



Special Finance and Budget Committee
Tuesday, August 29, 2023
Lorraine H. Morton Civic Center 5:00 PM
Join Zoom Meeting

<https://us06web.zoom.us/j/89521373624?pwd=UUc5Y29peFo3ZlFMUIVnS2o4MnRMdz09>

Meeting ID: 895 2137 3624
Passcode: 226359

One tap mobile
+13092053325,,89521373624#,,,,*226359# US
+13126266799,,89521373624#,,,,*226359# US (Chicago)

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Meeting ID: 895 2137 3624
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AGENDA

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. CONSIDERATION

FB1. **Review of the Annual Comprehensive Financial Report 2022** 3 - 223

Staff recommends that the Finance and Budget Committee review the Annual Comprehensive Financial Report for 2022 and refer it to the City Council for them to approve and place on file.

For Action

[Review of the Annual Comprehensive Financial Report 2022 - Attachment - Pdf](#)

4. DISCUSSION

D1. **FY 2023 Mid-Year Financial Report** 224 - 236

For Discussion

For Discussion

[FY 2023 Mid-Year Financial Report - Attachment - Pdf](#)

D2. **Discussion of Water Fund Status** 237 - 250

Staff requests that the Finance and Budget Committee provide direction on next steps related to maintaining an appropriate fund balance in the Water Fund.

For Discussion

[Discussion of Water Fund Status - Attachment - Pdf](#)

D3. **Proposed 2022 and 2023 General Obligation Bond Issuance** 251 - 256

Staff requests guidance related to the timing of the issuance and the amount of bonds to be issued to fund proposed 2022 and 2023 General Obligation Bonds funded projects.

For Discussion

[Proposed 2022 and 2023 General Obligation Bond Issuance - Attachment - Pdf](#)

5. ADJOURNMENT



Memorandum

To: Members of the Finance and Budget Committee
From: Hitesh Desai, Chief Financial Officer/Treasurer
Subject: Review of the Annual Comprehensive Financial Report 2022
Date: August 29, 2023

Recommended Action:

Staff recommends that the Finance and Budget Committee review the Annual Comprehensive Financial Report for 2022 and refer it to the City Council for them to approve and place on file.

Committee Action:

For Action

Summary:

Local governments are required by state law to have their annual financial statements audited by a qualified, certified public accountant. The City retained the services of Sikich, LLP to perform the audit of the City of Evanston's financial statements for the fiscal year ending December 31, 2022.

The auditors' opinion on the financial statements reports that the financial statements are prepared in accordance with generally accepted accounting principles and present fairly the financial position of the City on December 31, 2022, and the results of its operations for the year that ended.

Staff from Sikich will be in attendance to present the results and address any questions.

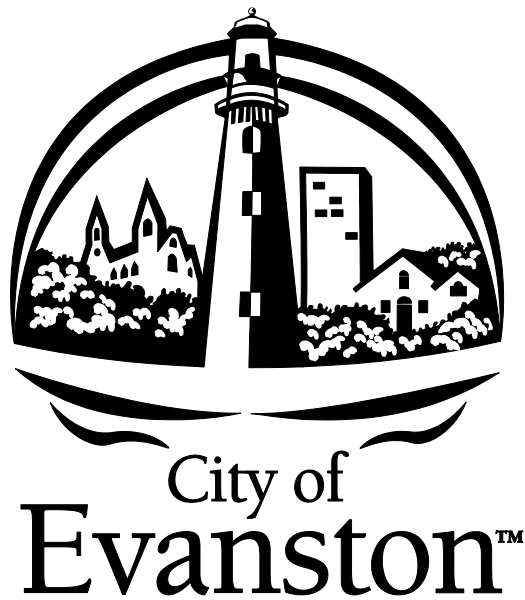
Legislative History:

A draft of the Annual Comprehensive Financial Report was presented by Sikich, LLP at the July 11, 2023 Finance and Budget Committee meeting. The committee agreed to discuss this item again when staff received the final report.

Attachments:

[2022 Annual Comprehensive Financial Report](#)

City of Evanston, Illinois



Annual Comprehensive Financial Report For the Year Ended December 31, 2022

CITY OF EVANSTON, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2022

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

CITY OF EVANSTON, ILLINOIS
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INTRODUCTORY SECTION

CITY OF EVANSTON

Principal Officials

December 31, 2022

LEGISLATIVE

Daniel Biss, Mayor

Clare Kelly	1st Ward
Krissie Harris	2nd Ward
Melissa A. Wynne	3rd Ward
Jonathan Nieuwsma	4th Ward
Bobby Burns	5th Ward
Thomas M. Suffredin	6th Ward
Eleanor Revelle	7th Ward
Devon Reid	8th Ward
Juan Geracaris	9th Ward

Stephanie Mendoza, City Clerk

EXECUTIVE

Luke Stowe, City Manager
David Stoneback, Deputy City Manager
Hitesh Desai, CFO / Treasurer

