to liquidate other postemployment benefit obligations.

\* As December 31, 2020, the City reported an IMRF net pension asset of \$2,414,619 in Governmental Activities and \$647,982 in Business-Type Activities.

**CITY OF EVANSTON, ILLINOIS**  
**Notes to the Financial Statements**  
 For the Fiscal Year Ended December 31, 2020

**NOTE 7. LONG-TERM DEBT - Continued**

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

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 totalling \$109,165,875 in IEPA loans issued in 1994 through 2020. Proceeds from the loans provided financing for the Long-Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues, are payable through 2040. Annual principal and interest on the loans are expected to require \$6,216,694 of net revenues for the fiscal year 2021. The total principal and interest remaining to be paid on the loans is \$49,558,640. Principal and interest paid for the current period and total customer net revenues were \$5,701,905 and \$15,512,398, respectively.

IEPA loans payable consist of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	
				Various	Balance
Various	Various	Various	Various	\$ 109,165,875	\$ 43,407,478
Total Business-Type Activities - IEPA Loan Debt					\$ 43,407,478

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2020

**NOTE 7. 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.

On September 3, 2020, the City issued Series 2020 General Obligation Bonds for a total of \$27,960,000 with interest rates ranging from 2.00%-5.00%. The bonds were issued to provide financing for certain capital improvements (\$15,735,000) and to refund certain outstanding bonds (\$12,225,000).

As described above, \$12,225,000 of the City's 2020 General Obligation bonds issued were to advance refund \$3,715,000 of the outstanding General Obligation Bonds Series 2010A (call date October 15, 2020) and \$10,740,000 of the General Obligation Corporate Purpose Bonds, Series 2011A (call date December 1, 2020). As a result of the refunding, the City realized a cash flow savings of \$2,512,673 and economic gain of approximately \$2,461,970.

The following schedule illustrates the annual debt service requirements to maturity for general obligation bonds.

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 9,311,152	\$ 5,822,512	\$ 1,146,506	\$ 1,332,187
2022	10,261,859	5,370,709	1,303,435	1,225,349
2023	9,738,163	5,011,286	1,626,107	1,163,602
2024	9,635,771	4,628,740	1,845,837	1,095,794
2025	9,984,121	4,237,560	1,920,796	1,018,639
2026-2030	39,706,972	15,635,277	10,686,844	3,843,013
2031-2035	32,824,369	8,828,851	10,135,160	1,916,373
2036-2040	21,004,710	3,713,653	7,239,268	519,482
2041-2043	7,320,000	647,250	-	-
<b>Total</b>	<b>\$ 149,887,117</b>	<b>\$ 53,896,138</b>	<b>\$ 35,903,953</b>	<b>\$ 12,114,439</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2020

**NOTE 7. LONG-TERM DEBT - Continued**

**C. Notes Payable - IEPA Loans**

As of December 31, 2020, the City currently has 19 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:

For the Fiscal Year Ending	Business-Type Activities	
	Principal	Interest
2021	\$ 5,337,808	\$ 878,885
2022	4,081,289	763,792
2023	4,176,131	668,950
2024	3,941,483	574,030
2025	3,147,832	487,284
2026-2030	10,062,645	1,629,295
2031-2035	7,003,619	866,649
2036-2040	5,656,671	282,274
<b>Total</b>	<b>\$ 43,407,478</b>	<b>\$ 6,151,159</b>

**D. Postemployment Benefits other than Pensions (Defined Benefit Plan)**

The City and the Library administer a single-employer defined benefit health care plan which provides coverage to active employees and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses at established contribution rates.

The City's and the Library'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 postemployment 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 and the Library 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 \$540 for single coverage to \$1,984 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 \$493 for single coverage to \$1,984 for family coverage. For the year ended December 31, 2020, the City and Library's estimated contribution to the plan is \$925,502. The City's and the Library's annual other postemployment 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. 75. 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 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 7. LONG-TERM DEBT - Continued

D. Postemployment Benefits other than Pensions (Defined Benefit Plan) - Continued

Membership

At December 31, 2020, membership consisted of:

Retirees and beneficiaries current receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	10
Active employees	<u>682</u>
Total	<u><u>763</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
Measurement date	December 31, 2020
Actuarial cost method	Entry-age normal
Inflation	3.00%
Discount rate	2.00%
Healthcare cost trend rates	7.50% in Fiscal 2020, to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	RP-2014 Blue Collar base rates for Police and Fire, RP-2014 base rates for all other employees, projected to 2020 using scale MP2020.

Discount Rate

The discount rate was based on the S&P Municipal Bond 20 year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2020.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 7. LONG-TERM DEBT - Continued

D. Postemployment Benefits other than Pensions (Defined Benefit Plan) - Continued

Changes in the Total OPEB Liability

	City	Library
Balances at January 1, 2020	\$ 2,172,347	\$ 331,661
Changes for the period		
Service cost	1,228,558	20,992
Interest	583,811	9,976
Changes in benefits	(52,612)	(899)
Differences between expected and actual experience	(2,848,016)	(8,259)
Changes in assumptions	2,429,941	41,521
Implicit benefit payments	(909,954)	(15,548)
Other changes	-	-
Net changes	<u>431,728</u>	<u>47,783</u>
Balances at December 31, 2020	\$ 2,215,075	\$ 379,444

There was a change in assumptions related to the discount rate in 2020.

Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City and Library calculated using the discount rate of 2.00% as well as what the City's and Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate:

	1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (3.00%)
City	\$ 24,494,275	\$ 22,155,075	\$ 20,101,363
Library	419,507	379,444	344,271
Total OPEB Liability	<u>\$ 24,913,782</u>	<u>\$ 22,534,519</u>	<u>\$ 20,445,634</u>

The table below presents the total OPEB liability of the City and Library calculated using the healthcare rate of 7.5% decreasing to 4.5% as well as what the City's and Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.5% decreasing to 3.5%) or 1 percentage point higher (8.5% decreasing to 5.5%) than the current rate:

	1% Decrease (6.5% to 3.5%)	Current Discount Rate (7.5% to 4.5%)	1% Increase (8.5% to 5.5%)
City	\$ 19,349,069	\$ 22,155,075	\$ 25,539,430
Library	331,386	379,444	437,407
Total OPEB Liability	<u>\$ 19,680,455</u>	<u>\$ 22,534,519</u>	<u>\$ 25,976,837</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 7. LONG-TERM DEBT - Continued

D. Postemployment Benefits other than Pensions (Defined Benefit Plan) - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the City recognized OPEB expense of \$971,499. At December 31, 2020, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,542,121	\$ 2,554,917
Changes in assumption		919,770
<b>Total</b>	<b>\$ 4,542,121</b>	<b>\$ 3,474,687</b>

The deferred outflows and deferred inflows of resources presented in the table above include amounts for the City, the Library's proportionate share of the deferred outflows and deferred inflows of resources at December 31, 2020 was \$77,792 and \$59,510 respectively.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	
2021	\$ 105,370
2022	105,370
2023	105,370
2024	105,370
2025	105,370
Thereafter	540,584
<b>Total</b>	<b>\$ 1,067,434</b>

E. Asset Retirement Obligations

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various intake pipelines at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The City estimates the remaining useful lives of the intake pipelines are 54 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 8. FUND EQUITY

A. Restricted Net Position - Fiduciary Funds

Fiduciary Funds	
Firefighters' Pension Fund restriction for employee pension benefits	\$ 10,034,113
Police Pension Fund restriction for employee pension benefits	158,136,437
<b>Total Fiduciary Funds</b>	<b>\$ 259,170,550</b>

B. Assigned Fund Balances

The following are the assigned fund balances:

General Fund	\$ 3,948
Assigned for Arts Council	
Assigned for parkway trees	60,722
Assigned for Butterfield sculpture	30,883
Assigned for scholarship contributions	10,806
Assigned for Noyes Center	254,705
Assigned for recreation group activities	207,123
Assigned for parks and recreation	674,770
Assigned for Mayor's programs	93,179
Assigned for IMRF - Pension	1,112,052
Assigned for compensated absences	1,181,867
Other assignments	237,112
<b>Total General Fund</b>	<b>3,867,167</b>

Nonmajor Governmental Funds	
Assigned for capital improvements	10,670,928
Assigned for special assessment capital projects	2,653,467
<b>Total Nonmajor Governmental Funds</b>	<b>13,324,395</b>

<b>Total Assigned Fund Balances</b>	<b>\$ 17,191,562</b>
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**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**  
For the Fiscal Year Ended December 31, 2020

**NOTE 9. 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 water/sewer service fees related to the citywide water/sewer improvement project; tax increment revenues in the Howard Hartrey Tax Increment District; revenues from the Motor Vehicle Parking System Fund associated with the Maple Garage, Sherman Garage, and 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 20 years until February 28, 2017. The contract was extended further until October 31, 2017. Currently, the City is working with the Village of Skokie to have a new contract with revised terms to supply Lake Michigan water to the Village of Skokie.

The City 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, the City is to supply NWWC sufficient potable Lake Michigan water to satisfy NWWC's maximum 24-hour demands for Lake Michigan water for resale to NWWC's customers.

The City provides potable Lake Michigan water to the Morton Grove Niles Water Commission (MGNWC) under a long-term water supply contract. Sale of potable water under this contract began January 24, 2017 and continues until December 31, 2056. Under the terms of the current contract, the City is to supply MGNWC sufficient potable Lake Michigan water to satisfy MGNWC's maximum 24-hour demands for Lake Michigan water for resale to MGNWC's customers.

The City also provides potable Lake Michigan water to the Village of Lincolnwood (Lincolnwood) under a long-term water supply contract. Sale of potable water under this contract began August 24, 2018 and continues until August 24, 2047.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**  
For the Fiscal Year Ended December 31, 2020

**NOTE 9. INDIVIDUAL FUND ACTIVITIES - Continued**

**C. Special Service District No. 7**

On December 9, 2019, the City Council adopted Ordinance No. 159-O-19 which established Special Service District No. 7. Special Service District No. 7 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 2020 was \$159,444 which includes an estimated allowance amount of \$4,644.

**D. Special Service District No. 8**

On December 9, 2019, the City Council adopted Ordinance No. 160-O-19 which created Special Service District No. 8. Special Service District No. 8 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 2020 was \$62,006 which includes an estimated allowance amount of \$1,806.

**E. Special Service District No. 9**

On December 9, 2019, the City Council adopted Ordinance No. 161-O-19 which terminated the life of Special Service District No. 4 and reestablished the Special Service Area as Special Service Area No. 9. Special Service District No. 9 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 2020 was \$610,995 which includes an estimated allowance amount of \$18,330.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2020

**NOTE 10. 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 \$50,000 (except \$100,000 for flood and earthquake and \$10,000 for artwork) 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.

For workers' compensation, specific excess coverage in excess of \$750,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss of \$1,250,000 to a limit of \$5,000,000.

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 periods are as follows:

	Workers' Compensation	General Liability	Total
<b>December 31, 2018</b>	\$ 3,072,100	\$ 1,585,500	\$ 4,657,600
New claims and/or estimate revisions	233,618	5,780,000	6,013,618
Claims payments	(688,168)	(2,556,500)	(3,244,668)
<b>December 31, 2019</b>	\$ 2,617,550	\$ 4,809,000	\$ 7,426,550
New claims and/or estimate revisions	(164,669)	1,700,000	1,535,331
Claims payments	(570,381)	(137,000)	(707,381)
<b>December 31, 2020</b>	\$ 1,882,500	\$ 6,372,000	\$ 8,254,500

For its health insurance coverages, the City participates through a sub-pool in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors of the sub-pool. To obtain IPBC's financial statements, contact the administrative offices of IPBC at 301 East Irving Park Road, Streamwood, Illinois 60107.

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2020

**NOTE 11. 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 12. 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 Intergovernmental Cooperation Act (the Act), 5 ILCS 220/3.2. The Agency consists of 23 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 by-laws.

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.

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.

Complete financial statements for the Agency can be obtained at 777 W. Hintz Rd., Suite 200, Wheeling, Illinois, 60090.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan.

The City had an aggregate net pension asset of \$3,062,601, aggregate net pension liability of \$192,411,026, aggregate deferred outflows of resources of \$29,835,349, aggregate deferred inflows of resources of \$41,587,072 and aggregate pension expense of \$37,141,860 at December 31, 2020.

A. Plan Descriptions

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police or Firefighters' Pension Plan). 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 supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	692
Inactive employees entitled to but not yet receiving benefits	390
Active employees	517
Total	1,599

The IMRF data included in the table above includes membership of both the City and the Library.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by state statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2020 was 8.7% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
Balances at January 1, 2019	\$ 250,883,936	\$ 227,623,622	\$ 23,260,314
Changes for the period			
Service cost	3,926,313	-	3,926,313
Interest	17,812,836	-	17,812,836
Difference between expected and actual experience	(166,989)	-	(166,989)
Changes in assumptions	-	-	-
Employer contributions	-	2,379,845	(2,379,845)
Employee contributions	-	1,845,576	(1,845,576)
Net investment income	-	43,379,549	(43,379,549)
Benefit payments and refunds	(14,305,617)	(14,305,617)	-
Administrative expense	-	-	-
Other (net transfer)	-	647,604	(647,604)
Net changes	7,266,543	33,946,957	(26,680,414)
Balances at December 31, 2019	\$ 258,150,479	\$ 261,570,579	\$ (3,420,100)

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the net pension liability at January 1, 2019, the employer contributions, and the net pension liability (asset) at December 31, 2019 was \$21,001,738, \$2,131,151, and (\$3,062,601), respectively. The Library's proportionate share of the net pension liability at January 1, 2019, the employer contributions and the net pension liability (asset) at December 31, 2019 was \$2,258,576, \$248,694, and (\$357,499), respectively.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Actuarial Assumptions - Continued

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no changes in assumptions made since the prior measurement date.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the City's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2020, the City recognized pension expense of \$1,785,253. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,210,283	\$ 579,656
Changes in assumption	2,656,268	1,449,505
Net difference between projected and actual earnings on pension plan investments	-	10,308,393
Employer contributions after the measurement date	2,815,288	-
Total	<u>\$ 6,681,839</u>	<u>\$ 12,337,554</u>

The deferred outflows presented in the table above include amounts for the City. The Library's proportionate share of the deferred outflows and inflows of resources at December 31, 2020 was \$779,974 and \$1,440,168, respectively.

\$2,815,288 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2021	\$ (2,691,900)
2022	(1,803,291)
2023	898,911
2024	(4,874,723)
Thereafter	-
Total	<u>\$ (8,471,003)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$ 24,065,108	\$ (3,062,601)	\$ (25,454,869)
Library	2,809,128	(357,499)	(2,971,356)
Total	<u>\$ 26,874,236</u>	<u>\$ (3,420,100)</u>	<u>\$ (28,426,225)</u>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans

Plan Administration

The Police Pension Plan and Firefighters' Pension Plan are contributory, single employer 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 accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

The plans are governed by a five-member pension board. Two members appointed by the City's Council, one elected retired pension member, and two elected active members constitute the pension boards.

The Police and Firefighters' Pension Plans are accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized on an expense and liability when due and payable.

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 liability.

Plan Membership

At January 1, 2020, plan membership consisted of:

	Police Pension	Firefighters' Pension
Inactive plan members or beneficiaries currently receiving benefits	183	146
Inactive plan members entitled to but not yet receiving benefits	19	2
Active plan members	155	102
Total	357	250

Benefits Provided

As provided for in the Illinois Compiled Statutes, the Police and Firefighters' Pension Funds provide retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police and Firefighters' Pension Funds as provided for in Illinois Compiled Statutes.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Benefits Provided - Continued

Police Pension Plan

Tier 1 - Covered employees hired prior to January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees hired on or after January 1, 2011 attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtained by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period, or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of 1/3 of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Firefighters' Pension Plan

Tier 1 - Covered employees hired prior to January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth 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. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees hired on or after January 1, 2011 attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of (1) the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period, or (2) the average monthly salary obtained during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of 1/3 of the annual change in the Consumer Price Index or 3% compounded annually. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as accurately determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2020, the City's contribution was 73.05% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2019, the contribution percentage was 9.45%. If a participant leaves covered with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2020, the City's contribution was 88.77% of covered payroll.

Investment Policy

Police Pension Fund

Permitted Deposits and Investments - Statutes and the Police Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. The Illinois Funds, IMET, certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 65% of the total net position of the Fund), contracts and agreements of life insurance companies (no more than 10% of portfolio in real estate and no more than 10% of portfolio in bonds with ratings of less than Baat), and corporate bonds. During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Police Pension Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large-Cap Equities	52.00%	3.60%
Domestic Small-Cap Equities	5.00%	4.50%
International Equities	32.00%	5.20%
Fixed Income	3.00%	1.10%
REITS	3.00%	4.00%
Cash	<u>3.00%</u>	<u>-0.10%</u>
Total	<u>100.00%</u>	

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Investment Policy - Continued

Police Pension Fund - Continued

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are listed in the table above.

Firefighters' Pension Fund

The Firefighters' Pension Fund (the Fund) allows funds to be invested in any type of security authorized by the Illinois Pension Code. During the year, no changes to the investment policy were approved by the Board of Trustees. The Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Firefighters' Pension Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap	36.00%	6.90%
U.S. Mid Cap	7.95%	7.60%
U.S. Small Cap	4.95%	7.30%
International Equities	6.80%	6.20%
Emerging & Frontier Market Equities	0.60%	8.70%
Fixed Income and Preferred Alternatives	34.40%	1.80%
	<u>9.30%</u>	<u>4.40%</u>
Total	<u>100.00%</u>	

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are listed in the table above.

Investment Valuations

All investments in the Police and Firefighters' Pension Plans are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for any insurance contracts. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Investment Rate of Return

For the year ended December 31, 2020, the Police Pension Plan annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 12.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

For the year ended December 31, 2020, the Firefighters' Pension Plan annual money weighted rate of return on pension plan investment, net of pension plan investment expense, was 12.72%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Funds' deposits may not be returned to them. The Funds' investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Funds' deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Police Pension Funds' debt securities as of December 31, 2020:

Police Pension Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 5 Years	6 - 10 Years
Corporate bonds	\$ 20,946,989	\$ -	\$ 5,746,617	\$ 10,828,672
U.S. Treasuries	16,087,610	945,294	4,792,287	7,779,381
Federal Home Loan Bank	5,787,578	5,787,171	407	-
Federal Home Loan Mortgage Corp	604,890	19	16,046	10,111
Fannie Mae	1,868,071	240	263,208	215,356
Ginnie Mae	74,341	51	8,055	8,684
Other U.S. Government Agencies	15,500	-	-	15,500
Total Police Investments	\$ 45,384,079	\$ 6,732,775	\$ 10,826,620	\$ 18,857,704
				\$ 8,967,880

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2020:

Firefighters' Pension Investment Type	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1 - 5 Years	6 - 10 Years
Corporate bonds	\$ 10,344,244	\$ 70,000	\$ 6,556,131	\$ 3,827,075
U.S. Treasuries	4,549,438	-	1,251,358	3,298,080
Federal Home Loan Bank	1,017,692	-	404,877	612,815
Federal Home Loan Mortgage Corp	4,556,258	1,900,599	1,570,809	223,651
Fannie Mae	646,499	-	466,673	179,826
Total Firefighters' Investments	\$ 21,514,131	\$ 1,970,599	\$ 10,249,848	\$ 8,141,447
				\$ 1,152,237

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Interest Rate Risk - Continued

In accordance with its investment policies, the Funds limit exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds not needed within a one-year period. The investment policies do not limit the maximum maturity length of investments in the Funds.

The Police and Firefighters' Pension Funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The City's Police Pension Fund has the following recurring fair value measurements as of December 31, 2020. The U.S. Treasury Obligations, Domestic and International Equity securities, and mutual funds are valued using quoted market prices (Level 1 inputs). Corporate bonds and U.S. agency obligations, and real estate pools are valued using matrix pricing models (Level 2 inputs).

The City's Firefighters' Pension Fund has the following recurring fair value measurements as of December 31, 2020. The U.S. Treasury Obligations, equity index funds, and mutual funds are valued using quoted market prices (Level 1 inputs). Corporate bonds and U.S. agency obligations are valued using matrix pricing models (Level 2 inputs).

Credit Risk

The Funds limit its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government bonds and investment grade bonds. The U.S. Treasury and agency obligations are rated by Moody's Aaa and the corporate bonds are rated between Baa3 and Aaa. The Illinois Funds is rated Aaa by Standard and Poor's.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Funds will not be able to recover the value of their investments that are in possession of an outside party. To limit its exposure, the Funds' investment policies require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Funds' agent separate from where the investment was purchased in the Funds' name. The Illinois Funds and MET are not subject to custodial credit risk.

Concentration of Credit Risk - Illinois Compiled Statutes (ILCS) limits the Funds' investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The Police Pension Trust Fund had no significant investments (other than U.S. Treasuries) in any one organization that represented 5% or more of the funds' fiduciary net position.

The Firefighters' Pension Trust Fund had no significant investments (other than U.S. Treasuries) in any one organization that represented 5% or more of the fund's fiduciary net position.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued  
Police and Firefighters' Pension Plans - Continued

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed using the following actuarial methods and assumptions.

	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2020	December 31, 2020
Actuarial cost method	Entry-age normal	Entry-age normal
Asset valuation method	5 year smoothing	5 year smoothing
Actuarial assumptions:		
Projected salary increases graded by age	From 7.36% to 3.62%	From 7.36% to 3.62%
Inflation	2.50%	2.50%
Interest rate	6.50%	6.50%
Cost-of-living adjustments	From 3.00% to 1.25%	From 3.00% to 1.25%

Mortality rates were based on PubS.H-2010 Employee mortality, projected five years past the valuation date with Scale MP-2019.

Discount Rate

The discount rate used to measure the total police pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Police Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 90% of the past service cost on the level dollar method by 2040.

The discount rate used to measure the total firefighters' pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Firefighters' Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 90% of the past service cost on the level dollar method by 2040.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued  
Police and Firefighters' Pension Plans - Continued

Discount Rate (Continued)

	1% Decrease	Current Discount Rate	1% Increase
Police Pension Fund:			
Discount rate	5.50%	6.50%	7.50%
Net pension liability	\$ 137,125,985	\$ 101,621,116	\$ 72,466,825
Firefighters' Pension Fund:			
Discount rate	5.50%	6.50%	7.50%
Net pension liability	\$ 116,474,233	\$ 90,789,910	\$ 69,664,838
Total Net Pension Liability	\$ 253,600,218	\$ 192,411,026	\$ 142,131,663

Changes in the Net Pension Liability

Police Pension Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2020	\$ 250,956,427	\$ 141,309,841	\$ 109,646,586
Changes for the period			
Service cost	4,018,178	-	4,018,178
Interest	16,138,601	-	16,138,601
Difference between expected and actual experience	2,021,226	-	2,021,226
Employer contributions	-	11,225,650	(11,225,650)
Employee contributions	-	1,522,969	(1,522,969)
Net investment income	-	17,521,008	(17,521,008)
Benefit payments and refunds	(13,376,879)	(13,376,879)	-
Administrative expense	-	(66,152)	66,152
Net changes	8,801,126	16,826,596	(8,025,470)
Balances at December 31, 2020	\$ 259,757,553	\$ 158,136,437	\$ 101,621,116

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Changes in the Net Pension Liability - Continued

Firefighters' Pension Fund	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2020	\$ 186,994,776	\$ 89,807,041	\$ 97,187,735
Changes for the period			
Service cost	2,948,730	-	2,948,730
Interest	12,013,035	-	12,013,035
Difference between expected and actual experience	122,642	-	122,642
Employer contributions	-	9,257,516	(9,257,516)
Employee contributions	-	986,040	(986,040)
Net investment income	-	11,387,655	(11,387,655)
Benefit payments and refunds	(10,255,160)	-	10,255,160
Administrative expense	-	(148,979)	148,979
Net changes	4,829,247	11,227,072	(6,397,825)
Balances at December 31, 2020	\$ 191,824,023	\$ 101,034,113	\$ 90,789,910

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Police Pension Fund

For the year ended December 31, 2020, the City recognized police pension expense of \$22,497,362. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,207,451	\$ 535,700
Changes in assumption	6,956,876	3,729,714
Net difference between projected and actual earnings on pension plan investments	-	13,829,733
Total	\$ 13,164,327	\$ 18,095,147

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

Police Pension Fund - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

	Year Ending December 31,
2021	\$ (682,269)
2022	(320,044)
2023	(4,076,302)
2024	147,795
2025	-
Thereafter	-
Total	\$ (4,930,820)

Firefighters' Pension Fund

For the year ended December 31, 2020, the City recognized firefighters' pension expense of \$12,859,245. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,896,553	\$ 539,870
Changes in assumption	6,092,630	3,096,180
Net difference between projected and actual earnings on pension plan investments	-	7,518,321
Total	\$ 9,989,183	\$ 11,154,371

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

Firefighters' Pension Fund - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan will be recognized in pension expense as follows:

Year Ending December 31,	
2021	\$ 375,024
2022	258,099
2023	(2,354,139)
2024	537,388
2025	20,440
Thereafter	-
Total	\$ (1,165,188)

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 14. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan:

A. Schedule of Net Position

Assets	Firefighters' Pension	Police Pension	Total
Cash and cash equivalents	\$ 4,544,472	\$ 9,442,417	\$ 13,986,889
Investments at fair value			
U.S. Treasury obligations	4,549,438	16,087,610	20,637,048
U.S. agency obligations	6,220,449	8,350,380	14,570,829
Corporate bonds	10,744,244	20,946,989	31,691,233
Common stock	-	41,496,949	41,496,949
Equity mutual funds	74,872,230	60,402,119	135,274,349
Real estate	-	1,068,929	1,068,929
Receivables			
Accrued interest	104,348	297,960	402,308
Prepays	8,966	-	8,966
Due from City	16,105	43,084	59,189
Total Assets	101,060,252	158,136,437	259,196,689
Liabilities			
Accounts payable	26,139	-	26,139
Total Liabilities	26,139	-	26,139
Net Position Held in Trust For Pension Benefits	\$ 101,034,113	\$ 158,136,437	\$ 259,170,550

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 14. PENSION TRUST FUNDS - Continued

Fiduciary Funds Summary Financial Information - Continued

B. Changes in Plan Net Position

	Firefighters' Pension	Police Pension	Total
<b>Additions</b>			
Contributions			
Employer	\$ 9,257,516	\$ 11,225,650	\$ 20,483,166
Plan members	986,040	1,522,969	2,509,009
Total Contributions	10,243,556	12,748,619	22,992,175
<b>Investment Income</b>			
Net appreciation (depreciation) in fair value of investments	9,357,705	15,357,758	24,715,463
Interest on investments	2,178,418	2,579,449	4,757,867
Less investment expenses	(148,468)	(399,999)	(548,467)
Total Investment Income	11,387,655	17,537,208	28,924,863
Total Additions	21,631,211	30,285,827	51,917,038
<b>Deductions</b>			
Administrative Benefits payments	148,979	66,152	215,131
Total Deductions	10,255,160	13,593,079	23,848,239
Net Increase (Decrease)	11,227,072	16,826,596	28,053,668
<b>Net Position Held in Trust For Pension Benefits</b>			
January 1	89,807,041	141,309,841	231,116,882
December 31	\$ 101,034,113	\$ 158,136,437	\$ 259,170,550

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2020

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT

A. Types of Accounts and Securities

Illinois Statutes authorize the Library 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 Government, IMET, and The Illinois Funds.

Library investments consists of equities, ETFs, money market funds, mutual funds, corporate bonds, and U.S. Treasuries. Investments are reported at fair value, except that non-negotiable certificate of deposits are stated at cost. The Library has a formal investment policy adopted by its governing board to handle endowment funds. The funds will be invested and administered by a three-member committee. It is the general policy of the Library to invest the funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds using "prudent person" standard for managing the overall portfolio. It may be noted though that the Library has investments in equities which is not permissible under the state statutes.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair-value of an investment. The exposure to interest rate risk can be limited by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter term securities.

Credit Risk is the risk that the issuer of the debt security will not pay its par value upon maturity. The Library's investment policy has several guidelines to minimize the potential losses on individual investment by diversifying the investment portfolio, not permitting the investment in certain high risk securities. 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 Illinois Funds, created by the Illinois State Legislature under the control of the State Comptroller, operates as qualified external investment pools in accordance with the criteria established in GASB Statement No. 79. Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Funds Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Illinois Funds are not subject to custodial credit risk.

Concentration of Credit Risk is the risk that the Library has a high percentage of its investments invested in one type of investments. Currently, the Library has diversified its investments in various types of investments. The Library investment policy provides the high/low limits for various type of investments like equity, fixed income securities, and cash.

*Custodial Credit Risk.* For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. At December 31, 2020, all of the Library's deposits were insured or collateralized by an agent of the Library in the Library's name.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT - Continued

B. Reconciliation of Cash and Investments

Cash and Equivalents	\$ 2,487,666
Investments	6,902,055
<b>Total per Statement of Position</b>	<b>\$ 9,389,721</b>
Cash in bank	\$ 2,487,666
Vanguard Money Market	3,066,420
Vanguard Equity Mutual Funds	6,595,635
<b>Total Cash and Investments</b>	<b>\$ 9,389,721</b>

C. Summary of Receivables

Receivables:	
Property taxes	\$ 7,734,243

D. Capital Assets Activity

	Beginning	Additions	Deletions	Ending
Capital Assets, not being Depreciated:				
Land	\$ 311,380	-	-	\$ 311,380

Capital Assets, being Depreciated/Amortized:

Buildings and improvements	20,310,711	88,225	-	20,398,936
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	230,006	-	230,006	-
Library collections	9,417,385	-	448,162	8,969,223
Capitalized leases	266,190	-	-	266,190
<b>Total capital assets being depreciated/amortized</b>	<b>32,509,301</b>	<b>88,225</b>	<b>448,162</b>	<b>32,149,364</b>
Less Accumulated Depreciation/Amortization for:				
Buildings and improvements	9,428,071	490,252	-	9,918,323
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	154,989	14,757	-	169,746
Library collections	8,447,388	235,633	115,015	8,568,006
Capitalized leases	266,190	-	-	266,190
<b>Total Accumulated Depreciation/Amortization</b>	<b>20,581,647</b>	<b>740,642</b>	<b>115,015</b>	<b>21,207,274</b>
<b>Total Capital Assets being Depreciated/Amortized, Net</b>	<b>11,927,654</b>	<b>(652,417)</b>	<b>333,147</b>	<b>10,942,090</b>
<b>Library Activities Capital Assets, Net</b>	<b>\$ 12,239,034</b>	<b>\$ (652,417)</b>	<b>\$ 333,147</b>	<b>\$ 11,253,470</b>

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2020

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT - Continued

E. Long-Term Debt

	Interest Rate	Final Maturity Date	Balance 1/1/2020	Issued	Payments	Balance 12/31/2020	Due Within One Year
<b>General Obligations Debt</b>							
Series 2013B	2.00%-3.00%	12/1/2025	\$ 163,610	\$ -	\$ 25,492	\$ 138,118	\$ 26,107
Series 2016A	2.00%-4.00%	12/1/2036	580,000	-	25,000	555,000	25,000
Series 2017A	3.00%-4.00%	12/1/2037	1,290,000	-	50,000	1,240,000	55,000
Series 2017B	4.00%-5.00%	12/1/2027	581,126	-	66,898	514,228	68,107
Series 2018B	2.29%-5.00%	12/1/2038	2,031,842	-	-	2,031,842	-
Series 2019B	1.66%-2.68%	12/1/2039	1,835,000	-	55,258	1,779,742	58,129
			6,481,578	-	222,648	6,258,930	232,343
Bond premiums			595,021	-	60,020	535,001	-
Total OPEB liability			331,661	47,783	-	379,444	15,584
Compensated absences payable - Library			332,076	172,160	66,415	437,821	87,564
Net pension liability - IMRF			2,258,576	-	2,258,576	-	-
<b>Total Long-Term Debt</b>			<b>\$ 9,998,912</b>	<b>\$ 219,943</b>	<b>\$ 2,607,659</b>	<b>\$ 7,611,196</b>	<b>\$ 335,491</b>

The Library had an IMRF net pension asset of \$357,499 at December 31, 2020.

The following schedule illustrates the annual debt service requirements to maturity for Library General Obligation Bonds.

Year Ending December 31,	Principal	Interest
2021	\$ 232,343	\$ 249,900
2022	264,706	241,919
2023	275,730	232,183
2024	353,392	221,284
2025	370,083	206,866
2026-2030	1,676,184	809,072
2031-2035	1,845,470	463,238
2036-2040	1,241,022	111,985
<b>Total</b>	<b>\$ 6,258,930</b>	<b>\$ 2,536,447</b>

**CITY OF EVANSTON, ILLINOIS**

**Notes to the Financial Statements**  
For the Fiscal Year Ended December 31, 2020

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**NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2020, in accordance with GASB Statement No. 83, a restatement was recorded in the amount of \$1,255,000 in order to record the cost of sealing and abandoning an intake pipeline as an asset retirement obligation, which is at the end of its useful life, and therefore has no related deferred outflows of resources to amortize.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EVANSTON, ILLINOIS**

Schedule of Changes in the Employer's  
Total OPEB Liability and Related Ratios  
Other Postemployment Benefit Plan

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 1,050,028	\$ 974,443	\$ 1,249,550
Interest	630,168	733,796	593,787
Benefit changes	-	-	(53,511)
Differences between expected and actual experience	-	-	(2,856,275)
Changes in assumptions	(1,272,525)	2,879,775	2,471,462
Implicit benefit payments	(797,159)	(860,932)	(925,502)
Other changes	-	-	-
Net change in total OPEB liability	(389,488)	3,727,082	479,511
Total OPEB liability - beginning	18,717,414	18,327,926	22,055,008
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 18,327,926</b>	<b>\$ 22,055,008</b>	<b>\$ 22,534,519</b>
Covered payroll	\$ 59,333,084	\$ 60,964,744	\$ 59,251,377
Employer's total OPEB liability as a percentage of covered payroll	30.89%	36.18%	38.03%

There was a change in assumptions related to the mortality rates assumption and discount rate in 2020. There was a change in benefit terms related to the elimination of the excise tax in 2020.

There was a change in assumptions related to the discount rate in 2019.

There was a change in assumptions related to the discount rate and mortality rate assumptions in 2018.

The information above is presented for the City and Library in total.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Schedule of Employer Contributions  
Illinois Municipal Retirement Fund

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 3,977,718	\$ 3,882,629	\$ 3,695,564	\$ 3,634,209	\$ 2,379,845	\$ 3,235,547
Contributions in relation to the actuarially determined contribution	4,018,268	3,963,856	3,702,271	3,634,209	2,379,845	3,235,547
Contribution Deficiency (Excess)	\$ (40,550)	\$ (81,227)	\$ (6,707)	\$ -	\$ -	\$ -
Percentage contributed	101.0%	102.1%	100.2%	100.0%	100.0%	100.0%
Covered payroll	\$ 37,703,487	\$ 37,477,116	\$ 37,480,368	\$ 38,519,776	\$ 38,103,750	\$ 37,065,814
Contributions as a percentage of covered payroll	10.7%	10.6%	9.9%	9.4%	6.2%	8.7%

Notes to the Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increases assumption of 3.325% to 14.25% annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions  
Police Pension Fund

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 8,558,924	\$ 8,257,475	\$ 9,380,940	\$ 10,237,200	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650
Contributions in relation to the actuarially determined contribution	8,644,196	8,804,264	9,450,824	10,300,549	10,462,704	10,502,308	11,225,650
Contribution Deficiency (Excess)	\$ (285,272)	\$ (546,789)	\$ (69,884)	\$ (63,349)	\$ -	\$ -	\$ -
Percentage contributed	103.4%	106.6%	100.7%	100.6%	100.0%	100.0%	100.0%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002
Contributions as a percentage of covered payroll	63.9%	59.0%	54.1%	67.1%	66.0%	65.7%	73.0%

Notes to the Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay; closed and the amortization period was 20 years; the asset valuation method was market and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions  
Firefighters' Pension Fund

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 6,239,481	\$ 5,903,483	\$ 7,350,865	\$ 8,148,709	\$ 8,344,947	\$ 8,266,584	\$ 9,247,042
Contributions in relation to the actuarially determined contribution	6,527,697	6,385,244	7,396,641	8,205,800	8,344,947	8,266,584	9,257,516
Contribution Deficiency (Excess)	\$ (288,216)	\$ (481,761)	\$ (45,776)	\$ (57,091)	\$ -	\$ -	\$ (10,474)
Percentage contributed	104.6%	108.2%	100.6%	100.7%	100.0%	100.0%	100.1%
Covered payroll	\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768
Contributions as a percentage of covered payroll	68.6%	61.4%	70.1%	79.6%	71.8%	79.9%	88.8%

Notes to the Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay; closed and the amortization period was 20 years; the asset valuation method was market; and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Schedule of Changes in the Employer's  
Net Pension Liability and Related Ratios  
Illinois Municipal Retirement Fund

Last Six Fiscal Years

	2014		2015		2016	
MEASUREMENT DATE DECEMBER 31,						
Total Pension Liability						
Service cost	\$ 3,898,440	\$ 3,910,996	\$ 3,951,687			
Interest	14,880,724	16,235,086	16,947,408			
Changes in benefit terms	-	-	-			
Differences between expected and actual experience	3,043,895	1,465,442	(2,905,680)			
Changes of assumptions	7,927,038	266,906	(269,039)			
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)			
Net Change in Total Pension Liability	18,282,000	9,950,085	5,453,812			
Total Pension Liability - Beginning	202,194,485	220,476,485	230,426,570			
Total Pension Liability - Ending	\$ 220,476,485	\$ 230,426,570	\$ 235,880,382			
Plan Fiduciary Net Position						
Contributions - employer	\$ 3,963,983	\$ 4,018,268	\$ 3,963,856			
Contributions - member	1,710,168	1,767,523	1,705,686			
Net investment income	12,425,190	1,062,353	14,441,739			
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)			
Administrative expense	2,322,043	737,427	(142,981)			
Net Change in Plan Fiduciary Net Position	8,953,287	(4,342,774)	7,697,686			
Plan Fiduciary Net Position - Beginning	206,588,617	215,541,904	211,199,130			
Plan Fiduciary Net Position - Ending	\$ 215,541,904	\$ 211,199,130	\$ 218,896,816			
Employer's Net Pension Liability (Asset)	\$ 4,934,581	\$ 19,227,440	\$ 16,983,566			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	91.66%	92.80%			
Covered payroll	\$ 35,171,426	\$ 37,703,487	\$ 37,477,116			
Employer's net pension liability as a percentage of covered payroll	14.03%	51.00%	45.32%			
There were changes in assumptions related to the discount rate in 2018.						
There were changes in assumptions related to price inflation, salary increases, retirement age and mortality rates in 2017. There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the actuarial valuation dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuations, dated December 31, 2015 and December 31, 2014 was 7.49% and 7.50%, respectively.						
Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.						