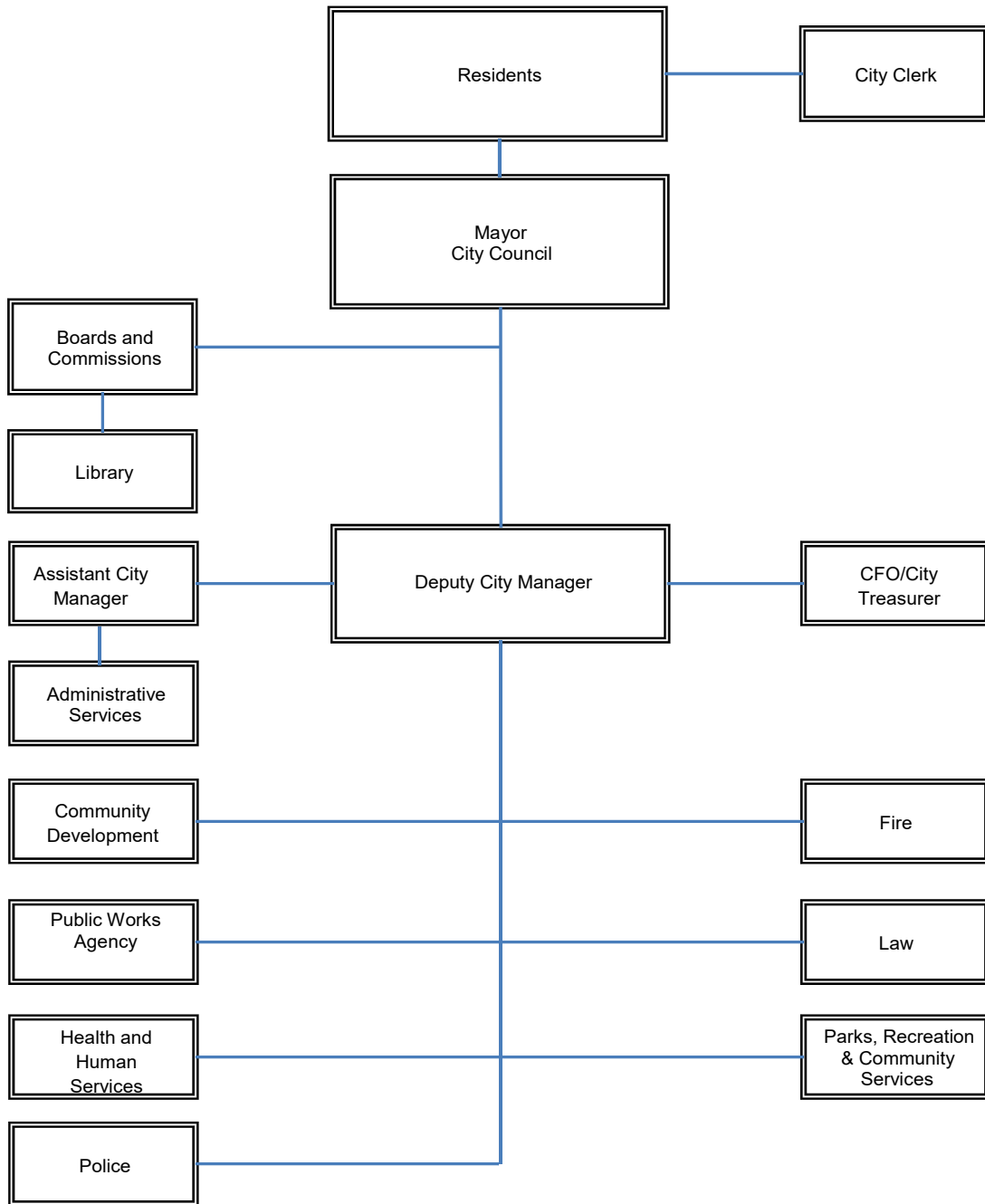
ADMINISTRATIVE

Interim Administrative Services Director Michael Rivera	Corporation Counsel Nicholas Cummings
Interim Chief Information Officer Dmitry Shub	Public Works Agency Director Edgar Cano
Health and Human Services Director Ikenga Ogbo	Police Chief Schenita Stewart
Interim Community Development Director Sarah Flax	Fire Chief Paul Polep
Parks, Recreation, & Community Services Director Audrey Thompson	Interim Library Director Heather Norborg



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

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City Manager's Office
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July 28, 2023

The Honorable Mayor Daniel Biss,
Members of the City Council
City of Evanston, Illinois

INTRODUCTION

The Annual Comprehensive Financial Report (Annual Report) of the City of Evanston (City) for the fiscal year ended December 31, 2022, 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, 2022, to December 31, 2022. Management assumes full responsibility for the completeness and reliability 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

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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. City 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, 2022, 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, 2022, 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 78,000 is diverse by race, religion, age, education, economics, and occupation. With

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10,000 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

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

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

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

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 represents one of nine wards and are elected to terms of four years. The City Council is organized into five standing committees: Administration and Public Works, Human Services, Planning and Development, Rules, and Referrals. 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 directors and supervises 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 2023 began on January 1, 2023. The City Manager submitted to the City Council a proposed operating budget in October 2022 for the fiscal year 2023 commencing the following January 1. The City's budget team started the budget process for fiscal year 2023 in late summer followed by meeting with all departments for their individual budgets. On December 12, 2022, the Council adopted Ordinance 99-O-22 approving the FY 2023 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 increase 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 Annual Comprehensive Financial Report (ACFR) 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 2022 budget, the City projected that 32.7% (\$117.9 million-including transfers) of all City expenditures will occur in the General Fund.

The City maintains two different types of proprietary 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). Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its risk management (insurance) operations.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. These funds consist of resources to provide retirement benefits to the City's public employees.