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's  
Net Pension Liability and Related Ratios  
Police Pension Fund

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service cost	\$ 3,439,223	\$ 3,488,385	\$ 3,679,212	\$ 3,993,751	\$ 4,285,425	\$ 3,980,758	\$ 4,018,178
Interest	12,284,036	12,663,010	13,192,680	14,088,889	14,433,770	15,128,398	16,138,601
Changes in benefit terms	-	-	-	-	-	853,365	-
Differences between expected and actual experience	-	3,928,479	(3,214,201)	424,390	3,079,328	4,364,013	2,021,226
Changes of assumptions	-	5,791,392	11,039,027	7,096,300	(7,459,427)	4,127,403	-
Benefit payments, including refunds of member contributions	(9,891,045)	(10,424,955)	(10,970,916)	(11,475,943)	(11,937,685)	(12,522,660)	(13,376,879)
Net Change in Total Pension Liability	5,832,214	15,446,311	13,725,802	14,127,387	2,401,411	15,931,277	8,801,126
Total Pension Liability - Beginning	183,492,025	189,324,239	204,770,550	218,496,352	232,623,739	235,025,150	250,956,427
Total Pension Liability - Ending	\$ 189,324,239	\$ 204,770,550	\$ 218,496,352	\$ 232,623,739	\$ 235,025,150	\$ 250,956,427	\$ 259,757,553
Plan Fiduciary Net Position							
Contributions - employer	\$ 8,644,196	\$ 8,894,264	\$ 9,450,824	\$ 10,300,549	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650
Contributions - member	1,565,063	1,454,720	1,731,740	1,521,467	1,570,309	1,583,631	1,522,969
Net investment income	8,675,133	430,756	7,544,856	15,240,680	(4,911,053)	25,043,593	17,521,008
Benefit payments, including refunds of member contributions	(9,891,045)	(10,424,955)	(10,970,916)	(11,475,943)	(11,937,685)	(12,522,660)	(13,376,879)
Administrative expense	(68,938)	(71,408)	(123,796)	(148,631)	(58,885)	(52,088)	(66,152)
Net Change in Plan Fiduciary Net Position	8,924,399	193,377	7,632,708	15,438,122	(4,874,610)	24,554,784	16,826,596
Plan Fiduciary Net Position - Beginning	90,763,143	99,687,542	98,558,837	106,191,545	121,629,667	116,755,057	141,309,841
Prior period adjustment	-	(1,322,082)	-	-	-	-	-
Plan Fiduciary Net Position - Beginning, restated	90,763,143	98,365,460	98,558,837	106,191,545	121,629,667	116,755,057	141,309,841
Plan Fiduciary Net Position - Ending	\$ 99,687,542	\$ 98,558,837	\$ 106,191,545	\$ 121,629,667	\$ 116,755,057	\$ 141,309,841	\$ 158,136,437
Employer's Net Pension Liability	\$ 89,636,697	\$ 106,211,713	\$ 112,304,807	\$ 110,994,072	\$ 118,270,093	\$ 109,646,586	\$ 101,621,116
Plan fiduciary net position as a percentage of the total pension liability	52.65%	48.13%	48.60%	52.29%	49.68%	56.31%	60.88%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002
Employer's net pension liability as a percentage of covered payroll	662.13%	711.81%	642.67%	722.95%	746.39%	686.14%	661.25%

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-101-0610 (SB 1300).

For the measurement date December 31, 2018, there were changes in assumptions related to the mortality tables. Additionally, the discount rate was increased to 6.50%.

The discount rate used in the valuation dated December 31, 2017 is 6.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, is 6.50%. The discount rate used in the valuation dated, dated December 31, 2014 was 6.75%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Schedule of Changes in the Employer's  
Net Pension Liability and Related Ratios  
Firefighters' Pension Fund

Last Seven Fiscal Years

MEASUREMENT DATE	DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability		\$ 2,326,092	\$ 2,431,680	\$ 2,731,257	\$ 2,813,961	\$ 3,026,223	\$ 2,763,258	\$ 2,948,730
Service cost		9,391,253	9,656,198	9,922,911	10,507,435	10,741,734	11,061,538	12,013,035
Interest		-	-	-	-	-	799,936	-
Changes in benefit terms		-	1,184,609	(3,239,221)	368,761	384,928	5,218,449	122,642
Differences between expected and actual experience		-	4,239,772	7,971,672	5,192,584	(6,192,362)	4,549,731	-
Changes of assumptions		(7,227,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)
Benefit payments, including refunds of member contributions		3,989,662	9,443,794	9,042,679	10,273,372	(1,190,307)	14,768,146	4,829,247
Net Change in Total Pension Liability		140,667,430	144,657,092	154,100,886	163,143,565	173,416,937	172,226,630	186,994,776
Total Pension Liability - Beginning		\$ 1,444,657,092	\$ 1,541,000,886	\$ 1,631,443,565	\$ 1,734,169,937	\$ 1,722,226,630	\$ 186,994,776	\$ 191,824,023
Total Pension Liability - Ending		\$ 1,444,657,092	\$ 1,541,000,886	\$ 1,631,443,565	\$ 1,734,169,937	\$ 1,722,226,630	\$ 186,994,776	\$ 191,824,023
Plan Fiduciary Net Position		\$ 6,527,697	\$ 6,385,244	\$ 7,396,641	\$ 8,205,800	\$ 8,344,947	\$ 8,266,584	\$ 9,257,516
Contributions - employer		919,874	956,092	997,198	974,992	1,098,506	954,112	986,040
Contributions - member		3,549,131	228,236	3,894,765	7,974,296	(3,478,827)	14,527,581	11,387,655
Net investment income		(7,227,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)
Benefit payments, including refunds of member contributions		(62,248)	(44,597)	(85,750)	(72,640)	(105,755)	(97,588)	(148,979)
Administrative expense		3,216,771	(542,990)	3,858,914	8,473,079	(3,291,959)	14,025,923	11,227,072
Net Change in Plan Fiduciary Net Position		65,024,941	68,241,712	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041
Plan Fiduciary Net Position - Beginning		-	(957,638)	-	-	-	-	-
Prior period adjustment		-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending		65,024,941	67,284,074	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041
Plan Fiduciary Net Position - Beginning		\$ 68,241,712	\$ 66,741,084	\$ 70,599,998	\$ 79,073,077	\$ 75,781,118	\$ 89,807,041	\$ 101,034,113
Employer's Net Pension Liability		\$ 764,153,800	\$ 873,599,802	\$ 923,443,567	\$ 943,443,860	\$ 966,445,512	\$ 971,887,735	\$ 90,789,910
Plan Fiduciary net position as a percentage of the total pension liability		47.17%	43.31%	43.27%	45.60%	44.00%	48.03%	52.67%
Covered payroll		\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768
Employer's net pension liability as a percentage of covered payroll		802.60%	840.29%	877.46%	914.90%	830.12%	939.78%	870.57%

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-101-0610 (SB 1300).

For the measurement date December 31, 2018, there were changes in assumptions related to the mortality tables. Additionally, the discount rate was increased to 6.50%.

The discount rate used in the valuation dated December 31, 2017 is 6.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, is 6.50%. The discount rate used in the actuarial valuation dated December 31, 2014 was 6.75%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 66,862,987	\$ 61,844,183	\$ (5,018,804)
Licenses and permits	10,653,350	11,852,700	1,199,350
Intergovernmental	18,755,317	20,623,159	1,867,842
Charges for services	9,625,150	7,878,650	(1,746,500)
Fines	4,650,500	2,982,548	(1,667,952)
Investment income	55,000	69,081	14,081
Miscellaneous	1,668,100	1,925,810	257,710
<b>Total Revenues</b>	<b>112,270,404</b>	<b>107,176,131</b>	<b>(5,094,273)</b>
<b>Expenditures</b>			
General management and support	18,489,252	17,519,219	(970,033)
Public safety	67,117,443	65,564,462	(1,552,981)
Public works	13,002,083	11,566,570	(1,435,513)
Health and human services development	4,741,929	3,749,232	(992,697)
Recreation and cultural opportunities	11,456,451	9,351,125	(2,105,326)
Housing and economic development	3,425,044	3,131,019	(294,025)
<b>Total Expenditures</b>	<b>118,232,202</b>	<b>110,881,627</b>	<b>(7,350,575)</b>
Excess (Deficiency) of Revenues Over Expenditures	(5,961,798)	(3,705,496)	2,256,302
<b>Other Financing Sources (Uses)</b>			
Transfers in	9,923,153	9,369,103	(554,050)
Transfers (out)	(2,336,042)	(2,878,542)	(542,500)
<b>Total Other Financing Sources (Uses)</b>	<b>7,587,111</b>	<b>6,490,561</b>	<b>(1,096,550)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,625,313</b>	<b>2,785,065</b>	<b>\$ 1,159,752</b>
<b>Fund Balances</b>			
Beginning of Year		15,889,899	
End of Year		\$ 18,674,964	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Schedule of Investment Returns  
 Police Pension Fund

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31, 2014 2015 2016 2017 2018 2019 2020

Annual money-weighted rate of return, net of investment expense

9.54% 1.45% 6.90% 14.25% -5.20% 21.13% 12.88%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, return information should be presented for as many years as is available.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Investment Returns  
Firefighters' Pension Fund

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31, 2014 2015 2016 2017 2018 2019 2020

Annual money-weighted rate of return,  
net of investment expense

5.47% 0.36% 5.90% 11.42% -4.54% 19.62% 12.72%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, return information should be presented for as many years as is available.

CITY OF EVANSTON, ILLINOIS

Notes to Required Supplementary Information  
December 31, 2020

Budgetary Information

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

1. Because of a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2020. 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.
5. Budgets are legally adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Funds, and Pension Trust Funds. All annual budgets lapse at fiscal year end.

Discrete Component Unit:

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

1. Because of a calendar year, the Library Director submits a proposed operating budget for the upcoming fiscal year commencing January 1, 2020 to the EPL Board of Trustees. Upon approval of the budget proposal by the EPL Board of Trustees, the Library's proposed budget is submitted to the City Manager. The Library's budget is included in the budget document which the City Manager will submit to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A series of public library board meetings are conducted as the EPL Board of Trustees considers the budget proposal. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution by the City Council.
4. The Library Director is authorized to transfer budgeted amounts between library departments within any library fund; however, any revisions that alter the total expenditures of any library fund must be approved by the EPL Board of Trustees. There were budget allocations within the Library Fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP. The budget is prepared for the Library Operating Fund, Library Capital Fund, and Library Debt Service Fund.

The level of control (level at which expenditures may not exceed budget) is the fund. All unencumbered annual appropriations lapse at the end of the fiscal year.

During the year, budget amendments were approved by the City Council.

The City had no funds which had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2020.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

General Fund - to account for all financial resources of the City except those accounted for in another fund.

General Obligation Debt Fund - to account for non-abated, general obligation payments on the principal and interest related to bonds and/or other city debt.

CITY OF EVANSTON, ILLINOIS

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenues</b>				
<b>Taxes</b>				
Property				
Current year levy	\$ 32,472,987	\$ 32,472,987	\$ 32,469,627	\$ (3,360)
<b>Total Property Taxes</b>	<b>32,472,987</b>	<b>32,472,987</b>	<b>32,469,627</b>	<b>(3,360)</b>
Personal Property Replacement Tax	1,355,000	1,355,000	1,500,129	145,129
<b>Other Taxes</b>				
State use tax	2,100,000	2,100,000	3,323,042	1,223,042
Sales tax - home rule	7,800,000	7,800,000	6,743,960	(1,056,040)
Auto rental tax	55,000	55,000	35,001	(20,000)
Transportation network provider tax	680,000	680,000	238,373	(441,627)
Athletic contest tax	1,160,000	1,160,000	204,810	(955,190)
Municipal hotel tax	2,390,000	2,390,000	1,135,071	(1,254,929)
Utility tax	6,720,000	6,720,000	5,856,287	(863,713)
Cigarette tax	250,000	250,000	211,964	(38,036)
Liquor tax	1,300,000	1,300,000	709,514	(590,486)
Evanston motor fuel tax	3,150,000	3,150,000	2,878,922	(271,078)
Medical cannabis tax	-	-	91,520	91,520
Recreational cannabis tax	-	-	265,094	265,094
Parking tax	3,200,000	3,200,000	2,423,938	(776,062)
Amusement tax	430,000	430,000	222,870	(207,130)
Foreign fire tax	-	-	199,633	199,633
Real estate transfer tax	3,800,000	3,800,000	3,251,428	(548,572)
<b>Total Other Taxes</b>	<b>33,035,000</b>	<b>33,035,000</b>	<b>27,874,427</b>	<b>(5,160,573)</b>
<b>Total Taxes</b>	<b>66,862,987</b>	<b>66,862,987</b>	<b>61,844,183</b>	<b>(5,018,804)</b>
<b>Licenses and Permits</b>				
Vehicle licenses	3,000,000	3,000,000	2,660,196	(339,804)
Business licenses	97,800	97,800	6,938	(90,862)
Bed and breakfast licenses	150	150	-	(150)
Collection box license	2,500	2,500	28,995	26,495
Pet licenses	10,000	10,000	16,076	6,076
Contractor licenses	170,000	170,000	178,200	8,200
Rooming/house licenses	275,000	275,000	87,258	(187,742)
Liquor licenses	525,000	525,000	372,150	(152,850)
One-day liquor licenses	12,000	12,000	2,750	(9,250)
Farmer's market licenses	51,250	51,250	43,680	(7,570)
Rental building register	85,000	85,000	217,896	132,896
Other licenses	20,000	20,000	-	(20,000)
Long-term care license	120,000	120,000	54,540	(65,460)
Seasonal food ESTB	15,000	15,000	5,497	(9,503)
Mobile food vehicle license	1,450	1,450	958	(492)
Hen coop license	800	800	150	(650)
Resident care home license	1,200	1,200	-	(1,200)
Building permits	4,225,100	4,225,100	6,644,527	2,419,427
Plumbing permits	-	-	585	585
Signs and awnings	-	-	70	70
Other/miscellaneous permits	-	-	21,891	21,891
Elevator permits	42,000	42,000	35,095	(6,905)
Heating vent/AC permits	-	-	75	75

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenues - Continued</b>				
<b>Licenses and Permits - Continued</b>				
Right of way permits	\$ 358,000	\$ 358,000	\$ 2,068	\$ (360,668)
Residents parking permit	228,000	228,000	185,044	(42,956)
Visitor parking permit	13,000	13,000	11,684	(1,316)
Fire suppression/alarm permit	100,000	100,000	66,734	(33,266)
Oversize truck permit	20,000	20,000	24,800	4,800
Commercial drive permits	-	-	4,270	4,270
Moving van permit	57,000	57,000	45,630	(11,370)
Plat PR and Sign approval HRG fees	2,100	2,100	-	(2,100)
IL Bell franchise fee	-	-	146,904	146,904
Alarm panel franchise fee	4,000	4,000	-	(4,000)
Northwestern University easement	47,000	47,000	-	(47,000)
Cable franchise fee	950,000	950,000	930,786	(19,214)
PEG fees - Comcast	145,000	145,000	61,389	(83,611)
Nisour franchise fee	75,000	75,000	-	(75,000)
<b>Total Licenses and Permits</b>	<b>10,653,350</b>	<b>10,653,350</b>	<b>11,852,700</b>	<b>1,199,350</b>
<b>Intergovernmental - Revenue from Other Agencies</b>				
Retailer and service occupation tax	10,250,000	10,250,000	9,700,815	(549,185)
State income tax	7,600,000	7,600,000	8,206,429	602,429
State highway maintenance	72,200	72,200	26,302	(45,898)
Health Department Basic Service Grant	82,070	82,070	140,527	58,457
Illinois tobacco free community	25,000	25,000	16,653	(8,347)
IL HVS Surveillance Grant	34,150	34,150	7,038	(27,112)
Childhood Lead Poisoning Grant	24,900	24,900	27,500	2,600
Other State/County Grant	50,000	50,000	1,010,295	960,295
Tanning parlor inspection	200	200	-	(200)
Fire Department training	6,000	6,000	-	(6,000)
CRU Grant	43,463	43,463	47,781	4,318
PEHIP Grant	63,734	63,734	53,710	(10,024)
Lead Paid Hazard Grant	39,600	39,600	-	(39,600)
Federal Grant/Aid	225,500	225,500	241,119	15,619
Commission on Aging Grant - Advocate	-	-	102,944	102,944
Vacant Property Grant	37,500	37,500	66,893	29,393
Vector Grant	26,000	26,000	-	(26,000)
Civil Defense Grants (F.E.M.A.)	-	-	845,825	845,825
Narcotics enforcement revenue	20,000	20,000	35,495	15,495
Police training	5,000	5,000	6,000	1,000
Police DUI reimbursement	15,000	15,000	5,321	(9,679)
HUD Emergency Shelter Grant	135,000	135,000	86,512	(48,488)
Other Federal Aid	-	-	-	-
<b>Total Intergovernmental - Revenue from Other Agencies</b>	<b>18,755,317</b>	<b>18,755,317</b>	<b>20,623,159</b>	<b>1,867,842</b>
<b>Charges for Services</b>				
Recreation	6,473,500	6,473,500	4,648,130	(1,825,370)
Recreation - program	-	-	75,671	75,671
Recreation - other	3,000	3,000	-	(3,000)
Recreation - charges	25,000	25,000	9,537	(15,463)
Recreation - special events	-	-	-	-
<b>Total Recreation Revenue</b>	<b>6,501,500</b>	<b>6,501,500</b>	<b>4,733,338</b>	<b>(1,768,162)</b>

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenues - Continued</b>				
<b>Charges for Services (Continued)</b>				
Other Charges for Services				
Health clinic fees - food establishment	\$ 230,000	\$ 230,000	\$ 99,980	\$ (130,020)
Sanitation classes	-	-	500	500
Temporary license fee	11,000	11,000	383	(10,617)
Food delivery vehicle	6,500	6,500	3,450	(3,050)
Beverage snack vending machine	41,000	41,000	53,575	12,575
Tobacco license	17,000	17,000	16,167	(833)
Beck's beer license	150	150	300	150
Funeral director license	6,000	6,000	-	(6,000)
Temp funeral director licenses	4,000	4,000	-	(4,000)
Parking enforcement reimbursement	33,500	33,500	44,852	11,352
Property clean up	10,000	10,000	(2,800)	(12,800)
Senior Taxi coupon sales	115,000	115,000	54,237	(60,763)
Fire cost recovery charge	1,000	1,000	40	(960)
Historic preservation	30,000	30,000	71,780	41,780
Historic preservation revenue	5,000	5,000	13,683	8,683
Administrative service	2,200,000	2,200,000	2,690,233	490,233
Police report fees	25,000	25,000	18,960	(6,040)
Zoning fees	130,000	130,000	15,665	(114,335)
Fire building inspections	100	100	(100)	-
Fire report fee	25,000	25,000	8,688	(16,312)
Passport processing fee	30,000	30,000	70	(29,930)
Alarm panel subscription fees	115,000	115,000	118,272	3,272
Background check daycare providers	400	400	75	(325)
New pavement degradation	80,000	80,000	-	(80,000)
IHeart Evanston Trees project	3,000	3,000	1,530	(1,470)
Dumpster permit fee	-	-	270	270
Moving van permit fees	-	-	(335)	(335)
Residential refuse	-	-	16,041	16,041
Plan review	5,000	5,000	696	(4,304)
<b>Total Other Service Charges</b>	<b>3,123,650</b>	<b>3,123,650</b>	<b>3,145,312</b>	<b>21,662</b>
<b>Total Charges for Services</b>	<b>9,625,150</b>	<b>9,625,150</b>	<b>7,878,650</b>	<b>(1,746,500)</b>

<b>Fines</b>				
Ticket fines - parking	3,800,000	3,800,000	2,402,138	(1,397,862)
Regular fines	115,000	115,000	245,324	130,324
Animal ordinance penalties	7,500	7,500	-	(7,500)
Boat release fee	90,000	90,000	21,820	(68,180)
Fire false alarm fines	115,000	115,000	23,415	(91,585)
Police CTA detail	300,000	300,000	242,936	(57,064)
Police false alarm fines	-	-	(500)	(500)
Housing code violation fines	40,000	40,000	2,900	(37,100)
Permit penalty fees	8,000	8,000	-	(8,000)
Administrative adjudication fee	175,000	175,000	44,515	(130,485)
<b>Total Fines</b>	<b>4,650,500</b>	<b>4,650,500</b>	<b>2,982,548</b>	<b>(1,667,952)</b>