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 2023

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

The City Manager's Office will: (1) Continue to implement Language Access Guidelines city-wide. (2) Continue to implement the Reparations Program and Policy Development. (3) Implement programs under the American Rescue Plan (ARPA). (4) Develop Comprehensive Civic Engagement Policy and Plan. (5) Implement the City's Participatory Budgeting Program. (6) Implement the Guaranteed Income Pilot Program. (7) Continue to implement the Climate Action and Resilience Plan. (8) Continue to implement recommendations of the Environmental Justice Resolution. (9) Implement One-Stop Shop for Affordable Housing Retrofits. (10) Develop forecasting tools to assist with City budget development and planning.

The Law Department will: (1) Work with IT and the Collector's Office to bring the application and payment process for liquor licensing to an online platform. (2) In conjunction with the City Policy Coordinator, monitor proposed and potential state laws that can or will have an impact on the City, its operations and residents. (3) In conjunction with the City Manager's Office, conduct a comprehensive review of the City Code, looking for conflicts within the Code and with state law.

The Administrative Services Department will: (1) Expand use of the VueWorks program in order to better plan maintenance, replacements, and improvements at City facilities in a manner that is proactive rather than reactive. (2) Review a Parking Study report prepared by a consultant and bring forward any thoughtful changes to City Council for review. (3) Continue to expand training for all City employees, ensuring all staff are working at the best of their abilities to provide services for the City. (4) Continue to work

on expanding cyber security ensuring City assets are kept safe and continue to work on the City's website ensuring accessibility. (5) Review the Fleet Electrification Study and begin to implement in a phased manner and pace that is financially responsible while still reaching our CARP goals.

The Community Development Department will: (1) Implement updated permit software. (2) Initiate new Comprehensive Plan process. (3) Implement programs and projects under the American Rescue Plan Act (ARPA). (4) Implement projects and programs to address homeless & unstably housed with HOME-ARPA. (5) Investigate, track, monitor and inspect vacant buildings and rental properties. (6) Enhance our communication with landlords and property managers. (7) Implement landlord tenant and inclusionary housing waitlist programs. (8) Coordinate the CTA Purple Line Modernization Program in Evanston. (9) Implement ADA bus stop conversion project and coordinate new bus shelter program. (10) Continue and refine social services funding process to address inequities in access to services. (11) Assess and amend the inclusionary housing ordinance to respond to improve its effectiveness. (12) Expand tools to address the housing needs of low-, moderate-, and middle-income residents.

The Police Department will: (1) Fill vacant positions with competent, qualified personnel. (2) Negotiate labor agreements with the three unions represented in the Evanston Police Department. (3) Research development and implementation of a new 911 Continuity of Operations Center during system failure in case of needed backup. (4) Final implementation of Next-Generation 911 service.

The Fire Department will: (1) Host an Active Shooter Incident Training for Emergency Management leaders in the Northern Illinois area. (2) Host Fire Prevention Week events in October. (3) Replace and update major medical equipment from Stryker Corporation. (4) Transition Lifeguards from the Parks and Recreation Department to Fire.

The Health and Human Services Department will: (1) Continue to prioritize the response to COVID-19 in the community including schools, facilities housing high-risk populations such as in our long-term care facilities and congregate settings. (2) Create a clearinghouse of data to better measure health equity achievements. (3) Continue with the integration process of the Senior Service and Youth and Young Adult Divisions into the Health and Human Services Department to facilitate a holistic and equitable social services approach for the community. (4) Incorporate the City's EPLAN into City operations and goals thereby using it as a tool to make significant positive impacts to equity and disparity issues in the community. (5) Expand Workforce Development staffing and programming.

The Public Works Agency will: (1) Complete construction of the Main Street Improvements project. (2) Complete Green Bay Road water main replacement including Central Street under the viaduct. (3) Complete Ridge Avenue Traffic Signal Safety Improvements. (5) Complete design of the animal shelter improvements and skate park installation and begin construction. (6) Begin construction of the new raw water intake. (7) Replace approximately 65 light fixtures in street light poles with new LED fixtures in conformance with the Street Light Master Plan. (8) Begin a review of all solid waste facility needs with the City Council to determine how best to address some of the City's aging buildings. (10) Replace ADA accessible beach paths at the three remaining beaches (Lighthouse, Lee, South Boulevard).

The Parks, Recreation and Community Services will: (1) Implement new programming through year-round outdoor recreation programs. (2) Continue implementation of free Starlight Concert and Movie series in all nine wards with an increase in musical performances. (3) Explore improvements to RecTrac registration software. (4) Revival of special events through addition of a Special Events Coordinator, expanding events throughout the City's nine wards. (5) Continue to increase diversity of recreational programs offered including programs that are more inclusive and accessible.

Library operations are shown separately in the City's Annual Comprehensive 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: Given the uncertainty of the COVID-19 pandemic from 2020 through 2021, the City took steps to address revenue losses, contain spending and focus on the public health response to ensure the health and safety of Evanston residents. During this time, the City implemented several measures to mitigate the loss of revenues including layoffs, implementation of a hiring freeze, deferral of wage increases, and furloughs.

The steady recovery of the economy that started in 2021 continued in 2022 thanks in large part to a return of in-person classes at Northwestern University, a strong local job market, a strong housing market, and reinstatement of most City programming that had been deferred during the pandemic. Most major City revenues including Sales Taxes, State Income Taxes, Real Estate Transfer Taxes, Personal Property Replacement Taxes, Amusement Taxes, Natural Gas Utility Taxes, Recreation Program Fees, and Hotel Taxes exceeded budget in 2022 with many finishing at all-time highs.

While these revenue results are largely due to economic recovery, it is also a result of high rates of inflation. While inflation stood at 5.3% in October 2021, it peaked at 9.1% in July 2022, the highest rate in nearly 40 years. The index for all items less food (groceries and restaurants) and energy rose 5.7% over the last year. Energy prices rose 36.5%, largely the result of increases in gasoline and utility gas service, while food prices increased by 10.6%.

In 2022, the City also received its second installment of American Rescue Plan Act (ARPA) funding. The City received half of its \$43.1 million in May 2021 with the final payment in June 2022. These funds have been used for eligible projects including supporting public health expenditures, addressing negative economic impacts, providing premium pay for essential workers, and investing in water and sewer infrastructure. Roughly \$40 million of the \$43.1 million has been committed to date by the City Council.

Overall, General Fund expenditures were at 96% of budgeted expenditures with the City Manager's Office, Administrative Services Department, Health and Human Services Department, and Public Works Department reporting higher than budgeted expenditures for FY 2022; while the Community Development Department, Parks and Recreation Department, and Police Department reporting lower than budgeted numbers.

As noted, revenues finished the year at 123% of budget largely due to inflation. Overall, revenues in the General Fund finished at \$25.5 million higher than budgeted numbers. During 2022, the General Fund generated an operating surplus of \$27.4 million, adding to current reserves which are currently in excess of the minimum 16.66% required by the City's fund balance policy.

For the 2023 Budget, the City continued its focus on maintaining core services and ensuring the continued health and safety of residents. On October 10, 2022, staff presented the proposed budget to the City Council. The council deliberated on the budget at several City Council meetings before approval on December 12, 2022.

As part of the adopted budget, the City utilized available General Fund surplus to add 35 new staff positions and to transfer \$4.5 million in funding beyond the Public Safety Pension Levy to the Public Safety Pension Funds. With all three of the City's union contracts expiring at the end of 2022, the City also budgeted 4.5% wage increases for all employees with actual amounts to be determined based on the outcome of those negotiations. The City Council also approved one of the largest Capital Improvement Plans in City history at \$92.1 million with the largest project being the replacement of a 60-inch water intake pipeline that extends one mile in Lake Michigan.

Moving into 2023, most revenues continue to remain at the same level as 2022. However, there are signs that inflation and consumer demand are beginning to level out. After 10 consecutive meetings that led to interest rate increases, the Federal Reserve held rates at their June 2023 meeting. As of May 2023, the CPI was at 3.3%, slightly above the federal government target of 2%. Some revenues like the Real Estate Transfer Tax have been negatively impacted by the hikes in interest rates as real estate sales have slowed from 2021 and 2022 levels. Additionally, the State budget that was passed in 2022 allocated additional State Income Taxes to the City of Evanston, but subsequently reduced the local share of Personal Property Replacement Taxes (PPRT).

One additional item the City will need to monitor in 2023 will be the impact of inflation on the cost of capital improvement projects as several have come in well over the amount budgeted. Fortunately, the City has strong reserves given the performance of revenues in 2021 and 2022, but attention will need to be given as contracts are sent out to bid.

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, 2021. 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 annual comprehensive 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 year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2023 budget. To qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. The City has been getting this GFOA budget award for many years.

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 department directors and other 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 direction and support in planning and conducting the City's financial affairs.

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Respectfully submitted,

Luke Stowe

Luke Stowe
City Manager

Hitesh Desai

Hitesh Desai
Chief Financial Officer/Treasurer

FINANCIAL SECTION



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INDEPENDENT AUDITOR’S REPORT

The Honorable Daniel Biss, Mayor
and Members of the City Council
City of Evanston, Illinois

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

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, 2022, 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 City adopted GASB Statement No. 87, *Leases*, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Our opinion is not modified with respect to these matters.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Evanston Public Library were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 28, 2023 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.

Sikich LLP

Naperville, Illinois
July 28, 2023



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor
Members of the City Council
City of Evanston, Illinois

We have audited, 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 governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 28, 2023. The financial statements of Evanston Public Library were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Evanston Public Library.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
July 28, 2023

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

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 \$49,415,516 from the prior fiscal year. The governmental net position increased by \$41,075,163 or 57.2% from the prior period and the business-type activities net position increased by \$8,340,353 or 2.7% from the prior period.
- B. The governmental activities revenue increased by \$16,525,068 or 10.1% from the prior period principally due to increase in taxes collected and funding from other governmental agencies. The expenses increased by \$20,032,207 or 16.2% principally due to an increase in Public Safety and General management expenses.
- C. The business-type activities revenue increased by \$1,887,260 or 4.0% principally due to an increase in charges for services. The expenses decreased by \$159,511 or .45% from the prior period due to slight decreases in water and sewer expenses.
- D. The total cost of all City programs increased by \$19,872,696 or 12.5%. This increase was mainly attributable to an increase in public safety related expenses.
- E. Total assets of the City increased by \$88,805,838 mainly due to increase in cash, investments and pension assets; while total liabilities increased by \$82,918,653.
- F. Deferred outflows and inflows resources of the city had a net deferred inflows decrease of \$43,528,331 principally due to a decrease in the governmental net deferred inflows and implementation of GASB S87 *Leases*.

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.

MD&A 1

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.

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 7-10 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 financing requirements of governmental programs and the commitment of spendable resources for the near-term.

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

Budgetary comparison statements 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 11 – 15 of this report.

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

Proprietary fund statements and statements for discretely presented component units (reporting is similar to proprietary funds) provide both 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 16 - 20 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 21 - 22 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 23 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 94 – 108 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 115. Additional information on capital assets and long-term debt can be found on page 42 and 50, respectively.