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Revenues - Continued</b>				
<b>Investment Income</b>				
Other Revenues	10,000	10,000	2,777	(7,223)
Police equipment reimbursement	10,000	10,000	-	(10,000)
Holiday food drive	6,000	6,000	2,125	(3,875)
Women Out Walking	51,100	51,100	207,482	156,382
Property sales and rentals	-	-	2,915	2,915
Property damage	13,900	13,900	188,454	144,554
Donation	227,100	227,100	568,864	335,764
Miscellaneous revenue	30,000	30,000	37,403	7,403
Market Link vouchers	1,500	1,500	2,104	604
Sale of other assets	105,000	105,000	46,093	(58,907)
Reimbursements - serve and protect	45,000	45,000	39,998	(5,002)
Reimbursements - fire department	105,000	105,000	101,930	(3,070)
Reimbursements - police	500,000	500,000	252,236	(247,764)
Reimbursements - police	5,000	5,000	-	(5,000)
Reimbursements - police	2,000	2,000	1,600	(400)
Aging Well conference	-	-	20,000	20,000
Community relief program	200,000	200,000	100,000	(90,000)
Payment in lieu of taxes	300,000	300,000	316,144	16,144
Chargeback revenue	35,000	35,000	35,960	960
Private Elm Trees Insurance	6,500	6,500	22,725	16,225
Citizens CPR class fees	15,000	15,000	-	(15,000)
Parking permits - Ryan Field	-	-	5,000	5,000
Mayer's summer youth program	-	-	-	-
<b>Total Other Revenues</b>	<b>1,668,100</b>	<b>1,668,100</b>	<b>1,925,810</b>	<b>252,710</b>
<b>Total Revenues</b>	<b>\$ 112,270,404</b>	<b>\$ 112,270,404</b>	<b>\$ 107,176,131</b>	<b>\$ (5,094,273)</b>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
<b>Expenditures</b>			
General Management and Support			
City Council	\$ 552,609	\$ 472,270	\$ (80,339)
City Manager and Budget Management	6,793,079	7,036,299	243,220
City Clerk	182,073	183,832	1,759
Law Department	683,577	511,640	(171,937)
Administrative Services	10,277,914	9,315,178	(962,736)
Total General Management and Support	18,489,252	17,519,219	(970,033)
Public Safety			
Police	411,317,727	38,745,530	(2,386,197)
Fire	25,985,716	26,818,932	833,216
Total Public Safety	67,117,443	65,564,462	(1,552,981)
Public Works			
Public Works Director	3,914,489	3,868,478	(46,011)
Municipal Service Center	1,761,428	1,554,017	(207,411)
City Engineer	272,383	228,941	(43,442)
Traffic Engineer	4,037,457	3,513,923	(523,534)
Streets	2,854,504	2,337,654	(516,850)
Sanitation	161,822	63,557	(98,265)
Total Public Works	13,002,083	11,566,570	(1,435,513)
Health and Human Services Development			
COVID Contact Tracing	-	155,910	155,910
Health and Human Services Director	254,187	192,073	(62,114)
Health Department	1,119,990	950,660	(169,330)
Mental Health and Community Purchased Services	-	4,460	4,460
Human Relations	3,367,752	2,446,129	(921,623)
Total Health and Human Services Development	4,741,929	3,749,232	(992,697)
Recreation and Cultural Opportunities			
Recreation	10,324,253	8,516,135	(1,808,118)
Ecology Center	551,120	377,947	(173,173)
Cultural Arts	581,078	457,043	(124,035)
Total Recreation and Cultural Opportunities	11,456,451	9,351,125	(2,105,326)
Housing and Economic Development			
Community Development Administration	504,130	441,419	(62,711)
Planning and Zoning	785,766	742,725	(43,041)
Housing Rehabilitation and Property Standards	490,509	468,136	(22,373)
Building Code Compliance	1,644,639	1,478,739	(165,900)
Total Housing and Economic Development	3,425,044	3,131,019	(294,025)
<b>Total Expenditures</b>	<b>\$ 118,232,202</b>	<b>\$ 110,881,627</b>	<b>\$ (7,350,575)</b>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Obligation Debt Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Taxes				
Property taxes	\$ 12,521,931	\$ 12,521,931	\$ 12,814,109	\$ 292,178
Current year levy, net	1,500	1,500	24,864	23,364
Investment income	-	-	-	-
Total Revenues	12,523,431	12,523,431	12,838,973	315,542
<b>Expenditures</b>				
General management and support				
Debt Service	-	41	41	-
Principal	9,987,933	21,946,924	9,987,933	(11,958,991)
Interest	5,853,048	5,855,436	5,643,147	(212,289)
Fiscal agent fees	-	6,650	133,766	127,116
Total Expenditures	15,840,981	27,809,051	15,764,887	(12,044,164)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,317,550)</b>	<b>(15,285,620)</b>	<b>(2,925,914)</b>	<b>12,359,706</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	-	-	10,092,495	10,092,495
Premium on issuance of bonds	-	-	1,961,790	1,961,790
Payment to escrow agent	-	-	(12,143,396)	(12,143,396)
Transfers in	3,319,053	3,319,053	3,319,053	-
Total Other Financing Sources (Uses)	3,319,053	3,319,053	3,229,942	(89,111)
<b>Net Changes in Fund Balances</b>	<b>\$ 1,503</b>	<b>\$ (11,966,567)</b>	<b>\$ 304,028</b>	<b>\$ 12,270,595</b>
<b>Fund Balances</b>				
Beginning of Year			417,431	
End of Year			\$ 721,459	

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

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 by the City's share of gasoline taxes.

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

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 the City. 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 the requirements of federal law.

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

Special Service District No. 9 - (successor to SSA #4) was reestablished in 2019 to provide certain public services to supplement services currently or customarily provided by the City to the Area. Services include the promotion and advertisement of the Area in order to attract businesses and consumers, and provide any other public services to the Area which the City may deem appropriate from time to time. SSA#9 is managed by Downtown Evanston (formerly EvMark), an Illinois not-for-profit corporation. Financing is provided by the City through an annual property tax levy.

Reparations - to account for the municipal tax revenues (at 3% of retail price) collected from the sales of recreational cannabis

Good Neighbor - to account for the resources provided by Northwestern University to assist city functions and increase programming.

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.

Chicago Main TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Special Service Area No. 6 Fund - to account for promotion, advertisement, and street maintenance costs of the area located in the City's commercial district surrounding Dempster, Chicago, and Main. Financing is provided by the City through an annual special service area property tax levy.

Special Service Area No. 7 Fund - to account for the City's support of commercial properties located in the Central Street merchant district. SSA #7 represents the east portion of Central Street located between Hartrey on the west, Eastwood on the east, Isabella on the north and Lincoln on the south. The purpose of the Central Street SSA districts is to help the merchant association grow and establish a stable funding stream for merchant and business district activities. Financing is provided by the City through an annual special service area property tax levy.

Special Service Area No. 8 Fund - to account for the City's support of commercial properties located in the Central Street merchant district. SSA #8 represents the west portion of Central Street located between Central Park Ave. on the west and Ewing Ave. on the east. The purpose of the Central Street SSA districts is to help the merchant association grow and establish a stable funding stream for merchant and business district activities. Financing is provided by the City through an annual special service area property tax levy.

Dempster-Dodge TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard/Ridge TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

West Evanston TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

### Capital Projects Funds

Capital Improvement - To account for capital projects not funded through special revenue, tax, increment financing, or enterprise funds. Capital projects include, but are not limited to: long-term improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided primarily by grants and general obligation bond proceeds.

Crown Construction - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and city contributions.

Crown Maintenance - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and city contributions.

Special Assessment - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and City contributions.

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds

December 31, 2020

	Special Revenue										Total Special Revenue	
	HOME	Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Good Neighbor	General Assistance					
<b>Assets</b>												
Cash and equivalents	\$ 22,258	\$ -	\$ 133,856	\$ -	\$ 218,042	\$ 354,604	\$ 380,108	\$ -	\$ -	\$ -	\$ 2,903,254	
Investments	-	-	-	-	-	-	15,677	-	-	-	7,042,252	
Receivables	4,991,463	-	-	592,665	-	-	1,300,000	-	-	-	1,892,665	
Property tax	-	-	-	-	-	-	-	-	-	-	8,268,718	
Loans	-	-	1,893,876	-	-	-	-	-	-	-	-	
Special assessments	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	
Due from other governments	40,354	369,423	-	-	-	-	-	-	-	-	1,182,152	
Due from other funds	2,070	-	90,369	-	100	14	-	-	-	-	222,002	
Advances to other funds	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Assets</b>	\$ 5,056,345	\$ 369,423	\$ 2,118,101	\$ 592,665	\$ 218,142	\$ 354,618	\$ 1,695,785	\$ -	\$ -	\$ -	\$ 21,511,043	
<b>Liabilities</b>												
Vouchers payable	\$ 35,317	\$ 57,894	\$ 41,400	\$ -	\$ -	\$ 3,800	\$ -	\$ -	\$ -	\$ -	\$ 544,093	
Due to other governments	-	-	-	-	-	-	-	-	-	-	140,627	
Due to other funds	-	250,706	-	214,660	-	-	6,248	-	-	-	471,614	
<b>Total Liabilities</b>	\$ 35,317	\$ 308,600	\$ 41,400	\$ 214,660	\$ -	\$ 3,800	\$ 6,248	\$ -	\$ -	\$ -	\$ 1,156,334	
<b>Deferred Inflows of Resources</b>												
Long-term notes receivable	4,991,463	-	1,893,876	-	-	-	-	-	-	-	8,268,718	
Unavailable revenue - property taxes	-	-	-	592,665	-	-	1,300,000	-	-	-	1,892,665	
<b>Total Deferred Inflows of Resources</b>	\$ 4,991,463	\$ -	\$ 1,893,876	\$ 592,665	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 10,161,383	
<b>Total Liabilities and Deferred Inflows of Resources</b>	\$ 5,026,780	\$ 308,600	\$ 1,935,276	\$ 807,325	\$ -	\$ 3,800	\$ 1,306,248	\$ -	\$ -	\$ -	\$ 11,317,717	
<b>Fund Balances</b>												
Restricted for												
Highway Maintenance	-	-	-	-	-	-	-	-	-	-	3,962,742	
Emergency Telephone System	-	-	-	-	-	-	-	-	-	-	1,389,630	
HUD Approved Projects	29,565	60,823	182,825	-	-	-	-	-	-	-	273,213	
Neighborhood Improvements	-	-	-	-	-	-	-	-	-	-	3,823,904	
Reparations	-	-	-	-	218,142	-	-	-	-	-	218,142	
Debt Service	-	-	-	-	-	-	-	-	-	-	-	
General Assistance	-	-	-	-	-	-	389,537	-	-	-	389,537	
Capital Improvements	-	-	-	-	-	350,818	-	-	-	-	350,818	
Assigned	-	-	-	-	-	-	-	-	-	-	-	
Unassigned (deficit)	-	-	-	(214,660)	-	-	-	-	-	-	(214,660)	
<b>Total Fund Balances (Deficit)</b>	\$ 29,565	\$ 60,823	\$ 182,825	\$ (214,660)	\$ 218,142	\$ 350,818	\$ 389,537	\$ -	\$ -	\$ -	\$ 10,193,326	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	\$ 5,056,345	\$ 369,423	\$ 2,118,101	\$ 592,665	\$ 218,142	\$ 354,618	\$ 1,695,785	\$ -	\$ -	\$ -	\$ 21,511,043	

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds

December 31, 2020

	Debt Service				Total
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8	
Assets					
Cash and equivalents	1,377,675	4,072	70,542	-	212,971
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Property tax	-	221,000	154,800	60,200	-
Loans	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	398	1	-	1,046	62
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
<b>Total Assets</b>	<b>1,378,073</b>	<b>225,073</b>	<b>225,342</b>	<b>61,246</b>	<b>213,033</b>
Liabilities					
Vouchers payable	53,402	-	-	-	771
Due to other governments	-	-	-	-	-
Due to other funds	-	-	70,190	-	-
<b>Total Liabilities</b>	<b>53,402</b>	<b>-</b>	<b>70,190</b>	<b>-</b>	<b>771</b>
Deferred Inflows of Resources					
Long-term notes receivable	-	221,000	154,800	60,200	-
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>221,000</b>	<b>154,800</b>	<b>60,200</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>53,402</b>	<b>221,000</b>	<b>224,990</b>	<b>60,200</b>	<b>771</b>
Fund Balances					
Restricted for					
Highway Maintenance	-	-	-	-	-
Emergency Telephone System	-	-	-	-	-
HUD Approved Projects	-	-	-	-	-
Neighborhood Improvements	-	4,073	352	1,046	-
Repairs	-	-	-	-	-
Debt Service	1,324,671	-	-	-	212,262
Township	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>1,324,671</b>	<b>4,073</b>	<b>352</b>	<b>1,046</b>	<b>212,262</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>1,378,073</b>	<b>225,073</b>	<b>225,342</b>	<b>61,246</b>	<b>213,033</b>

	Debt Service				Capital Projects						Total Nonmajor Governmental Funds
	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Crown Construction	Crown Maintenance	Special Assessment	Total Capital Projects			
Assets											
Cash and equivalents	503,286	989,454	3,158,000	5,155,641	3,870,517	175,000	329,336	9,530,494	15,591,748		
Investments	2,011,013	-	2,011,013	2,304,160	98,347	-	2,288,407	4,690,914	13,744,179		
Receivables	-	-	-	-	-	-	-	-	-		
Property tax	17,559	-	453,559	-	-	-	-	-	2,346,234		
Loans	-	-	-	-	-	-	-	-	8,268,718		
Special assessments	-	-	-	-	-	-	534,032	534,032	554,032		
Other	-	-	-	-	-	-	4,282	4,282	4,282		
Due from other governments	-	-	-	-	-	-	-	-	1,182,152		
Due from other funds	143	1,188,616	1,190,266	10,599	2,026,204	-	31,443	2,068,246	3,480,514		
Advances to other funds	-	-	-	4,000,000	-	-	-	4,000,000	4,000,000		
<b>Total Assets</b>	<b>2,532,001</b>	<b>2,178,070</b>	<b>6,812,838</b>	<b>11,470,400</b>	<b>5,995,068</b>	<b>1,750,000</b>	<b>3,187,500</b>	<b>20,827,968</b>	<b>49,151,849</b>		
Liabilities											
Vouchers payable	195,957	383,439	633,569	951,889	3,364,184	-	-	4,316,073	5,493,735		
Due to other governments	-	-	-	-	-	-	-	-	140,627		
Due to other funds	-	-	-	-	-	-	-	-	541,804		
<b>Total Liabilities</b>	<b>195,957</b>	<b>383,439</b>	<b>633,569</b>	<b>951,889</b>	<b>3,364,184</b>	<b>-</b>	<b>-</b>	<b>4,316,073</b>	<b>6,176,166</b>		
Deferred Inflows of Resources											
Long-term notes receivable	-	-	-	-	-	-	534,032	534,032	8,802,750		
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	2,528,665		
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>534,032</b>	<b>534,032</b>	<b>11,131,415</b>		
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>195,957</b>	<b>383,439</b>	<b>633,569</b>	<b>951,889</b>	<b>3,364,184</b>	<b>-</b>	<b>534,032</b>	<b>4,850,105</b>	<b>17,307,581</b>		
Fund Balances											
Restricted for											
Highway Maintenance	-	-	-	-	-	-	-	-	3,962,742		
Emergency Telephone System	-	-	-	-	-	-	-	-	1,389,630		
HUD Approved Projects	-	-	-	-	-	-	-	-	273,213		
Neighborhood Improvements	-	-	-	-	-	-	-	-	6,482,843		
Repairs	-	-	-	-	-	-	-	-	2,653,468		
Debt Service	2,336,044	1,794,631	5,667,608	-	-	-	-	-	21,814		
Township	-	-	-	-	-	-	-	-	5,667,608		
Capital Improvements	-	-	-	-	-	-	-	-	389,537		
Assigned	-	-	-	-	-	-	-	-	350,818		
Unassigned (deficit)	-	-	-	10,518,511	2,630,884	175,000	-	13,324,395	13,324,395		
<b>Total Fund Balances (Deficit)</b>	<b>2,336,044</b>	<b>1,794,631</b>	<b>5,667,608</b>	<b>10,518,511</b>	<b>2,630,884</b>	<b>175,000</b>	<b>2,653,468</b>	<b>15,977,863</b>	<b>31,844,268</b>		
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>2,532,001</b>	<b>2,178,070</b>	<b>6,812,838</b>	<b>11,470,400</b>	<b>5,995,068</b>	<b>1,750,000</b>	<b>3,187,500</b>	<b>20,827,968</b>	<b>49,151,849</b>		

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and  
Balances in Fund Balances  
Nomajor Governmental Funds

For the Fiscal Year Ended December 31, 2020

	Special Revenue			
	Motor Fuel Tax	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Revenues				
Taxes	\$ -	\$ 1,460,635	\$ -	\$ 76,650
Special assessments	-	-	-	-
Intergovernmental	4,346,950	240,821	-	255,300
Investment income	18,013	5,531	335	27,280
Miscellaneous	-	-	-	-
Contributions	-	-	-	650,000
Other	-	-	-	5,417
Total Revenues	4,364,963	1,706,987	335	1,014,647
Expenditures				
Current				
General management and support	-	-	-	-
Public safety	-	1,328,317	-	-
Public works	2,026,266	-	-	-
Housing and economic development	-	-	78	1,138,467
Debt services	-	-	-	-
Fiscal changes	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	2,026,266	1,328,317	78	1,138,467
Excess (Deficiency) of Revenues Over Expenditures	2,338,697	378,670	257	(123,820)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-
Transfers in	(1,044,987)	(260,000)	(150,000)	-
Transfers (out)	(1,044,987)	(260,000)	(150,000)	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,293,710	118,670	(149,743)	(123,820)
Fund Balances (Deficit), January 1	2,669,032	1,270,960	171,864	3,925,603
Fund Balances (Deficit), December 31	\$ 3,962,742	\$ 1,389,630	\$ 22,121	\$ 3,801,783

HOME	Special Revenue							Total Special Revenue
	Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Good Neighbor	General Assistance		
\$ -	\$ -	\$ -	\$ 603,396	\$ -	\$ -	\$ 1,100,904	\$ 3,241,585	
427,547	-	-	-	-	-	-	6,969,264	
31,322	1,698,646	2,388	87	1,805	3,132	-	89,893	
-	-	-	-	16,807	1,000,000	-	1,666,807	
12,334	-	74,016	-	-	-	-	133,883	
471,203	1,698,646	76,404	603,483	16,807	1,001,805	1,146,152	12,101,432	
-	-	-	-	-	-	-	-	
-	-	-	-	103,532	1,119,656	-	1,223,188	
-	-	-	-	-	-	-	1,328,317	
449,163	1,701,120	120,964	591,950	-	-	-	2,026,266	
-	-	-	-	-	-	-	4,001,742	
-	-	-	-	-	-	-	-	
449,163	1,701,120	120,964	591,950	-	-	-	8,579,513	
22,040	(2,474)	(44,560)	11,533	16,807	898,273	26,496	3,521,919	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	200,000	-	-	200,000	
-	-	-	-	-	(800,000)	-	(2,549,87)	
-	-	-	-	200,000	(800,000)	-	(2,054,987)	
22,040	(2,474)	(44,560)	11,533	216,807	98,273	26,496	1,466,932	
7,525	63,297	227,385	(226,193)	1,335	252,545	363,041	8,726,394	
\$ 29,565	\$ 60,823	\$ 182,825	\$ (214,660)	\$ 218,142	\$ 350,818	\$ 389,537	\$ 10,193,226	

(This schedule in continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nomajor Governmental Funds

For the Fiscal Year Ended December 31, 2020

	Debt Service				Total Debt Service	Capital Projects				Total Capital Projects	Total Nomajor Governmental Funds	
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8		Howard Ridge Tax Increment District	West Evanston Tax Increment District	Capital Improvements	Crown Construction			Crown Maintenance
Revenues												
Taxes	1,145,555	224,827	141,256	59,744	4,667,054	-	-	-	-	-	-	7,908,639
Special assessments	-	-	-	-	-	-	-	-	-	185,074	-	185,074
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	6,969,264
Investment income	5,057	316	91	24	25,354	104,101	90,688	-	-	18,578	-	328,614
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	275,000	2,037,500	-	-	-	-	3,979,307
Other	-	-	-	-	-	30,915	36,000	-	-	-	-	200,798
Total Revenues	1,150,612	225,143	141,347	59,768	4,723,323	415,101	2,128,188	-	-	203,652	-	19,571,696
Expenditures												
Current												
General management and support	-	-	-	-	-	24,466	-	-	-	60	-	1,247,714
Public safety	-	-	-	-	-	771,172	-	-	-	-	-	1,405,489
Public works	-	-	-	-	-	4,860,355	333,462	-	-	-	-	7,220,083
Housing and economic development	252,084	226,412	140,995	58,722	1,909,883	-	-	-	-	-	-	5,911,625
Debt services	-	-	-	-	-	79,935	-	-	-	-	-	79,935
Fiscal changes	-	-	-	-	-	4,216,928	8,172,492	-	-	-	-	12,389,420
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	252,084	226,412	140,995	58,722	1,909,883	9,258,856	8,505,954	-	-	60	-	28,254,266
Excess (Deficiency) of Revenues Over Expenditures	898,528	(1,269)	352	1,046	2,813,440	(8,843,755)	(6,377,766)	-	-	203,592	(15,017,929)	(8,682,570)
Other Financing Sources (Uses)												
Issuance of bonds	-	-	-	-	-	6,105,000	-	-	-	-	-	6,105,000
Premium (discount) on bonds issued	-	-	-	-	-	417,020	-	-	-	-	-	417,020
Transfers in	-	-	-	-	100,000	470,000	2,000,000	175,000	-	-	-	2,645,000
Transfers (out)	(260,610)	-	-	-	(675,500)	(290,000)	(637,500)	-	-	(477,930)	-	(4,535,917)
Total Other Financing Sources (Uses)	(260,610)	-	-	-	(775,500)	6,702,020	1,362,500	175,000	-	(477,930)	7,761,590	4,931,103
Net Change in Fund Balances	637,918	(1,269)	352	1,046	2,037,940	(2,141,735)	(5,015,266)	175,000	-	(274,338)	(7,256,339)	(3,751,467)
Fund Balances (Deficit), January 1	686,753	5,342	-	-	3,635,139	12,660,246	7,646,150	-	-	2,927,806	23,234,202	35,595,735
Fund Balances (Deficit), December 31	1,324,671	4,073	352	1,046	5,673,079	10,518,511	2,630,884	175,000	-	2,653,468	15,977,863	31,844,268