Financial Analysis of the City as a Whole

The City's combined net position increased by \$49,415,516 from \$237,728,798 to \$287,144,314.

STATEMENT OF POSITION

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Asset:	\$ 248,350,460	\$ 182,796,690	37,514,732	32,743,095	285,865,192	215,539,785
Capital Assets	228,756,629	224,571,971	380,930,569	366,634,796	609,687,198	591,206,767
Total Assets	477,107,089	407,368,661	418,445,301	399,377,891	895,552,390	806,746,552
Deferred Outflows	55,577,584	25,672,525	4,935,510	4,858,437	60,513,094	30,530,962
	532,684,673	433,041,186	423,380,811	404,236,328	956,065,484	837,277,514
Long-Term Liabilities	422,853,966	370,079,055	83,423,489	84,736,446	506,277,455	454,815,501
Other Liabilities	53,440,394	28,058,982	9,655,666	3,580,379	63,096,060	31,639,361
Total Liabilities	476,294,360	398,138,037	93,079,155	88,316,825	569,373,515	486,454,862
Deferred Inflows	87,065,923	106,653,922	12,481,732	6,439,932	99,547,655	113,093,854
Total Liabilities and Deferred Inflows	563,360,283	504,791,959	105,560,887	94,756,757	668,921,170	599,548,716
Net Investment in Capital Assets	80,017,854	69,635,907	296,945,278	289,164,675	376,963,132	358,800,582
Restricted	62,604,468	23,472,163	9,267,670	-	71,872,138	23,472,163
Unrestricted (Deficit)	(173,297,932)	(164,858,843)	11,606,976	20,314,896	(161,690,956)	(144,543,947)
Restatement	-	-	-	-	-	-
Total Net Position	\$ (30,675,610)	(71,750,773)	317,819,924	309,479,571	287,144,314	237,728,798

The City's total revenues increased by \$ 18,412,328 or 8.8%. The City's total expenses for all programs increased by \$19,872,696 or 12.5%. Business-type activity revenues increased by \$1,887,260 in the current fiscal period mainly due to an increase in charges for services. Business-type activity expenses decreased by \$159,511, while Governmental activity expenses increased by \$20,032,207 due to increased costs in public safety. The list of revenues and expenses can be found in the table below.

The governmental activities and business-type activities saw net position balance increases of \$41,075,163 and of \$8,340,353, respectively.

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 Primary Government	
	2022	2021	2022	2021	2022	2021
Revenue						
Program Revenues:						
Charges for services	\$ 32,625,387	\$ 26,906,127	46,776,641	44,332,669	79,402,028	71,238,796
Operating grants and contributions	9,913,241	10,066,887			9,913,241	10,066,887
Capital grants and contributions	936,608	4,275,024			936,608	4,275,024
General Revenues:						
Sales taxes	23,443,235	21,497,119			23,443,235	21,497,119
Property taxes	52,498,104	53,268,947	1,332,500	1,332,500	53,830,604	54,601,447
Utility taxes	6,878,514	6,084,133			6,878,514	6,084,133
Income taxes	12,826,057	10,141,121			12,826,057	10,141,121
Other	39,200,596	30,818,051	-	595,906	39,200,596	31,413,957
Investment income	1,334,450	73,715	(92)	(39,286)	1,334,358	34,429
Total Revenue	<u>179,656,192</u>	<u>163,131,124</u>	<u>48,109,049</u>	<u>46,221,789</u>	<u>227,765,241</u>	<u>209,352,913</u>
Expenses						
General management and support	22,825,409	19,391,474		-	22,825,409	19,391,474
Public safety	70,097,181	58,492,344		-	70,097,181	58,492,344
Public works	20,711,786	16,860,988		-	20,711,786	16,860,988
Health and human resources development	3,158,454	3,969,841		-	3,158,454	3,969,841
Recreation and cultural opportunities	11,098,493	9,147,647		-	11,098,493	9,147,647
Housing and economic development	10,317,825	11,046,288		-	10,317,825	11,046,288
Interest	5,161,464	4,429,823		-	5,161,464	4,429,823
Water	-	-	14,562,608	14,561,520	14,562,608	14,561,520
Sewer	-	-	6,385,682	6,706,402	6,385,682	6,706,402
Solid Waste	-	-	5,148,518	5,475,571	5,148,518	5,475,571
Motor vehicle parking system	-	-	8,882,305	8,395,131	8,882,305	8,395,131
Total Expense	<u>143,370,612</u>	<u>123,338,405</u>	<u>34,979,113</u>	<u>35,138,624</u>	<u>178,349,725</u>	<u>158,477,029</u>
Increase (decrease) in net position before transfers	36,285,580	39,792,719	13,129,936	11,083,165	49,415,516	50,875,884
Transfers	<u>4,789,583</u>	<u>2,269,571</u>	<u>(4,789,583)</u>	<u>(2,269,571)</u>	-	-
Increase/(Decrease) in Net Position	41,075,163	42,062,290	8,340,353	8,813,594	49,415,516	50,875,884
Net Position - Beginning	(71,750,773)	(113,813,063)	309,479,571	300,665,977	237,728,798	186,852,914
Change in accounting principle	-	-	-	-	-	-
Net Position - Beginning, Restated	<u>(71,750,773)</u>	<u>(113,813,063)</u>	<u>309,479,571</u>	<u>300,665,977</u>	<u>237,728,798</u>	<u>186,852,914</u>
Net Position - Ending	<u>\$ (30,675,610)</u>	<u>(71,750,773)</u>	<u>317,819,924</u>	<u>309,479,571</u>	<u>287,144,314</u>	<u>237,728,798</u>

MD&A 5

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 \$91,512,062 as of December 31, 2022 which includes \$103,062 non-spendable, \$22,962,476 restricted, \$11,106,839 assigned and \$57,339,685 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 11 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 \$27,452,384 with actual revenue of \$137,585,695 and expenditures of \$116,316,048. The City reported an increase in fund balance mainly due to some of the major revenues coming significantly higher than budgeted amounts due to inflation.