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 3,220,400	\$ 4,346,950	\$ 1,126,550
Interest	12,000	18,013	6,013
Total Revenues	3,232,400	4,364,963	1,132,563
Expenditures			
Public Works	2,440,000	2,026,266	(413,734)
Excess (Deficiency) of Revenues Over Expenditures	792,400	2,338,697	1,546,297
Other Financing Sources (Uses) Transfers (out)	(1,044,987)	(1,044,987)	-
Other Financing Sources (Uses) - Net Transfers (out)	(1,044,987)	(1,044,987)	-
Net Change in Fund Balance	\$ (252,587)	1,293,710	\$ 1,546,297
Fund Balances			
Beginning of Year		2,669,032	
End of Year		\$ 3,962,742	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Emergency Telephone System Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Taxes and special assessments	\$ 1,321,600	\$ 1,460,635	\$ 139,035
Intergovernmental	240,821	240,821	-
Interest	7,000	5,531	(1,469)
Total Revenues	1,569,421	1,706,987	137,566
Expenditures			
Public safety	1,561,374	1,328,317	(233,057)
Excess (Deficiency) of Revenues Over Expenditures	8,047	378,670	370,623
Other Financing Sources (Uses) Transfers (out)	(260,000)	(260,000)	-
Net Change in Fund Balance	\$ (251,953)	118,670	\$ 370,623
Fund Balance			
Beginning of Year		1,270,960	
End of Year		\$ 1,389,630	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Neighborhood Improvement Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ -	\$ -	\$ 335	\$ 335
Expenditures				
Housing and economic development	-	78	78	-
Excess (Deficiency) of Revenues Over Expenditures	-	(78)	257	335
Other Financing Sources (Uses) Transfers (out)	-	(150,000)	(150,000)	-
Total other financing sources (uses)	-	(150,000)	(150,000)	-
Net Change in Fund Balance	\$ -	\$ (150,078)	(149,743)	\$ 335
Fund Balances				
Beginning of Year			171,864	
End of Year			\$ 22,121	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Affordable housing demo tax	\$ 75,000	\$ 76,650	\$ 1,650
Intergovernmental	-	255,300	255,300
Developer contributions	125,000	650,000	525,000
Interest	16,581	27,280	10,699
Miscellaneous	5,600	5,417	(183)
Total Revenues	222,181	1,014,647	792,466
Expenditures			
Housing and economic development	1,713,366	1,138,467	(574,899)
Net Change in Fund Balance	\$ (1,491,185)	(123,820)	\$ 1,367,365
Fund Balances			
Beginning of Year		3,925,603	
End of Year		\$ 3,801,783	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

HOME Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments	\$ 634,528	\$ 427,547	\$ (206,981)
Interest	150	31,322	31,172
Miscellaneous	25,000	12,334	(12,666)
Total Revenues	659,678	471,203	(188,475)
Expenditures			
Housing and economic development	659,678	449,163	(210,515)
Net Change in Fund Balance	\$ -	22,040	\$ 22,040
Fund Balance			
Beginning of Year		7,525	
End of Year		\$ 29,565	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Intergovernmental allotments grant from U.S. Department of Housing and Urban Development	\$ 1,963,875	\$ 1,698,646	\$ (265,229)
Total Revenues	1,963,875	1,698,646	(265,229)
Expenditures			
Housing and economic development	1,963,875	1,701,120	(262,755)
Total Expenditures	1,963,875	1,701,120	(262,755)
Net Change in Fund Balance	\$ -	(2,474)	\$ (2,474)
Fund Balance			
Beginning of Year		63,297	
End of Year		\$ 60,823	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund  
Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Administration/Planning	\$ 1,699,797	\$ 315,080	\$ (1,384,717)
CDBG administration			
Total Administration/Planning	1,699,797	315,080	(1,384,717)
Economic Development	30,000	76,500	46,500
Evanston Community Development Corporation			
Total Economic Development	30,000	76,500	46,500
Housing	178,828	94,198	(84,630)
Rehab construction administration			
Targeted housing code enforcement	-	289,804	289,804
Total Housing	178,828	384,002	205,174
Neighborhood Revitalization	-	71,817	71,817
Foster Field Park			
Alley paving program	-	379,861	379,861
Park improvements	-	153,125	153,125
Clyde Brummel Park	-	2,330	2,330
Infant Welfare Society	-	8,002	8,002
Reba Replace Early Childhood Learning Center	-	976	976
Termination payouts	-	16,846	16,846
Total Neighborhood Revitalization	-	632,957	632,957
Public Services	-	7,000	7,000
Girl Scouts Making Choices			
Moran/Defender	-	26,000	26,000
Youth Job Center of Evanston	-	23,338	23,338
Summer youth	-	41,848	41,848
YWCA Domestic Violence	-	29,000	29,000
Connection for Homeless	-	19,000	19,000
Family Focus	-	20,000	20,000
Shore Community Services	-	5,000	5,000
Meals at Home	-	14,000	14,000
North Shore Senior Center	-	8,500	8,500
Evanston Schools	-	15,000	15,000
Open Studio Art	-	4,000	4,000
Interfaith Housing Program - Homeshare	-	19,000	19,000
Books and Breakfast	-	12,000	12,000

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund  
Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Public Services (Continued)	\$ -	\$ 37,534	\$ 37,534
Graffiti			
Work/hour options	-	10,000	10,000
Other charges	-	1,361	1,361
Contributions to other agencies	55,250	-	(55,250)
Total Public Services	55,250	292,581	237,331
Total Expenditures	\$ 1,963,875	\$ 1,701,120	\$ (262,755)

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Community Development Loan Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 2,388	\$ 2,388
Miscellaneous	175,000	74,016	(100,984)
Total Revenues	175,000	76,404	(98,596)
Expenditures			
Housing and economic development	175,000	120,964	(54,036)
Net Change in Fund Balance	\$ -	(44,560)	(44,560)
Fund Balances			
Beginning of Year		227,385	
End of Year		\$ 182,825	

(See independent auditor's report.)

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**CITY OF EVANSTON, ILLINOIS**

Special Service District No. 9 Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 592,665	\$ 603,396	\$ 10,731
Current year	-	87	87
Investment income			
Total Revenues	592,665	603,483	10,818
Expenditures			
Housing and economic development	592,665	591,950	(715)
Net Change in Fund Balance (Deficit)	\$ -	11,533	\$ 11,533
Fund Balance (Deficit)			
Beginning of Year		(226,193)	
End of Year		\$ (214,660)	

(See independent auditor's report.)

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CITY OF EVANSTON, ILLINOIS

Reparations Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Taxes	\$ 250,000	\$ -	\$ (250,000)
Miscellaneous			
Contributions	-	16,807	16,807
Total Revenues	250,000	16,807	(233,193)
Expenditures			
General management and support	250,000	-	(250,000)
Excess (Deficiency) of Revenues Over Expenditures	-	16,807	16,807
Other Financing Sources (Uses) Transfers in	-	200,000	200,000
Other Financing Sources (Uses) - Net	-	200,000	200,000
Net Change in Fund Balance	\$ -	216,807	\$ 216,807
Fund Balance			
Beginning of Year		1,335	
End of Year		\$ 218,142	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Good Neighbor Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Miscellaneous	\$ 1,000,000	\$ 1,000,000	\$ -
Investment income	2,000	1,805	(195)
Total Revenues	1,002,000	1,001,805	(195)
Expenditures			
General management and support	195,000	103,532	(91,468)
Excess (Deficiency) of Revenues Over Expenditures	807,000	898,273	91,273
Other Financing Sources (Uses) Transfers (out)	(805,000)	(800,000)	5,000
Other Financing Sources (Uses) - Net	(805,000)	(800,000)	5,000
Net Change in Fund Balance	\$ 2,000	98,273	\$ 96,273
Fund Balance			
Beginning of Year		252,545	
End of Year		\$ 350,818	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

General Assistance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Property taxes	\$ 1,080,000	\$ 1,100,904	\$ 20,904
Investment income	1,000	3,132	2,132
Miscellaneous	27,500	42,116	14,616
<b>Total Revenues</b>	<b>1,108,500</b>	<b>1,146,152</b>	<b>37,652</b>
<b>Expenditures</b>			
General management and support	1,315,848	1,119,656	(196,192)
<b>Net Change in Fund Balance</b>	<b>\$ (207,348)</b>	<b>26,496</b>	<b>\$ 233,844</b>
<b>Fund Balance</b>			
Beginning of Year		363,041	
End of Year		\$ 389,537	

(See independent auditor's report.)  
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**CITY OF EVANSTON, ILLINOIS**

Capital Improvements Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Intergovernmental allotments	\$ 510,000	\$ -	\$ (510,000)
Contributions	1,042,000	275,000	(767,000)
Rental income	800,000	-	(800,000)
Donations	350,000	-	(350,000)
Investment income	50,000	104,101	54,101
Miscellaneous	-	36,000	36,000
<b>Total Revenues</b>	<b>2,752,000</b>	<b>415,101</b>	<b>(2,336,899)</b>
<b>Expenditures</b>			
General management and support	-	24,466	24,466
Public safety	-	77,172	77,172
Public works	10,671,344	4,860,355	(5,810,989)
Capital outlay	6,380,537	4,216,928	(2,163,609)
Debt Service	-	-	-
Fiscal agent fees	-	79,935	79,935
<b>Total Expenditures</b>	<b>17,051,881</b>	<b>9,258,856</b>	<b>(7,793,025)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(14,299,881)</b>	<b>(8,843,755)</b>	<b>5,456,126</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds	10,000,000	6,105,000	(3,895,000)
Premium on issuance of bonds	-	417,020	417,020
Transfers in	320,000	470,000	150,000
Transfers (out)	-	(290,000)	(290,000)
<b>Total Other Financing Sources (Uses)</b>	<b>10,320,000</b>	<b>6,702,020</b>	<b>(3,617,980)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,979,881)</b>	<b>(2,141,735)</b>	<b>\$ 1,838,146</b>
<b>Fund Balances</b>			
Beginning of Year		12,660,246	
End of Year		\$ 10,518,511	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Crown Construction Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Investment income	\$ 50,000	\$ 50,000	\$ 90,688	\$ 40,688
Miscellaneous	1,000,000	1,000,000	2,037,500	1,037,500
Contributions	1,050,000	1,050,000	2,128,188	1,078,188
Total Revenues				
Expenditures				
Public works	460,000	333,462	333,462	-
Capital outlay	7,870,000	8,172,492	8,172,492	-
Total Expenditures	8,330,000	8,505,954	8,505,954	-
Excess (Deficiency) of Revenues Over Expenditures	(7,280,000)	(7,455,954)	(6,377,766)	1,078,188
Other Financing Sources (Uses)				
Transfers in	3,000,000	3,000,000	2,000,000	(1,000,000)
Transfers (out)	-	(637,500)	(637,500)	-
Total Other Financing Sources (Uses)	3,000,000	2,362,500	1,362,500	(1,000,000)
Net Change in Fund Balance	\$ (4,280,000)	\$ (5,093,454)	\$ (5,015,266)	\$ 78,188
Fund Balances				
Beginning of Year			7,646,150	
End of Year			\$ 2,630,884	

(See independent auditor's report.)  
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CITY OF EVANSTON, ILLINOIS

Crown Maintenance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Expenditures				
None	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	175,000	175,000	175,000	-
Total Other Financing Sources (Uses)	175,000	175,000	175,000	-
Net Change in Fund Balance	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Fund Balances				
Beginning of Year			-	
End of Year			\$ 175,000	

(See independent auditor's report.)  
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**CITY OF EVANSTON, ILLINOIS**

**Special Assessment Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
<b>Revenues</b>			
Special assessments	\$ 155,000	\$ 185,074	\$ 30,074
Investment income	8,000	18,578	10,578
<b>Total Revenues</b>	<b>163,000</b>	<b>203,652</b>	<b>40,652</b>
<b>Expenditures</b>			
Current			
General management and support	-	60	60
Capital outlay	500,000	-	(500,000)
<b>Total Expenditures</b>	<b>500,000</b>	<b>60</b>	<b>(499,940)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(337,000)</b>	<b>203,592</b>	<b>540,592</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds	250,000	-	(250,000)
Premium on issuance of bonds	-	-	-
Transfers (out)	(457,930)	(477,930)	(20,000)
<b>Other Financing Sources (Uses) - Net</b>	<b>(207,930)</b>	<b>(477,930)</b>	<b>(270,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (544,930)</b>	<b>(274,338)</b>	<b>\$ 270,592</b>
<b>Fund Balance</b>			
Beginning of Year		2,927,806	
End of Year		\$ 2,653,468	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

**Debt Service Funds  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

For the Fiscal Year Ended December 31, 2020

	Chicago Main Tax Increment District		Special Service Area No. 6	
	Original Budget	Final Budget	Original Budget	Final Budget
<b>Revenues</b>				
Taxes				
Property taxes	\$ 607,043	\$ 607,043	\$ 1,145,555	\$ 221,000
Investment income	-	-	5,057	500
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>607,043</b>	<b>607,043</b>	<b>1,150,612</b>	<b>221,500</b>
<b>Expenditures</b>				
Housing and economic development	435,000	435,000	252,084	226,612
<b>Total Expenditures</b>	<b>435,000</b>	<b>435,000</b>	<b>252,084</b>	<b>226,612</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>172,043</b>	<b>172,043</b>	<b>898,528</b>	<b>(4,912)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)				
General	(30,000)	(30,000)	-	-
Other	(388,820)	(388,820)	(236,610)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(318,820)</b>	<b>(318,820)</b>	<b>(266,610)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (146,777)</b>	<b>\$ (146,777)</b>	<b>637,918</b>	<b>\$ (4,912)</b>
<b>Fund Balances</b>				
Beginning of Year			686,753	5,342
End of Year			\$ 1,324,671	\$ 4,073

CITY OF EVANSTON, ILLINOIS

Debt Service Funds  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Special Service Area No. 7		Special Service Area No. 8		Dempster-Dodge Tax Increment District	
	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
\$ 154,600	\$ 154,600	\$ 141,256	\$ 60,200	\$ 59,744	\$ 122,797	\$ 170,306
-	-	91	-	24	-	796
-	-	-	-	-	-	-
154,600	154,600	141,347	60,200	59,768	122,797	171,102
154,600	154,600	140,995	60,200	58,722	2,000	773
154,600	154,600	140,995	60,200	58,722	2,000	773
-	-	352	-	1,046	120,797	170,329
-	-	-	-	-	(6,000)	(6,000)
-	-	-	-	-	(168,870)	(168,870)
-	-	-	-	-	100,000	100,000
-	-	-	-	-	(65,870)	(65,870)
\$ -	\$ -	\$ 352	\$ -	\$ 1,046	\$ -	\$ 104,459
-	-	-	-	-	-	107,808
-	-	-	-	-	-	\$ 212,262

	Howard Ridge Tax Increment District		West Evanston Tax Increment District		Total	
	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Revenues						
Taxes						
Property taxes	\$ 695,000	\$ 1,227,408	\$ 722,135	\$ 1,697,958	\$ 2,387,975	\$ 4,667,064
Investment income	400	12,999	4,000	4,000	4,900	28,384
Miscellaneous	5,366	20,652	11,000	10,283	16,566	30,915
Total Revenues	700,766	1,261,059	737,135	1,714,312	2,389,241	4,726,363
Expenditures						
Housing and economic development	368,000	735,741	605,000	495,157	2,004,153	1,909,883
Total Expenditures	368,000	735,741	605,000	495,157	2,004,153	1,909,883
Excess (Deficiency) of Revenues Over Expenditures	332,766	(34,975)	132,135	1,219,155	385,088	2,813,440
Other Financing Sources (Uses)						
Transfers in (out)						
General	(30,000)	(30,000)	(135,000)	(35,000)	(100,000)	(100,000)
Other	(145,113)	(284,079)	-	(100,000)	(327,209)	(775,592)
Other	-	-	-	-	100,000	100,000
Total Other Financing Sources (Uses)	(175,113)	(314,079)	(135,000)	(135,000)	(833,709)	(775,500)
Net Changes in Fund Balances	\$ 157,653	\$ (148,994)	\$ 21,135	\$ (2,865)	\$ (448,621)	\$ 2,037,940
Fund Balances						
Beginning of Year	-	2,124,765	-	710,476	-	3,635,139
End of Year	\$ -	\$ 2,336,044	\$ -	\$ 1,794,631	\$ -	\$ 5,673,079

(This schedule is continued on the following page.)

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Water Fund  
 Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
 For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Operating Revenues	\$ 22,820,270	\$ 22,243,283
Charges for services	503,200	1,690,797
Miscellaneous		
<b>Total Operating Revenues</b>	<b>23,323,470</b>	<b>23,934,080</b>
Operating Expenses Excluding Depreciation		
Administration	933,363	856,695
Operations		
Pumping	2,759,223	2,521,369
Filtration	2,877,555	2,449,796
Distribution	1,522,247	1,306,956
Meter maintenance	242,734	179,891
Administration	1,166,191	988,646
Other	33,554,939	1,403,037
<b>Total Operating Expenses Excluding Depreciation</b>	<b>43,056,252</b>	<b>9,706,390</b>
Operating Income (Loss) Before Depreciation	(19,732,782)	14,227,690
Depreciation	-	2,865,860
<b>Operating Income (Loss)</b>	<b>(19,732,782)</b>	<b>11,361,830</b>
Non-Operating Revenue (Expenses)		
Investment income	70,000	71,494
Interest expense	(2,291,201)	(1,040,083)
Issuance of bonds	7,400,000	-
Issuance of loans	17,330,000	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>22,508,799</b>	<b>(968,589)</b>
<b>Income Before Transfers</b>	<b>2,776,017</b>	<b>10,393,241</b>
Transfers		
Transfers (out)	(4,799,559)	(4,799,559)
<b>Total Transfers</b>	<b>(4,799,559)</b>	<b>(4,799,559)</b>
<b>Net Income (Loss)</b>	<b>\$ (2,023,542)</b>	<b>5,593,682</b>
Net Position		
Beginning of Year		70,458,259
Change in accounting principle		(1,255,000)
Beginning of Year, Restated		69,203,259
End of Year		<b>\$ 74,796,941</b>

(See independent auditor's report.)

**ENTERPRISE FUNDS**

**Water Fund** - To account for all activity related to providing water to the City's residents, as well as the Village of Skokie 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, debt service, and billing/collection.

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

**Parking Fund** - To account for all city-owned parking facilities/garages, lots, and metered spaces. Maple Avenue and Sherman Plaza Garage activities have been included in this fund beginning in FY09-10. 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.

**CITY OF EVANSTON, ILLINOIS**

Water Fund - Operation and Maintenance Account  
 Schedule of Operating Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
<b>Charges for Services, Net</b>		
Water Sales		
Evanston	\$ 9,154,170	\$ 8,771,787
Skokie	5,820,200	5,650,815
Northwest Water Commission	5,589,200	5,549,357
Morton Grove Niles Water Commission	1,966,200	1,918,954
Lincolnwood	290,500	352,370
<b>Total Charges for Services</b>	<b>22,820,270</b>	<b>22,243,283</b>
Miscellaneous		
Fees and outside work	55,200	64,567
Fees, merchandise, and other	448,000	1,626,230
<b>Total Miscellaneous</b>	<b>503,200</b>	<b>1,690,797</b>
<b>Total Operating Revenues</b>	<b>\$ 23,323,470</b>	<b>\$ 23,934,080</b>

**INTERNAL SERVICE FUNDS**

Equipment Replacement Fund - To account for the costs associated with the purchase of vehicles and equipment.

Fleet Services Fund - To account for the cost of operating the municipal service center maintenance facility for transportation vehicles/equipment used by city departments. Such costs are billed to the user departments.

Insurance Fund - To account for all costs related to general liability and workers' compensation claims. Health insurance premiums are also accounted for in this fund. This internal service fund uses "funding premium" payments from city operating funds to pay claim and premium costs incurred.

CITY OF EVANSTON, ILLINOIS

Internal Service Funds  
Combining Statement of Net Position  
December 31, 2020

	Equipment Replacement	Fleet Services	Insurance	Total
<b>Current Assets</b>				
Cash and cash equivalents	\$ 561,200	\$ -	\$ 1,070,000	\$ 1,631,200
Receivables - other	66,550	-	-	66,550
Inventories	-	1,582,382	-	1,582,382
Prepaid items	-	3,259,527	-	3,259,527
Due from other funds	-	-	1,000,000	1,000,000
<b>Total Current Assets</b>	<b>627,840</b>	<b>1,582,382</b>	<b>5,229,527</b>	<b>7,539,749</b>
<b>Capital Assets</b>				
Capital assets being depreciated	26,019,554	617,552	-	26,637,106
Accumulated depreciation	(18,411,959)	(617,447)	-	(19,029,406)
<b>Total Capital Assets</b>	<b>7,607,595</b>	<b>105</b>	<b>-</b>	<b>7,607,700</b>
<b>Total Assets</b>	<b>8,235,435</b>	<b>1,582,487</b>	<b>5,229,527</b>	<b>15,147,449</b>
<b>Deferred Outflows of Resources</b>				
OPEB items	-	28,110	-	28,110
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>28,110</b>	<b>-</b>	<b>28,110</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>8,235,435</b>	<b>1,610,597</b>	<b>5,229,527</b>	<b>15,175,559</b>
<b>Liabilities and Deferred Inflows of Resources</b>				
<b>Current Liabilities</b>				
Vouchers payable	79,310	108,984	66,241	254,535
Due to other funds	24,986	500,532	5,432,034	5,957,552
Compensated absences payable	-	20,536	8,088	28,624
Total OPEB liability	-	15,584	-	15,584
Claims payable	-	-	915,250	915,250
<b>Total Current Liabilities</b>	<b>104,296</b>	<b>645,636</b>	<b>6,421,613</b>	<b>7,171,545</b>
<b>Long-Term Liabilities</b>				
General obligation bonds payable	660,000	-	-	660,000
Compensated absences payable	-	82,143	32,352	114,495
Total OPEB liability	-	121,529	-	121,529
Claims payable	-	-	7,339,250	7,339,250
<b>Total Long-Term Liabilities</b>	<b>660,000</b>	<b>203,672</b>	<b>7,371,602</b>	<b>8,235,274</b>
<b>Total Liabilities</b>	<b>764,296</b>	<b>849,308</b>	<b>13,793,215</b>	<b>15,406,819</b>
<b>Deferred Inflows of Resources</b>				
OPEB items	-	21,504	-	21,504
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>21,504</b>	<b>-</b>	<b>21,504</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>764,296</b>	<b>870,812</b>	<b>13,793,215</b>	<b>15,428,323</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	6,947,595	105	-	6,947,700
Unrestricted (deficit)	523,544	739,680	(8,463,688)	(7,200,464)
<b>Total Net Position (Deficit)</b>	<b>\$ 7,471,139</b>	<b>\$ 739,785</b>	<b>\$ (8,463,688)</b>	<b>\$ (252,764)</b>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Internal Service Funds  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended December 31, 2020

	Equipment Replacement	Fleet Services	Insurance	Total
<b>Operating Revenues</b>				
Charges for services	\$ 1,470,934	\$ 2,158,326	\$ 4,251,001	\$ 7,880,861
General Fund	-	249,877	306,557	556,434
Sewer Fund	-	322,362	-	322,362
Solid Waste	-	172,581	513,955	686,536
Water Fund	-	159,517	350,666	510,183
Motor Vehicle Parking System Fund	-	5,440	-	5,440
Library Fund	4,885	-	-	4,885
Emergency Telephone System	-	-	18,229	18,229
Community Development Block Grant	1,340	825	-	2,165
HOME	-	-	894	894
Health and Human Services	-	-	-	-
Claims reimbursements	2,266	1,086	-	3,352
Health insurance contributions	-	-	-	-
Contributions from other funds	-	-	9,707,101	9,707,101
Employee contributions	-	-	3,319,326	3,319,326
Other contributions	-	14,384	802,642	817,026
Miscellaneous	-	70	-	70
<b>Total Operating Revenues</b>	<b>1,479,425</b>	<b>3,084,468</b>	<b>19,324,009</b>	<b>23,887,902</b>
<b>Operating Expenses</b>				
General support	-	1,136,884	581,236	1,718,120
Major maintenance	683,832	1,323,377	-	2,007,209
General liability claims	-	-	2,633,970	2,633,970
Workers' compensation claims	-	-	716,403	716,403
Health insurance premiums	-	-	14,262,990	14,262,990
<b>Total Operating Expenses</b>	<b>683,832</b>	<b>2,460,261</b>	<b>18,194,599</b>	<b>21,338,692</b>
<b>Operating Income (Loss) Before Depreciation</b>	<b>795,593</b>	<b>624,207</b>	<b>1,129,410</b>	<b>2,549,210</b>
<b>Depreciation</b>	<b>1,532,788</b>	<b>-</b>	<b>-</b>	<b>1,532,788</b>
<b>Operating Income (Loss)</b>	<b>(737,195)</b>	<b>624,207</b>	<b>1,129,410</b>	<b>1,016,422</b>
<b>Non-Operating Revenue (Expenses)</b>				
Investment income	433	-	-	433
Grant (loss) on sale of property	158,320	-	-	158,320
<b>Total Non-Operating Revenues (Expenses)</b>	<b>158,753</b>	<b>-</b>	<b>-</b>	<b>158,753</b>
<b>Income (Loss) Before Transfers</b>	<b>(578,442)</b>	<b>624,207</b>	<b>1,129,410</b>	<b>1,175,175</b>
<b>Transfers</b>				
Transfers in	-	-	2,000,000	2,000,000
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>Change in Net Position</b>	<b>(578,442)</b>	<b>624,207</b>	<b>3,129,410</b>	<b>3,175,175</b>
<b>Net Position (Deficit) - Beginning</b>	<b>8,049,581</b>	<b>115,578</b>	<b>(11,593,098)</b>	<b>(3,427,939)</b>
<b>Net Position (Deficit) - Ending</b>	<b>\$ 7,471,139</b>	<b>\$ 739,785</b>	<b>\$ (8,463,688)</b>	<b>\$ (252,764)</b>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS  
Internal Service Funds  
Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2020

	Equipment Replacement	Fleet Services	Insurance	Total
Cash Flows from Operating Activities				
Receipts from customers and users	\$ -	\$ 70	\$ 3,354,135	\$ 3,354,205
interfund services provided	1,488,835	2,735,882	14,480,331	18,705,048
Payments to suppliers	(404,508)	(1,655,152)	(1,581,256)	(3,640,896)
Payments to employees	-	(1,095,184)	(2,620,738)	(3,715,922)
Payments for insurance premiums	-	-	(15,435,134)	(15,435,134)
Net Cash from Operating Activities	1,084,327	-	(1,000,000)	84,327
Cash Flows from Noncapital Financing Activities				
Interfund transfers	-	-	2,000,000	2,000,000
Net Cash from Noncapital Financing Activities	-	-	2,000,000	2,000,000
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	184,007	-	-	184,007
Acquisition and construction of capital assets	(2,021,439)	-	-	(2,021,439)
Proceeds from general obligation bonds	660,000	-	-	660,000
Net Cash from Capital and Related Financing Activities	(1,177,432)	-	-	(1,177,432)
Cash Flows from Investing Activities				
Interest income	433	-	-	433
Net Cash from Investing Activities	433	-	-	433
Net Increase (Decrease) in Cash and Cash Equivalents	(92,672)	-	1,000,000	907,328
Cash and Equivalents				
Beginning	653,962	-	70,000	723,962
Ending	\$ 561,290	\$ -	\$ 1,070,000	\$ 1,631,290
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating Income (loss)	\$ (737,195)	\$ 624,207	\$ 1,129,410	\$ 1,016,422
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,532,788	-	-	1,532,788
Changes in assets and liabilities	(66,550)	-	(1,000,000)	(1,066,550)
Interfund receivable	272,964	-	(1,301,019)	(1,028,055)
Prepaid expenses	-	(189,788)	-	(189,788)
Inventories	-	15,824	13,232	29,056
Compensated absences	-	25,876	-	25,876
OPEB items	72,910	(141,987)	17,328	(51,749)
Vouchers payable	9,410	(334,132)	(686,901)	(1,011,623)
Interfund payable	-	-	827,950	827,950
Claims payable	-	-	-	-
Net Cash from Operating Activities	\$ 1,084,327	\$ -	\$ (1,000,000)	\$ 84,327

(See independent auditor's report.)

CITY OF EVANSTON LIBRARY COMPONENT UNIT  
EVANSTON, ILLINOIS

Combining Balance Sheet/Statement of Net Position

December 31, 2020

	Operating	Endowment	Capital Improvement	Debt/Service	Total	Adjustments	Statement of Net Position
<b>Assets</b>							
Cash and investments	\$ 3,099,814	\$ 4,869,488	\$ 1,290,258	\$ 130,161	\$ 9,389,721	\$ -	\$ 9,389,721
Property taxes receivable	7,252,000	-	-	482,243	7,734,243	-	7,734,243
Other receivables	39,530	-	-	-	39,530	-	39,530
Net pension asset - IMRF	-	-	-	-	357,499	357,499	357,499
Capital assets not being depreciated	-	-	-	-	311,380	-	311,380
Capital assets net of accumulated depreciation	-	-	-	-	10,942,090	10,942,090	10,942,090
<b>Total Assets</b>	<b>10,391,344</b>	<b>4,869,488</b>	<b>1,290,258</b>	<b>612,404</b>	<b>17,163,494</b>	<b>11,610,969</b>	<b>28,774,463</b>
<b>Deferred Outflows of Resources</b>							
Pension items - IMRF	-	-	-	-	-	779,974	779,974
OPPEB items	-	-	-	-	-	77,792	77,792
<b>Total Deferred Outflows of Resources</b>						<b>857,766</b>	<b>857,766</b>
<b>Total Assets and Deferred Outflows of Resources and Fund Balance/Net Position</b>	<b>\$ 10,391,344</b>	<b>\$ 4,869,488</b>	<b>\$ 1,290,258</b>	<b>\$ 612,404</b>	<b>\$ 17,163,494</b>	<b>\$ 12,468,735</b>	<b>\$ 29,632,229</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position</b>							
<b>Current Liabilities</b>							
Accounts payable	\$ 111,628	\$ -	\$ 6,300	\$ -	\$ 117,928	\$ -	\$ 117,928
Accrued interest	132,876	-	-	-	13,409	13,409	13,409
Due to primary government	-	-	-	-	261,892	-	261,892
<b>Total Current Liabilities</b>	<b>244,504</b>	<b>-</b>	<b>6,300</b>	<b>129,016</b>	<b>379,820</b>	<b>13,409</b>	<b>393,229</b>
<b>Noncurrent Liabilities</b>							
Due within one year	-	-	-	-	-	335,491	335,491
Due in more than one year	-	-	-	-	-	7,225,705	7,225,705
<b>Total Noncurrent Liabilities</b>						<b>7,611,196</b>	<b>7,611,196</b>
<b>Total Liabilities</b>	<b>244,504</b>	<b>-</b>	<b>6,300</b>	<b>129,016</b>	<b>379,820</b>	<b>7,624,605</b>	<b>8,004,425</b>
<b>Deferred Inflows of Resources</b>							
Pension items - IMRF	-	-	-	-	-	1,440,168	1,440,168
Unavailable property taxes	7,252,000	-	-	482,243	7,734,243	59,510	7,734,243
<b>Total Deferred Inflows of Resources</b>	<b>7,252,000</b>	<b>-</b>	<b>-</b>	<b>482,243</b>	<b>7,734,243</b>	<b>1,499,678</b>	<b>9,233,921</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>7,496,504</b>	<b>-</b>	<b>6,300</b>	<b>611,259</b>	<b>8,114,063</b>	<b>9,124,283</b>	<b>17,238,346</b>
<b>Fund Balances/Net Position</b>							
Net investment in capital assets	-	-	-	-	-	4,774,948	4,774,948
Restricted for debt service	-	-	-	1,145	1,145	-	1,145
Restricted for capital improvements	-	-	1,283,958	-	1,283,958	(315,409)	968,549
Restricted for endowment	-	4,869,488	-	-	4,869,488	-	4,869,488
Unassigned/unrestricted	2,894,840	-	-	-	2,894,840	(1,115,087)	1,779,753
<b>Total Fund Balances/Net Position</b>	<b>2,894,840</b>	<b>4,869,488</b>	<b>1,283,958</b>	<b>1,145</b>	<b>9,049,431</b>	<b>3,344,452</b>	<b>12,393,883</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances/Net Position</b>	<b>\$ 10,391,344</b>	<b>\$ 4,869,488</b>	<b>\$ 1,290,258</b>	<b>\$ 612,404</b>	<b>\$ 17,163,494</b>	<b>\$ 12,468,735</b>	<b>\$ 29,632,229</b>

(See independent auditor's report.)

CITY OF EVANSTON LIBRARY COMPONENT UNIT  
EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities  
Governmental Fund

For Fiscal Year Ended December 31, 2020

	Operating	Endowment	Capital Improvement	Debt Service	Total	Adjustments	Statement of Activities
<b>Revenues</b>							
Property taxes	\$ 7,268,891	\$ -	\$ -	\$ 480,145	\$ 7,749,036	\$ -	\$ 7,749,036
Intergovernmental							
Grant revenue	239,925	-	-	-	239,925	-	239,925
Charges for services	63,679	-	-	-	63,679	-	63,679
Other							
Investment income	59,517	621,388	-	-	680,905	-	680,905
Donations	371,734	-	-	-	371,734	-	371,734
Miscellaneous	92,998	-	-	-	92,998	-	92,998
<b>Total Revenues</b>	<b>8,096,744</b>	<b>621,388</b>	<b>-</b>	<b>480,145</b>	<b>9,198,277</b>	<b>-</b>	<b>9,198,277</b>
<b>Expenditures</b>							
Current							
Community services	7,470,962	-	-	-	7,470,962	1,157,374	8,628,336
Capital Outlay	-	-	94,525	-	94,525	(94,525)	-
Debt Service	-	-	-	222,648	222,648	(222,648)	-
Principal	-	-	-	257,496	257,496	(68,069)	189,427
Interest and fiscal charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,470,962</b>	<b>-</b>	<b>94,525</b>	<b>480,144</b>	<b>8,045,631</b>	<b>772,132</b>	<b>8,817,763</b>
<b>Excess (Deficiency) or Revenues Over Expenditures</b>	<b>625,782</b>	<b>621,388</b>	<b>(94,525)</b>	<b>1</b>	<b>1,152,646</b>	<b>(772,132)</b>	<b>380,514</b>
<b>Other Financing Sources (Uses)</b>							
Transfer in	199,414	-	-	-	199,414	(199,414)	-
Transfer (out)	-	(199,414)	-	-	(199,414)	199,414	-
<b>Total Other Financing Sources (Uses)</b>	<b>199,414</b>	<b>(199,414)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balance/Net Position</b>	<b>825,196</b>	<b>421,974</b>	<b>(94,525)</b>	<b>1</b>	<b>1,152,646</b>	<b>(772,132)</b>	<b>380,514</b>
<b>Fund Balances/Net Position</b>							
Beginning of Year	2,069,644	4,447,514	1,378,483	1,144	7,896,785	4,116,584	12,013,369
End of Year	\$ 2,894,840	\$ 4,869,488	\$ 1,283,958	\$ 1,145	\$ 9,049,431	\$ 3,344,452	\$ 12,393,883

(See independent auditor's report.)  
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**CITY OF EVANSTON LIBRARY COMPONENT UNIT  
EVANSTON, ILLINOIS**

Library Operating Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance
Revenues			
Taxes			
Property taxes	\$ 7,252,000	\$ 7,268,891	\$ 16,891
Intergovernmental			
Grant revenue	214,000	239,925	25,925
Charges for services	126,000	63,679	(62,321)
Other			
Investment income	15,000	59,517	44,517
Donations	390,000	371,734	(18,266)
Miscellaneous	270,000	92,998	(177,002)
Total Revenues	8,267,000	8,096,744	(170,256)
Expenditures			
General management and support	8,437,778	7,470,962	(966,816)
Total Expenditures	8,437,778	7,470,962	(966,816)
Excess (Deficiency) of Revenues Over Expenditures	(170,778)	625,782	796,560
Other Financing Sources (Uses)			
Transfers in	205,948	199,414	(6,534)
Total Other Financing Sources (Uses)	205,948	199,414	(6,534)
Net Changes in Fund Balances	\$ 35,170	\$ 825,196	\$ 790,026
Fund Balances			
Beginning of Year		2,069,644	
End of Year		\$ 2,894,840	

**STATISTICAL SECTION**

This part of the City of Evanston, Illinois' 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 displays about the City's overall financial health.

Contents Page(s)

**Financial Trends**  
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time. 138-147

**Revenue Capacity**  
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 148-150

**Debt Capacity**  
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 151-155

**Demographic and Economic Information**  
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 156-157

**Operating Information**  
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 158-163

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

Net Position by Component

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

	2011	2012	2013	2014
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 57,663	\$ 60,105	\$ 47,214	\$ 46,633
Restricted	31,559	31,754	24,720	25,446
Unrestricted	(24,033)	(23,729)	(13,846)	(11,436)
<b>Total Governmental Activities Net Position</b>	<b>\$ 65,189</b>	<b>\$ 68,130</b>	<b>\$ 58,088</b>	<b>\$ 60,643</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 215,755	\$ 228,738	\$ 239,243	\$ 246,382
Restricted	1,034	710	712	649
Unrestricted	25,385	26,363	25,484	23,563
<b>Total Business-Type Activities Net Position</b>	<b>\$ 242,174</b>	<b>\$ 255,811</b>	<b>\$ 265,439</b>	<b>\$ 270,594</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 273,418	\$ 288,843	\$ 286,457	\$ 293,015
Restricted	32,593	32,464	25,432	26,095
Unrestricted	1,352	2,634	11,638	12,127
<b>Total Primary Government Net Position</b>	<b>\$ 307,363</b>	<b>\$ 323,941</b>	<b>\$ 323,527</b>	<b>\$ 331,237</b>

\* The City implemented GASB Statement No. 68 which resulted in a decrease in unrestricted net position.

\*\* The City implemented GASB Statement No. 75 which resulted in a decrease in unrestricted net position.