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 \$513,238 from \$1,452,572 to \$1,965,810.

Combined Nonmajor Governmental Funds

Combined nonmajor fund balances totaled \$27,891,876, a decrease of \$10,483,422 from prior period of \$38,375,298. Non-major funds with surpluses for the fiscal year include Motor Fuel Tax, Emergency Telephone, Affordable Housing, Community Dev Loan, SSD #9, Sustainability, General Assistance, Crown Construction, Chicago-Main, SSD #6, SSD #7, SSD #8, and Dempster-Dodge. Nonmajor funds with deficits for the period include Home, CDBG, Reparations, Good Neighbor, West-Evanston, Howard-Ridge, Five Fifths, Capital Improvements, Crown Maintenance, 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 \$8,340,353 in the net position. The Water Fund reported the highest increase in the amount of \$4,233,008. The Solid Waste Fund added \$2,051,273 to the net position during the year. The Sewer Fund reported an increase of \$2,606,877, while Parking Fund reported a decrease of \$550,805. 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 \$4,144,923 from a \$3,375,696, as of January 1, 2022 to a net position of \$7,520,619 as of December 31, 2022. The increase in net position can be attributed to a decrease in liabilities in the Insurance Fund, which continues to improve.

General Fund Highlights

Total revenues for the General Fund were \$137,585,695 while total expenditures were \$116,316,048. Overall General Fund revenue came in higher than budget by \$25,506,614. Total expenditures in the General Fund were lower than budgeted amounts by \$4,268,275. The actual net surplus of \$27,452,384 was supplemented by \$6,182,737 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, 2022, were \$609,687,198. The governmental funds capital assets had a net increase of \$4,184,658, while business type capital assets increased by \$14,295,773. Overall, capital assets increased by 3.1% 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, 2022, the City had outstanding total general obligation bonded debt of \$171,823,118 of which \$33,336,712 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 \$11,175,294 decrease from 2021. The City's general obligation debt service principal payments for 2022 totaled \$11,175,294. During the current year, the City did not issue general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should refer to Note 7 in the Notes to the Financial Statements.

Bond Ratings

The City's 2022 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:

The steady recovery of the economy that started in 2021 continued in 2022 thanks in large part to a return of in-person classes at Northwestern University, a strong local job market, a strong housing market, and reinstatement of most City programming that had been deferred during the pandemic. Most major City revenues including Sales Taxes, State Income Taxes, Real Estate Transfer Taxes, Personal Property Replacement Taxes, Amusement Taxes, Natural Gas Utility Taxes, Recreation Program Fees, and Hotel Taxes exceeded budget in 2022 with many finishing at all-time highs.

While these revenue results are largely due to economic recovery, it is also a result of high rates of inflation. While inflation stood at 5.3% in October 2021, it peaked at 9.1% in July 2022, the highest rate in nearly 40 years. The index for all items less food (groceries and restaurants) and energy rose 5.7% over the last year. Energy prices rose 36.5%, largely the result of increases in gasoline and utility gas service, while food prices increased by 10.6%.

In 2022, the City also received its second installment of American Rescue Plan Act (ARPA funding. The City received half of its \$43.1 million in May 2021 with the final payment in June 2022. These funds have been used for eligible projects including supporting public health expenditures, addressing negative economic impacts, providing premium pay for essential workers, and investing in water and sewer infrastructure. Roughly \$40 million of the \$43.1 million has been committed to date by the City Council.

Overall, General Fund expenditures were at 96% of budgeted expenditures with the City Manager's Office, Administrative Services Department, Health and Human Services Department, and Public Works Department reporting higher than budgeted expenditures for FY 2022; while the Community Development Department, Parks and Recreation Department, and Police Department reporting lower than budgeted numbers.

As noted, revenues finished the year at 123% of budget largely due to inflation. Overall, revenues in the General Fund finished at \$25.5 million higher than budgeted numbers. During 2022, the General Fund generated an operating surplus of \$27.4 million, adding to current reserves which are currently more than the minimum 16.66% required by the City's fund balance policy.

For the 2023 Budget, the City continued its focus on maintaining core services and ensuring the continued health and safety of residents. On October 10, 2022, staff presented the proposed budget to the City Council. The council deliberated on the budget at several City Council meetings before approval on December 12, 2022.

With all three of the City's union contracts expiring at the end of 2022, the City also budgeted 4.5% wage increases for all employees with actual amounts to be determined based on the outcome of those negotiations. The City has strong reserves given the performance of revenues in 2021 and 2022, but attention will need to be given as contracts are finalized.