Source: City Finance Division

	2015*	2016	2017	2018**	2019	2020
<b>Governmental Activities</b>						
Net investment in capital assets	\$ 47,953	\$ 51,588	\$ 51,575	\$ 52,536	\$ 53,784	\$ 65,388
Restricted	16,409	18,523	11,990	8,708	15,554	19,843
Unrestricted	(136,007)	(170,270)	(164,614)	(194,435)	(181,451)	(199,044)
<b>Total Governmental Activities Net Position</b>	<b>\$ (71,645)</b>	<b>\$ (100,159)</b>	<b>\$ (101,049)</b>	<b>\$ (133,191)</b>	<b>\$ (112,113)</b>	<b>\$ (113,813)</b>
<b>Business-Type Activities</b>						
Net investment in capital assets	\$ 255,622	\$ 268,851	\$ 278,446	\$ 283,981	\$ 289,023	\$ 284,516
Restricted	-	-	-	-	-	-
Unrestricted	22,785	18,928	14,249	11,896	9,883	16,150
<b>Total Business-Type Activities Net Position</b>	<b>\$ 278,407</b>	<b>\$ 287,779</b>	<b>\$ 292,695</b>	<b>\$ 295,877</b>	<b>\$ 298,906</b>	<b>\$ 300,666</b>
<b>Primary Government</b>						
Net investment in capital assets	\$ 303,575	\$ 320,439	\$ 330,021	\$ 336,517	\$ 342,807	\$ 349,904
Restricted	16,409	18,523	11,990	8,708	15,554	19,843
Unrestricted	(113,222)	(151,342)	(150,365)	(182,539)	(171,568)	(182,894)
<b>Total Primary Government Net Position</b>	<b>\$ 206,762</b>	<b>\$ 187,620</b>	<b>\$ 191,646</b>	<b>\$ 162,686</b>	<b>\$ 186,793</b>	<b>\$ 186,853</b>

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years  
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
General management and support	\$ 17,911	\$ 22,508	\$ 18,892	\$ 13,811	\$ 12,493	\$ 18,163	\$ 20,890	\$ 20,016	\$ 19,444	\$ 18,630
Public safety	43,465	52,740	57,090	58,795	57,443	55,625	61,191	80,789	56,755	83,015
Public works	12,399	11,099	13,782	25,825	20,011	13,668	24,793	22,718	26,584	18,573
Health and human resource development	3,547	3,200	3,601	3,837	2,911	3,319	3,354	3,455	2,895	3,719
Recreational and cultural opportunities	15,607	17,438	16,433	9,358	14,794	14,380	14,744	14,061	11,081	1,326
Housing and economic development	11,630	19,101	11,123	12,443	10,532	21,063	7,023	9,129	6,907	20,992
Interest	3,114	1,786	377	3,919	3,757	3,779	3,354	4,683	5,454	5,252
<b>Total Governmental Activities Expenses</b>	<b>107,673</b>	<b>127,872</b>	<b>121,298</b>	<b>127,988</b>	<b>121,941</b>	<b>129,997</b>	<b>135,349</b>	<b>154,851</b>	<b>129,120</b>	<b>151,507</b>
<b>Business-Type Activities</b>										
Water	7,450	10,172	11,193	11,977	10,748	11,450	12,239	12,964	12,880	13,612
Sewer	7,083	7,872	7,649	7,293	6,608	6,683	6,540	6,735	6,492	6,795
Solid waste	4,317	4,612	4,732	4,856	5,150	4,967	4,907	4,852	5,079	5,316
Motor vehicle parking system	6,673	8,297	8,369	7,856	7,862	8,532	8,575	9,321	9,585	8,982
<b>Total Business-Type Activities Expenses</b>	<b>25,523</b>	<b>30,953</b>	<b>31,943</b>	<b>31,982</b>	<b>30,368</b>	<b>31,632</b>	<b>32,261</b>	<b>33,872</b>	<b>34,036</b>	<b>34,705</b>
<b>Total Primary Government Expenses</b>	<b>\$ 133,196</b>	<b>\$ 158,825</b>	<b>\$ 153,241</b>	<b>\$ 159,970</b>	<b>\$ 152,309</b>	<b>\$ 161,629</b>	<b>\$ 167,610</b>	<b>\$ 188,723</b>	<b>\$ 163,156</b>	<b>\$ 186,212</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for services	\$ 9,219	\$ 9,478	\$ 8,917	\$ 9,374	\$ 8,629	\$ 10,094	\$ 8,145	\$ 8,985	\$ 8,768	\$ 7,267
General management and support	4,587	9,934	5,236	5,360	5,572	5,560	5,669	6,037	6,119	4,831
Culture and recreation	8,523	11,349	12,179	15,253	11,268	15,739	12,712	11,945	10,917	12,200
Other activities	9,861	13,453	10,102	7,151	5,535	6,809	5,931	5,244	5,775	9,672
Operating grants and contributions	3,941	2,017	2,956	501	275	368	325	125	8,630	2,971
Capital grants and contributions	36,131	46,231	39,390	37,639	31,279	38,570	32,782	32,336	40,209	36,941
<b>Total Governmental Activities Program Revenues</b>	<b>67,705</b>	<b>85,861</b>	<b>78,403</b>	<b>75,542</b>	<b>69,680</b>	<b>117,157</b>	<b>73,439</b>	<b>70,602</b>	<b>84,086</b>	<b>83,407</b>
<b>Business-Type Activities</b>										
Charges for services	12,369	14,967	14,658	15,052	15,722	16,419	17,588	15,642	17,789	23,934
Water	11,377	14,115	13,510	12,785	12,511	13,049	12,478	11,920	10,780	10,242
Sewer	2,900	3,490	3,651	3,971	4,004	4,031	4,061	4,083	4,668	4,618
Solid waste	4,928	6,663	6,255	6,080	6,164	6,688	6,530	6,621	10,640	7,289
Motor vehicle parking system	-	395	939	15	-	38,400	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>38,401</b>	<b>46,466</b>	<b>43,877</b>	<b>46,466</b>	<b>38,401</b>	<b>78,587</b>	<b>40,657</b>	<b>38,266</b>	<b>43,877</b>	<b>46,466</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 67,705</b>	<b>\$ 85,861</b>	<b>\$ 78,403</b>	<b>\$ 75,542</b>	<b>\$ 69,680</b>	<b>\$ 117,157</b>	<b>\$ 73,439</b>	<b>\$ 70,602</b>	<b>\$ 84,086</b>	<b>\$ 83,407</b>

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years  
(amounts expressed in thousands)

	2011	2012	2013	2014
Net (Expense)/Revenue	\$ (71,542)	\$ (81,641)	\$ (81,908)	\$ (90,349)
Governmental Activities	6,051	8,677	7,070	5,921
Business-Type Activities	\$ (65,491)	\$ (72,964)	\$ (74,838)	\$ (84,428)
Total Primary Government Net Expense				
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 33,399	\$ 47,874	\$ 46,349	\$ 48,579
Sales taxes	13,495	15,888	16,965	17,362
Investment earnings	32	398	79	(258)
Miscellaneous	21,244	25,348	27,369	26,612
Transfers	(8,180)	(4,926)	(2,586)	610
Total Governmental Activities	59,990	84,582	88,176	92,905
Business-Type Activities				
Property taxes	-	-	-	-
Investment earnings	16	34	33	(156)
Gains on sale of capital assets	-	-	-	-
Miscellaneous	-	-	(61)	-
Transfers	8,180	4,926	2,586	(610)
Total Business-Type Activities	8,196	4,960	2,558	(766)
Changes in Net Position	(11,552)	2,941	6,268	2,556
Governmental Activities	14,247	13,637	9,628	5,155
Business-Type Activities				
Total Primary Government	\$ 2,695	\$ 16,578	\$ 15,896	\$ 7,711

	2015	2016	2017	2018	2019	2020
\$ (90,662)	\$ (91,427)	\$ (102,567)	\$ (122,515)	\$ (88,911)	\$ (114,566)	
8,033	46,955	8,396	4,394	9,841	11,761	
\$ (82,629)	\$ (44,472)	\$ (94,171)	\$ (118,121)	\$ (79,070)	\$ (102,805)	
\$ 45,840	\$ 45,610	\$ 46,563	\$ 47,102	\$ 44,163	\$ 51,655	
17,758	17,932	16,071	16,963	16,905	16,445	
30	118	235	778	1,669	423	
30,950	33,217	35,011	38,786	39,051	34,123	
631	434	3,797	1,480	8,203	10,219	
95,209	97,311	101,677	105,109	109,991	112,865	
-	-	-	410	820	1,333	
27	59	114	234	565	140	
-	-	-	-	7	-	
301	(245)	203	-	-	-	
(631)	(434)	(3,797)	(1,480)	(8,203)	(10,219)	
(303)	(620)	(3,480)	(836)	(6,811)	(8,746)	
4,547	5,884	(890)	(17,406)	21,080	(1,701)	
7,730	46,335	4,916	3,558	3,030	3,015	
\$ 12,277	\$ 52,219	\$ 4,026	\$ (13,848)	\$ 24,110	\$ 1,314	

Source: City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ 300	\$ 310	\$ 415	\$ 220
Assigned	7,590	6,848	6,362	5,347	5,672	5,046	4,180	4,303	4,330	3,867
Unassigned	10,803	10,186	10,001	9,636	4,914	6,622	8,868	9,242	11,145	14,588
<b>Total General Fund</b>	<b>\$ 18,393</b>	<b>\$ 17,034</b>	<b>\$ 16,363</b>	<b>\$ 14,983</b>	<b>\$ 10,586</b>	<b>\$ 11,668</b>	<b>\$ 13,348</b>	<b>\$ 13,855</b>	<b>\$ 15,890</b>	<b>\$ 18,675</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 1,419	\$ -	\$ 407	\$ 1,430	\$ 2,158	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	32,353	32,431	25,359	26,003	16,409	18,523	11,418	25,651	15,933	19,457
Committed	806	2,150	3,507	3,540	2,556	2,996	-	-	-	-
Assigned	10,074	5,307	8,372	10,467	5,517	7,668	12,301	17,065	20,306	13,324
Unassigned	(175)	1,105	(149)	(153)	(221)	(252)	(204)	(227)	(226)	(215)
<b>Total All Other Governmental Funds</b>	<b>\$ 44,477</b>	<b>\$ 40,993</b>	<b>\$ 37,496</b>	<b>\$ 41,287</b>	<b>\$ 26,419</b>	<b>\$ 28,935</b>	<b>\$ 23,515</b>	<b>\$ 42,489</b>	<b>\$ 36,013</b>	<b>\$ 32,566</b>

Source: City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 56,466	\$ 79,331	\$ 78,254	\$ 77,933	\$ 75,747	\$ 76,047	\$ 78,157	\$ 81,281	\$ 78,645	\$ 82,567
Licenses, fees, and permits	6,776	10,470	10,617	14,503	12,184	17,933	13,358	11,664	10,012	11,853
Special assessments	235	293	275	167	8,312	169	260	199	230	185
Intergovernmental	23,183	29,252	27,844	24,300	3,554	24,886	22,627	23,004	25,278	27,592
Charges for services	6,283	7,763	7,723	7,793	23,834	8,791	8,713	10,053	8,925	7,879
Fines and penalties	3,280	3,470	3,449	3,358	148	3,612	3,468	3,765	5,108	2,983
Investment earnings	22	397	94	89	30	118	235	778	1,669	423
Other revenues	4,133	2,915	1,906	1,791	1,722	3,892	3,843	5,220	12,130	6,105
<b>Total Revenues</b>	<b>100,378</b>	<b>133,891</b>	<b>130,162</b>	<b>129,934</b>	<b>125,531</b>	<b>135,448</b>	<b>130,661</b>	<b>135,964</b>	<b>141,997</b>	<b>139,587</b>
<b>Expenditures</b>										
General management and support	13,594	18,532	17,611	13,314	13,444	17,064	18,152	18,330	19,206	18,767
Public safety	42,140	54,611	56,431	59,425	59,654	62,252	64,347	65,533	65,821	66,970
Public works	7,574	9,380	11,982	19,821	19,815	13,477	14,041	22,069	15,848	18,787
Health and human development	3,588	3,200	3,601	3,837	3,141	3,021	3,111	3,142	2,989	3,749
Recreation and cultural opportunities	16,192	14,309	14,775	10,524	11,087	11,894	12,371	12,789	12,247	9,351
Housing and economic development	11,999	19,095	11,305	9,348	13,292	10,477	7,225	9,006	6,567	9,043
Capital outlay	5,832	8,523	5,948	6,286	9,151	9,953	14,953	11,399	39,796	12,389
Debt service										
Principal	10,106	13,055	34,259	10,040	20,833	19,661	24,253	17,557	10,166	9,988
Interest	4,384	5,175	4,996	4,411	4,413	4,276	4,040	4,556	5,749	5,643
Fiscal agent fees	79	76	127	43	16	14	2	537	274	214
<b>Total Governmental Activities Expenditure</b>	<b>115,488</b>	<b>145,956</b>	<b>161,035</b>	<b>137,049</b>	<b>154,846</b>	<b>152,089</b>	<b>162,495</b>	<b>164,898</b>	<b>178,663</b>	<b>154,901</b>
<b>Net (Expense)/Revenue</b>	<b>(15,110)</b>	<b>(12,065)</b>	<b>(30,873)</b>	<b>(7,115)</b>	<b>(29,315)</b>	<b>(16,641)</b>	<b>(31,834)</b>	<b>(28,934)</b>	<b>(36,666)</b>	<b>(15,314)</b>
<b>Governmental Activities</b>										
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 15,420	\$ 12,618	\$ 34,982	\$ 9,989	\$ 22,377	\$ 19,652	\$ 26,558	\$ 46,892	\$ 23,976	\$ 18,576
Capitalized interest income	-	-	-	-	-	-	-	-	-	(12,143)
Payment to escrow agent	-	-	-	-	-	-	-	-	-	15,633
Transfers in	5,839	9,271	8,182	9,202	10,308	16,011	17,428	20,698	14,405	(7,414)
Transfers (out)	(14,593)	(14,668)	(11,879)	(9,665)	(9,315)	(15,542)	(15,893)	(19,174)	(6,156)	(7,414)
<b>Total Other Financing Sources (Uses)</b>	<b>6,666</b>	<b>7,221</b>	<b>31,285</b>	<b>9,526</b>	<b>23,370</b>	<b>20,121</b>	<b>28,093</b>	<b>48,416</b>	<b>32,225</b>	<b>14,652</b>
<b>Net Changes in Fund Balance</b>	<b>\$(8,444)</b>	<b>\$(4,844)</b>	<b>412</b>	<b>2,411</b>	<b>\$(5,945)</b>	<b>3,480</b>	<b>\$(3,741)</b>	<b>\$ 19,482</b>	<b>\$(4,441)</b>	<b>\$(662)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	13.25%	13.32%	25.31%	11.05%	17.33%	17.62%	19.18%	14.39%	11.62%	11.40%

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Equalized Assessed Value and Actual Value of Taxable Property

Last Ten Levy Years

Levy Year Ended	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Total Actual Value	Total Tax Rate
2010	\$ 2,233,194,054	\$ 15,956	\$ 623,156,869	\$ 184,687,438	\$ 829,769	\$ 3,041,884,086	\$ 9,125,652,258	1.364
2011	2,100,690,657	15,956	513,880,731	1,111,899,205	881,024	2,727,567,573	8,182,102,719	1.591
2012	1,944,932,067	15,956	462,671,239	1,063,077,084	995,206	2,514,621,552	7,543,864,656	1.551
2013	1,653,524,481	15,956	452,108,891	948,200,879	1,226,831	2,201,697,038	6,605,091,114	1.760
2014	1,792,383,435	15,467	416,165,953	34,726,327	1,278,793	2,244,569,975	6,733,709,925	1.766
2015	1,751,252,888	15,467	410,670,248	32,549,681	1,533,241	2,196,021,525	6,588,064,575	1.762
2016	2,151,672,082	15,467	483,830,858	33,333,491	1,559,871	2,670,411,769	8,011,235,307	1.501
2017	2,178,182,897	15,467	527,589,667	32,680,857	1,591,232	2,740,060,120	8,220,180,360	1.490
2018	2,150,065,734	15,467	537,739,734	31,050,996	1,708,983	2,720,580,914	8,161,742,742	1.570
2019	2,653,214,356	15,467	742,361,383	34,692,634	1,864,707	3,432,148,547	10,296,445,641	1.413

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: Illinois Department of Revenue and Cook County Clerk's Office

CITY OF EVANSTON, ILLINOIS

Principal Property Taxpayers

Current Year and Nine Years Ago

Tax Payer	2019 Levy				2010 Levy				Percentage of Total City Taxable EAV
	Total Equalized Assessed Value (EAV)	Rank							
Orrington TT LLC Golub	\$ 34,356,295	1	\$ 26,384,464	1	\$ 26,384,464	1	\$ 26,384,464	1	0.87%
FSP-909 Davis Street	29,315,714	2	22,171,027	2	22,171,027	2	22,171,027	2	0.73%
Century Interests	19,713,743	3	14,732,586	3	14,732,586	3	14,732,586	3	0.48%
TTA Davis Owner LLC	17,143,549	4	13,145,431	4	13,145,431	4	13,145,431	4	0.45%
800 Davis Owner LLC	16,643,706	5	12,892,618	5	12,892,618	5	12,892,618	5	0.43%
MB Sherman Highlands	15,893,291	6	12,171,067	6	12,171,067	6	12,171,067	6	0.42%
FDS/David Alperstein	15,686,911	7	11,616,218	7	11,616,218	7	11,616,218	7	0.40%
1890 Maple LLC	15,324,443	8	11,572,829	8	11,572,829	8	11,572,829	8	0.38%
Azarn of Evanston	12,936,437	9	10,816,879	9	10,816,879	9	10,816,879	9	0.36%
MHF Evanston V LLC	12,901,916	10	10,193,582	10	10,193,582	10	10,193,582	10	0.36%
<b>Total</b>	<b>\$ 194,264,195</b>		<b>\$ 161,935,862</b>		<b>\$ 161,935,862</b>		<b>\$ 161,935,862</b>		<b>5.66%</b>
<b>Total EAV</b>	<b>\$ 3,432,148,547</b>		<b>\$ 3,041,884,087</b>		<b>\$ 3,041,884,087</b>		<b>\$ 3,041,884,087</b>		

Source: Cook County

**CITY OF EVANSTON, ILLINOIS**

Property Tax Levies and Collections

Last Ten Levy Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Receipts Percentage of Levy	Amount	Collections in Subsequent Years	Percentage of Levy	Amount	Total Collected to Date	Percentage of Levy
2011	\$ 43,397,590	96.93%	\$ 42,064,756	348,189	96.93%	\$ 42,412,945	97.73%	
2012	43,330,121	96.41%	41,776,375	559,130	96.41%	42,335,505	97.70%	
2013	43,869,798	97.48%	42,762,685	338,420	97.48%	43,101,105	98.25%	
2014	45,557,079	97.20%	44,280,493	270,619	97.20%	44,551,112	97.79%	
2015	46,394,914	96.94%	44,974,845	205,607	96.94%	45,180,452	97.38%	
2016	47,538,529	98.29%	46,723,672	97,249	98.29%	46,820,921	98.49%	
2017	48,161,247	97.31%	46,866,198	197,415	97.31%	47,063,613	97.72%	
2018	49,712,625	98.63%	49,032,839	217,133	98.63%	49,249,972	99.07%	
2019	55,139,563	99.05%	54,616,777	186,248	99.05%	54,803,025	99.39%	
2020	55,711,545	See Note	See Note	See Note	See Note	See Note	See Note	

Note: Levy Year 2020 is collected through December 31, 2021

Source: City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Moneys Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Debt to Equalized Valuation	Debt to Total Personal Income	Net General Obligation Debt Per Capita
2011	74,486	\$ 3,041,884,087	\$ 162,077,740	\$ 2,629,020	\$ 47,111,060	\$ 112,367,660	\$ 3,197,311,550	5.33%	5.07%	1,508.57
2012	74,486	2,727,367,573	155,931,041	16,085,747	44,899,176	94,946,118	3,176,902,386	5.72%	4.91%	1,274.68
2013	74,619	2,514,621,452	153,460,742	12,520,761	40,042,921	106,897,060	3,113,477,775	6.10%	4.91%	1,352.16
2014	75,570	2,201,697,038	150,421,841	12,209,139	34,614,357	105,598,345	3,262,734,750	6.83%	4.61%	1,370.89
2015	75,570	2,244,569,975	149,352,238	438,453	37,651,325	111,262,460	3,124,063,800	6.65%	4.78%	1,472.31
2016	75,603	2,196,021,525	147,017,512	745,997	34,547,933	111,723,582	3,235,052,370	6.69%	4.54%	1,477.77
2017	75,472	2,670,411,769	148,627,212	241,781	37,104,152	131,281,279	3,316,617,040	5.57%	4.48%	1,474.47
2018	75,557	2,740,060,120	178,238,427	417,987	39,701,503	138,118,937	3,472,297,492	6.50%	5.13%	1,828.01
2019	73,473	2,720,580,914	195,456,220	417,431	42,263,176	152,756,613	3,800,243,979	7.18%	5.14%	2,079.34
2020 (4)	73,473	3,432,148,547	199,878,623	721,459	38,634,626	166,522,538	3,800,243,979	5.82%	5.26%	2,184.78

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 Water Fund, Solid Waste Fund, Sewer Fund, Motor Vehicle Parking System Fund, Howard Harney Tax Increment District, Washington National Tax Increment District, and Special Assessment Fund.