Moving into 2023, most revenues continue to remain at the same level as 2022. However, there are signs that inflation and consumer demand are beginning to level out. After 10 consecutive meetings that led to interest rate increases, the Federal Reserve held rates at their June 2023 meeting. As of May 2023, the CPI was at 3.3%, slightly above the federal government target of 2%. Some revenues like the Real Estate Transfer Tax have been negatively impacted by the hikes in interest rates as real estate sales have slowed from 2021 and 2022 levels. Additionally, the State budget that was passed in 2022 allocated additional State Income Taxes to the City of Evanston, but subsequently reduced the local share of Personal Property Replacement Taxes (PPRT).

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.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
ASSETS				
Cash and equivalents	\$ 55,461,423	\$ 1,534,028	\$ 56,995,451	\$ 7,326,331
Investments	63,803,631	9,122,573	72,926,204	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	58,518,338	1,332,500	59,850,838	9,514,154
Utility taxes	836,618	-	836,618	-
Accounts	-	8,044,477	8,044,477	-
Notes	75,000	199,000	274,000	-
Loans	9,787,673	-	9,787,673	-
Special assessments	661,093	-	661,093	-
Leases	2,183,885	3,926,575	6,110,460	-
Accrued interest	2,247	5,859	8,106	-
Other	1,059,869	212,455	1,272,324	95
Due from other governments	11,823,538	-	11,823,538	-
Due from primary government	-	-	-	203,328
Internal balances	(2,872,563)	2,872,563	-	-
Inventories	1,767,552	997,032	2,764,584	-
Prepaid items	6,149,830	-	6,149,830	-
Net pension asset	39,092,326	9,267,670	48,359,996	5,364,050
Capital assets				
Capital assets not being depreciated	48,888,893	6,673,158	55,562,051	311,380
Capital assets being depreciated, net	179,867,736	374,257,411	554,125,147	10,000,756
Total assets	477,107,089	418,445,301	895,552,390	32,720,094
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligations	-	3,614,036	3,614,036	-
Pension items - Police	26,898,174	-	26,898,174	-
Pension items - Fire	20,103,248	-	20,103,248	-
Pension items - IMRF	4,836,971	1,146,707	5,983,678	663,705
OPEB items	3,739,191	174,767	3,913,958	55,553
Total deferred outflows of resources	55,577,584	4,935,510	60,513,094	719,258
Total assets and deferred outflows of resources	532,684,673	423,380,811	956,065,484	33,439,352

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
LIABILITIES				
Vouchers payable	\$ 11,418,736	\$ 2,686,277	\$ 14,105,013	\$ 175,222
Retainage payable	-	91,289	91,289	-
Deposits payable	-	1,796	1,796	-
Accrued payroll	2,687,584	-	2,687,584	-
Accrued interest	901,222	200,926	1,102,148	19,348
Due to other governments	3,449,453	-	3,449,453	-
Due to component unit	203,328	-	203,328	-
Due to fiduciary funds	4,065,865	-	4,065,865	-
Unearned revenue	30,714,206	-	30,714,206	-
Noncurrent liabilities				
Due within one year	12,647,588	6,675,378	19,322,966	358,648
Due in more than one year	410,206,378	83,423,489	493,629,867	6,528,417
Total liabilities	476,294,360	93,079,155	569,373,515	7,081,635
DEFERRED INFLOWS OF RESOURCES				
Pension items - Police Pension	1,243,238	-	1,243,238	-
Pension items - Fire Pension	1,032,060	-	1,032,060	-
Pension items - IMRF	29,626,683	7,023,638	36,650,321	4,065,223
OPEB items	5,648,654	264,014	5,912,668	83,921
Property taxes levied for future periods	47,366,662	1,332,500	48,699,162	8,043,385
Leases	2,148,626	3,861,580	6,010,206	-
Total deferred inflows of resources	87,065,923	12,481,732	99,547,655	12,192,529
Total liabilities and deferred inflows of resources	563,360,283	105,560,887	668,921,170	19,274,164
NET POSITION				
Net investment in capital assets	80,017,854	296,945,278	376,963,132	4,081,234
Restricted for				
Pensions	39,092,326	9,267,670	48,359,996	5,364,050
Highway maintenance	5,457,966	-	5,457,966	-
Emergency telephone system	1,484,368	-	1,484,368	-
HUD approved projects	445,424	-	445,424	-
Neighborhood improvements	4,638,696	-	4,638,696	-
Reparations	248,536	-	248,536	-
Sustainability	384,592	-	384,592	-
Governmental services	531,170	-	531,170	-
Capital improvements	733,413	-	733,413	704,389
Debt service	8,601,591	-	8,601,591	2,782
General assistance	986,386	-	986,386	-
Endowment	-	-	-	4,107,524
Unrestricted (deficit)	(173,297,932)	11,606,976	(161,690,956)	(94,791)
TOTAL NET POSITION (DEFICIT)	\$ (30,675,610)	\$ 317,819,924	\$ 287,144,314	\$ 14,165,188

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General management and support	\$ 22,825,409	\$ 9,403,164	\$ 315,219	\$ -
Public safety	70,097,181	8,365,566	127,164	-
Public works	20,711,786	214,791	4,790,783	811,608
Health and human resource development	3,158,454	425,043	1,430,609	-
Recreational and cultural opportunities	11,098,493	6,961,905	276,569	-
Housing and economic development	10,317,825	7,254,918	2,972,897	125,000
Interest	5,161,464	-	-	-
Total governmental activities	143,370,612	32,625,387	9,913,241	936,608
Business-Type Activities				
Water	14,562,608	22,925,552	-	-
Sewer	6,385,682	9,638,057	-	-
Solid waste	5,148,518	5,323,741	-	-
Motor vehicles parking system	8,882,305	8,889,291	-	-
Total business-type activities	34,979,113	46,776,641	-	-
TOTAL PRIMARY GOVERNMENT	\$ 178,349,725	\$ 79,402,028	\$ 9,913,241	\$ 936,608
COMPONENT UNIT				
Evanston Public Library	\$ 7,399,971	\$ 44,927	\$ 667,620	\$ -