(4) 2020 data is not available for Personal Income or Census data, so 2019 data was used.

Source: Cook County and City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Direct and Overlapping Governmental Activities Debt

As of December 31, 2020

	Total Outstanding	Percentage of Debt Applicable to the City	The City's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	\$ 394,073,575	100.00%	\$ 394,073,575
Other bonded debt by taxing body			
High School District 202	25,160,000	90.44%	22,753,517
School District 65	68,456,167	90.44%	61,908,528
Community College District 535	30,000,000	12.19%	3,656,852
Cook County	2,803,851,750	1.71%	48,071,121
Cook County Forest Preserve District	131,815,000	1.71%	2,259,925
Metropolitan Water Reclamation District	2,274,859,669	1.75%	39,701,712
Skokie Park District	21,201,557	0.63%	133,430
Total Overlapping Debt	5,355,344,143		178,485,085
Total Direct and Overlapping Debt (Less Debt Supported by Other Sources)	\$ 5,749,417,718		\$ 572,558,660

Note: Overlapping debt calculated based on the pro rata EAV.

Source: Bonds Statement

**CITY OF EVANSTON, ILLINOIS**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	(2) Percentage of Personal Income	(1) Per Capita
	General Obligation Bonds	Special Service District Bonds	Capital Lease	General Obligation Bonds	Water Revenue Bonds	IEPA Loans			
2011	\$ 124,347,790	\$ 1,840,000	\$ -	\$ 35,919,950	\$ 1,170,000	\$ 79,081,272	\$ 242,359,012	7.88%	\$ 3,195
2012	120,388,381	1,515,000	-	34,027,660	595,000	70,375,368	226,901,409	7.14%	3,022
2013	120,915,723	1,175,000	-	31,370,019	305,000	64,658,382	218,424,124	7.02%	2,890
2014	119,060,744	795,000	-	30,566,097	-	58,412,659	208,834,500	6.40%	2,763
2015	117,035,540	405,000	-	31,911,608	-	51,901,172	201,253,320	6.44%	2,673
2016	116,091,162	-	-	30,926,350	-	45,256,237	192,273,749	5.94%	2,543
2017	122,151,162	-	-	26,476,050	-	40,328,108	188,955,320	5.70%	2,504
2018	151,056,754	-	-	27,182,674	-	34,921,821	213,161,249	6.14%	2,821
2019	164,873,935	-	-	30,582,285	-	40,691,551	236,147,771	6.21%	3,125
2020	161,243,997	-	-	38,634,626	-	43,407,478	243,286,101	6.40%	3,214

Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(2) See the Schedule of Demographics and Economic Statistics for personal income and population data.

Source: City Finance Division

Source: Budget Types of Debt (<https://www.cityofevanston.org/home/showpublisheddocument?d=61770>)

**CITY OF EVANSTON, ILLINOIS**

Legal Debt Margin

December 31, 2020

The City is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

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

To date, the Illinois General Assembly has set no limits for home rule municipalities.

**CITY OF EVANSTON, ILLINOIS**

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended	Utility Service Charges	Less: Operating Expenses	Water Revenue Bonds		Debt Service Interest	Coverage
			Net Available Resources	Principal		
2011	\$ 12,368,533	\$ 6,146,652	\$ 6,221,881	\$ -	\$ 24,672	252.18
2012	14,967,204	8,430,599	6,536,605	575,000	37,687	10.67
2013	14,657,748	8,175,707	6,482,041	290,000	19,688	20.93
2014	15,051,732	7,938,838	7,112,894	305,000	6,672	22.82
2015	NA	NA	NA	-	-	NA
2016	NA	NA	NA	-	-	NA
2017	NA	NA	NA	-	-	NA
2018	NA	NA	NA	-	-	NA
2019	NA	NA	NA	-	-	NA
2020	NA	NA	NA	-	-	NA

The City has no revenue bonds outstanding after December 31, 2014.

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

Calendar Year	Population	Total Personal Income		Per Capita Personal Income	Median Age	% of Population with HS Diploma or Higher	Education		Unemployment Rate
		Personal Income	Personal Income				School Enrollment	Rate	
2010	74,486	\$ 3,157,759,484	\$ 42,394	34.3	94.0%	9,550	7.9%		
2011	74,486	3,197,311,550	42,925	34.3	94.0%	11,369	7.3%		
2012	74,486	3,176,902,386	42,651	35.1	93.6%	11,418	6.8%		
2013	74,619	3,113,477,775	41,725	34.4	93.9%	10,293	6.7%		
2014	75,570	3,262,734,750	43,175	34.4	93.9%	10,429	4.2%		
2015	75,570	3,124,063,800	41,340	34.4	93.9%	11,088	4.5%		
2016	75,603	3,235,052,370	42,790	35.2	94.0%	12,104	4.3%		
2017	75,472	3,316,617,040	43,945	35.3	94.0%	12,026	3.9%		
2018	75,557	3,472,297,492	45,956	36.0	93.4%	10,899	3.1%		
2019	73,473	3,800,243,979	51,723	35.1	99.7%	11,601	3.7%		

Source: United States Census Bureau

**CITY OF EVANSTON, ILLINOIS**

Principal Employers

Current Year and Nine Years Ago

Employer	2020			2010		
	Employees	%	Rank	Employees	%	Rank
Northwestern University	6,020	37%	1	8,766	46%	1
Northshore University Health System	4,790	29%	2	4,000	21%	2
Evanston School District 65	1,482	9%	3	1,599	8%	3
City of Evanston	810	5%	5	1,225	6%	4
Presence Saint Francis Hospital	800	5%	4	980	5%	5
School District 202	633	4%	6	611	3%	6
Rotary International	549	3%	7	559	3%	7
ZS Associates	473	3%	8	525	3%	8
West Minister Pl., McGaw Care Center	455	3%	9	450	2%	9
C.E. Neihoff & Co.	401	2%	10	421	2%	10
<b>Total</b>	<b>16,413</b>			<b>19,136</b>		

Source: City Economic Development Division

**CITY OF EVANSTON, ILLINOIS**

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
City Clerk	3.00	2.80	2.20	2.20	2.00	2.00	2.00	1.00	2.00	1.00
City Manager's Office	8.00	12.00	12.00	14.00	13.00	32.00	30.00	30.00	27.50	28.50
Legal	7.00	7.00	8.00	7.00	8.00	4.50	4.50	4.50	4.50	4.50
Administrative Services	67.00	68.30	59.00	49.00	51.00	57.20	57.70	55.70	53.10	54.10
Community Development	27.00	27.00	24.00	21.00	19.00	21.50	26.25	22.00	23.50	25.75
Police	222.00	225.00	220.00	227.00	227.00	225.50	225.80	220.00	217.00	216.00
Fire	108.00	110.00	106.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Human and Health Services	17.00	17.70	20.00	21.10	22.10	21.10	21.10	21.75	17.75	8.75
Parks and Recreation	105	105.21	69	69.64	74.23	77.13	78.83	76.13	75.46	69.08
Public Works	49	49.25	97	108.45	107.45	84.25	84.25	72.5	70.00	71.00
<b>Total General Government</b>	<b>613.00</b>	<b>624.26</b>	<b>617.20</b>	<b>629.39</b>	<b>633.78</b>	<b>635.18</b>	<b>642.43</b>	<b>613.58</b>	<b>600.81</b>	<b>588.68</b>
<b>Library</b>	<b>52.00</b>	<b>56.38</b>	<b>63.00</b>	<b>63.13</b>	<b>66.45</b>	<b>66.87</b>	<b>73.88</b>	<b>71.05</b>	<b>69.81</b>	<b>78.45</b>
Neighborhood Stabilization Program	1.00	2.00	1.00	1.31	0.50	0.45	0.3	0.15	0.00	0.00
Housing Rehabilitation	-	-	-	-	1.75	1.75	1.75	1.75	1.75	1.50
Human Services Fund	-	-	-	-	-	-	-	-	-	17.90
General Assistance Fund	-	-	-	-	4.00	4.00	4.00	4.25	4.25	4.25
HOME Fund	-	-	-	-	0.40	0.50	0.50	0.35	0.35	0.35
Emergency Telephone System	5.00	5.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Economic Development Fund	3.00	1.53	3.00	2.60	2.60	2.80	2.50	2.75	2.90	4.40
Capital Improvements Fund	6.00	7.00	5.00	6.25	6.25	-	-	-	-	-
Parking Fund	-	-	-	-	-	-	-	-	-	-
Water	15.00	15.50	15.50	15.50	15.50	15.50	15.50	18.00	19.00	17.00
Sewer	41.00	42.50	40.00	42.50	44.50	44.50	44.50	45.75	45.25	46.25
Solid Waste	11.00	13.00	11.00	13.33	11.33	11.33	12.25	12.25	12.25	12.25
Fleet Services	6.00	10.00	8.00	9.66	9.66	9.66	10.5	11.50	13.50	13.50
Insurance Fund	12.00	12.00	10.00	12.00	12.50	12.50	12.00	9.50	9.90	9.90
<b>Total Other Functions</b>	<b>156.00</b>	<b>168.91</b>	<b>164.30</b>	<b>176.28</b>	<b>185.44</b>	<b>179.86</b>	<b>186.42</b>	<b>191.3</b>	<b>191.96</b>	<b>220.75</b>
<b>Total All Funds</b>	<b>769.00</b>	<b>793.17</b>	<b>781.70</b>	<b>805.67</b>	<b>819.22</b>	<b>815.04</b>	<b>828.85</b>	<b>804.88</b>	<b>792.77</b>	<b>809.43</b>

Source: City of Evanston HR Division

**CITY OF EVANSTON, ILLINOIS**

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

Last Ten Levy Years

Government Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Evanston*	1.365	1.592	1.551	1.760	1.766	1.800	1.536	1.524	1.604	1.446
Consolidated Elections	-	0.025	-	0.031	-	0.034	-	0.031	-	0.030
Cook County	0.423	0.462	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454
Cook County Forest Preserve District	0.051	0.058	0.063	0.069	0.069	0.069	0.063	0.062	0.060	0.059
Metropolitan Water Reclamation District	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389
North Shore Mosquito Abatement District	0.009	0.010	0.010	0.007	0.011	0.012	0.010	0.010	0.010	0.009
Evanston Township	0.046	0.011	0.010	0.053	-	-	-	-	-	-
Community College 535	0.160	0.196	0.219	0.256	0.258	0.271	0.231	0.232	0.246	0.221
School District 202	1.819	2.061	2.308	2.689	2.792	2.792	2.332	2.329	2.462	2.024
School District 65	2.655	2.818	3.149	3.671	3.686	3.810	3.676	3.673	3.891	3.185
<b>Total Tax Rate for Property not in Park District or Special Service District</b>	<b>6.802</b>	<b>7.553</b>	<b>8.211</b>	<b>9.513</b>	<b>9.447</b>	<b>9.766</b>	<b>8.787</b>	<b>8.759</b>	<b>9.158</b>	<b>7.817</b>
<b>Percent of Total Tax Rate Levied by City of Evanston</b>	<b>20.07%</b>	<b>21.08%</b>	<b>18.89%</b>	<b>18.50%</b>	<b>18.69%</b>	<b>18.43%</b>	<b>17.48%</b>	<b>17.40%</b>	<b>17.51%</b>	<b>18.50%</b>

\*City of Evanston rate includes General Assistance beginning in 2014. Does not include Evanston Public Library.

Source: Cook County Assessor's office

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Type of Customer

Last Ten Fiscal Years  
(in 100 cubic feet)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Type of Customer										
Residential	\$ 1,804,433	\$ 2,276,492	\$ 2,189,588	\$ 2,065,980	\$ 2,098,160	\$ 2,057,713	\$ 2,285,759	\$ 2,344,636	\$ 2,208,023	\$ 2,058,029
Industrial	11,852	14,738	12,392	11,627	10,772	9,808	12,777	16,405	14,182	11,111.51
Commercial	928,021	1,177,431	1,105,077	1,036,034	1,045,791	1,060,080	1,115,236	1,083,414	1,154,229	815,275
Government	50,129	66,561	61,908	53,732	55,485	57,965	67,547	72,062	69,065	38,856
<b>Total</b>	<b>\$ 2,794,735</b>	<b>\$ 3,475,242</b>	<b>\$ 3,368,965</b>	<b>\$ 3,167,373</b>	<b>\$ 3,210,308</b>	<b>\$ 3,186,566</b>	<b>\$ 3,481,319</b>	<b>\$ 3,516,517</b>	<b>\$ 3,445,699</b>	<b>\$ 4,023,311</b>

Total direct rate per 100 cubic feet \$ 1.52 \$ 1.75 \$ 1.80 \$ 1.98 \$ 1.98 \$ 2.18 \$ 2.18 \$ 2.31 \$ 2.47 \$ 2.74 \$ 2.89

Source: City of Evanston Public Works Agency

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Major Customers

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Type of Customer										
Northwestern Subscribers	\$ 4,710,084	\$ 6,154,231	\$ 5,915,560	\$ 6,301,007	\$ 6,975,705	\$ 6,500,560	\$ 7,509,260	\$ 7,640,447	\$ 8,335,009	\$ 8,613,315
Village of Skokie	2,304,066	2,889,109	2,772,424	2,895,425	2,854,684	2,911,912	3,651,339	5,773,487	5,772,511	2,489,520
Northwest Water Commission	3,710,581	5,033,996	5,183,425	5,074,770	5,183,391	5,695,812	5,898,670	5,963,424	5,416,594	5,549,357
Morton Grove and Niles	-	-	-	-	-	-	-	19,830	-	1,918,954
Village of Lincolnwood	-	-	-	-	-	-	-	-	-	352,370
<b>Total</b>	<b>\$ 10,733,731</b>	<b>\$ 14,147,326</b>	<b>\$ 13,871,409</b>	<b>\$ 14,181,802</b>	<b>\$ 15,013,860</b>	<b>\$ 15,448,074</b>	<b>\$ 16,830,268</b>	<b>\$ 19,397,198</b>	<b>\$ 20,299,083</b>	<b>\$ 18,923,515</b>

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police	180	230	131	97	80	130	122	140	73	88
Violent offenses	2,144	2,378	1,870	1,989	1,882	1,654	1,777	1,708	1,079	1,488
Property offenses	51,989	44,875	42,251	44,177	46,749	42,763	38,525	36,692	39,257	38,279
Fire	9,063	9,130	9,373	9,617	9,630	10,267	10,068	10,014	10,256	9,091
Emergency responses	157	154	129	120	99	114	90	111	69	77
Fire extinguished	620	640	660	740	760	760	1,267	1,275	446	728
Inspections	-	-	-	-	-	6,441	6,456	6,419	6,678	5,912
EMS Responses (reported beginning 2016)	-	-	-	-	-	-	-	-	-	-
Other Public Works	3.4	3.4	3.4	4.9	2.7	2.9	2.9	2.9	1.9	2.9
Street resurfacing (estimated miles)	20,075	16,761	16,367	16,270	15,531	27,426	22,820	24,263	22,054	8,749
Parks and Recreation	437	541	445	448	404	229	652	572	641	94
Athletic field usage (hours)	-	-	-	-	-	-	-	-	-	-
Permits issued	436,382	426,342	400,034	401,300	481,626	534,533	540,696	514,756	562,567	535,527
Library	891,769	989,638	1,056,243	1,074,972	1,071,401	1,078,653	1,039,585	1,207,419	1,191,600	699,631
Volumes in collection	16	4	-	18	9	3	3	7	15	8
Total volumes borrowed	28	66	51	70	23	28	28	32	28	29
New connections	38.39	39.85	35.81	36.79	36.63	39.645	39.645	41.122	43.151	46.50
Average daily consumption (millions of gallons)	65.95	69.21	56.95	48.91	50.39	55.084	55.084	55.291	60.248	62.63
Peak daily consumption (millions of gallons)	-	-	-	-	-	-	-	-	-	-

Note: Indicators are not available for general government functions

CITY OF EVANSTON, ILLINOIS

Capital Assets Statistics by Function

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police	1	1	1	1	1	1	1	1	1	1
Number of stations	164	164	164	164	164	165	165	165	166	154
Budgeted sworn officers	5	5	5	5	5	5	5	5	5	5
Fire Stations	147	147	147	147	147	147	147	147	147	147
Other Public Works	5,641	5,641	5,641	5,641	5,641	5,736	5,736	5,736	5,641	5,641
Streets (miles)	290	290	290	290	290	290	290	290	290	290
Streetlights	51	51	51	51	51	51	51	51	60	60
Parks and Recreation	18	18	18	18	18	18	18	18	13	16
Average	27	27	27	27	27	27	27	27	27	27
Playgrounds	5	5	5	5	5	6	6	6	7	7
Baseball/softball diamonds	157	157	157	157	156.4	155.6	155.6	155.8	157.5	156.2
Soccer/football fields	1,399	1,399	1,399	1,477	1,484	1,490	1,490	1,508	1,511	1,501
Community centers	22	22	22	22	22	22	22	22	22	22
Water	22	22	22	22	22	22	22	22	22	22
Water mains (miles)	22	22	22	22	22	22	22	22	22	22
Fire hydrants	22	22	22	22	22	22	22	22	22	22
Storage capacity (millions of gallons)	-	-	-	-	-	-	-	-	-	-

Note: No capital asset indicators are available for the general government or library function

Source: Various City departments; Budget

Source: City Finance division



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**SIKICH.COM**

## COMPLIANCE SECTION

### INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE OF ILLINOIS PUBLIC ACT 85-1142

The Honorable Mayor  
Members of the City Council  
City of Evanston, Illinois

We have examined management's assertion that the City of Evanston, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2020. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2020, is fairly stated in all material respects.

*Sikich LLP*

Naperville, Illinois  
June 28, 2021

## APPENDIX B

### DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

City of Evanston  
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2021 (the “*Bonds*”), to the amount of \$14,420,000, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2028	6,235,000	3.000
2029	900,000	5.000
2030	945,000	5.000
2031	995,000	2.000
2032	1,010,000	2.000
2033	445,000	2.000
2034	455,000	2.000
2035	465,000	2.000
2038	1,440,000	2.000
2039	500,000	2.000
2040	510,000	2.125
2041	520,000	2.125

the Bonds due on December 1, 2028, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT (\$)
2022	350,000
2023	1,085,000
2024	1,120,000
2025	1,145,000
2026	820,000
2027	845,000
2028	870,000 (stated maturity)

the Bonds due on December 1, 2038, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT (\$)
2036	470,000
2037	480,000
2038	490,000 (stated maturity)

the Bonds due on or after December 1, 2031, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2030, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain

taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**APPENDIX D**

**CITY OF EVANSTON  
COOK COUNTY, ILLINOIS**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by the City of Evanston, Cook County, Illinois (the “*City*”), in connection with the issuance of \$14,420,000 General Obligation Corporate Purpose Bonds, Series 2021 (the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 9th day of August, 2021 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “*Ordinance*”).

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* is defined in the Official Statement.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated August 23, 2021, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the City will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the City remains legally liable for the payment of such Bonds; *provided, however,* that the City will not be required to make such filings under new CUSIP Numbers unless the City has been notified in writing by the Participating Underwriter or the City’s financial advisor that new CUSIP Numbers have been assigned to the Bonds. The City will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Financial Information at least annually to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all

documents to be filed with EMMA, including financial statements and other externally prepared reports.

5. **REPORTABLE EVENTS DISCLOSURE.** Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. **CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION.** The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to

be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance.

9. **FUTURE CHANGES TO THE RULE.** As set forth in Section 1 of this Agreement, the City has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the City shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the City shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. **DISSEMINATION AGENT.** The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By \_\_\_\_\_  
Mayor

Date: September 14, 2021

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2020. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City\*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. (a) Incurrence of a Financial Obligation of the City, if material, or (b) an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

**EXHIBIT III  
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (299228)
2028	JV9
2029	JW7
2030	JX5
2031	JY3
2032	JZ0
2033	KA3
2034	KB1
2035	KC9
2038	KF2
2039	KG0
2040	KH8
2041	KJ4