Net (Expense) Revenue and Change in Net Position				
Primary Government				Component Unit
Governmental Activities	Business-Type Activities	Total Primary Government	Evanston Public Library	
\$ (13,107,026)	\$ -	\$ (13,107,026)	\$ -	-
(61,604,451)	-	(61,604,451)	-	-
(14,894,604)	-	(14,894,604)	-	-
(1,302,802)	-	(1,302,802)	-	-
(3,860,019)	-	(3,860,019)	-	-
34,990	-	34,990	-	-
(5,161,464)	-	(5,161,464)	-	-
(99,895,376)	-	(99,895,376)	-	-
-	8,362,944	8,362,944	-	-
-	3,252,375	3,252,375	-	-
-	175,223	175,223	-	-
-	6,986	6,986	-	-
-	11,797,528	11,797,528	-	-
(99,895,376)	11,797,528	(88,097,848)	-	-
\$ -	\$ -	\$ -	\$ (6,687,424)	-
General Revenues				
Taxes				
Property tax	52,498,104	1,332,500	53,830,604	7,855,001
Other taxes	9,856,593	-	9,856,593	-
Personal property replacement taxes	5,516,675	-	5,516,675	-
Sales and home rule tax	23,443,235	-	23,443,235	-
Utility tax	6,878,514	-	6,878,514	-
Liquor tax	3,291,166	-	3,291,166	-
Parking tax	2,952,826	-	2,952,826	-
Real estate transfer tax	5,496,306	-	5,496,306	-
Intergovernmental	7,659,448	-	7,659,448	-
Income tax	12,826,057	-	12,826,057	-
Investment income	1,334,450	(92)	1,334,358	(943,390)
Gain on sale of capital assets	-	-	-	-
Miscellaneous	4,427,582	-	4,427,582	6,649
Transfers	4,789,583	(4,789,583)	-	-
Total	140,970,539	(3,457,175)	137,513,364	6,918,260
CHANGE IN NET POSITION	41,075,163	8,340,353	49,415,516	230,836
NET POSITION (DEFICIT), JANUARY 1	(71,750,773)	309,479,571	237,728,798	13,934,352
NET POSITION (DEFICIT), DECEMBER 31	\$ (30,675,610)	\$ 317,819,924	\$ 287,144,314	\$ 14,165,188

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2022

	General	General Obligation Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 20,492,652	\$ 2,774,084	\$ 6,906,203	\$ 24,160,647	\$ 54,333,586
Investments	28,658,014	516,020	24,943,229	9,686,368	63,803,631
Receivables					
Property taxes	38,866,175	15,751,469	-	3,900,694	58,518,338
Utility	836,618	-	-	-	836,618
Notes	75,000	-	-	-	75,000
Loans	-	-	-	9,787,673	9,787,673
Special assessments	-	-	-	661,093	661,093
Leases	1,744,059	-	-	439,826	2,183,885
Accrued interest	1,994	-	-	253	2,247
Other	1,054,875	-	-	-	1,054,875
Due from other governments	10,687,563	-	-	1,135,975	11,823,538
Due from other funds	5,190,166	-	-	341,417	5,531,583
Inventories	28,062	-	-	-	28,062
TOTAL ASSETS	\$ 107,635,178	\$ 19,041,573	\$ 31,849,432	\$ 50,113,946	\$ 208,640,129
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 2,384,223	\$ -	\$ 71,094	\$ 8,339,235	\$ 10,794,552
Accrued payroll	2,687,584	-	-	-	2,687,584
Unearned revenue	-	-	30,714,206	-	30,714,206
Due to other governments	3,296,277	-	-	153,176	3,449,453
Due to component unit	203,328	-	-	-	203,328
Due to other funds	-	4,197,505	532,962	518,558	5,249,025
Due to fiduciary funds	4,065,865	-	-	-	4,065,865
Total liabilities	12,637,277	4,197,505	31,318,262	9,010,969	57,164,013
DEFERRED INFLOWS OF RESOURCES					
Long-term loans	-	-	-	10,448,766	10,448,766
Property taxes levied for future periods	32,157,402	12,878,258	-	2,331,002	47,366,662
Leases	1,717,293	-	-	431,333	2,148,626
Total deferred inflows of resources	33,874,695	12,878,258	-	13,211,101	59,964,054
Total liabilities and deferred inflows of resources	46,511,972	17,075,763	31,318,262	22,222,070	117,128,067

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2022

	General	General Obligation Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable					
Cash with fiscal agent	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	-	-	-	-	-
Inventory	-	-	-	-	-
Notes	75,000	-	-	-	75,000
Inventory	28,062	-	-	-	28,062
Restricted					
Highway maintenance	-	-	-	5,457,966	5,457,966
Emergency telephone system	-	-	-	1,484,368	1,484,368
HUD approved projects	-	-	-	445,424	445,424
Neighborhood improvements	-	-	-	4,089,030	4,089,030
Reparations	-	-	-	248,536	248,536
Sustainability	-	-	-	384,592	384,592
Governmental services	-	-	531,170	-	531,170
Debt service	-	1,965,810	-	6,635,781	8,601,591
General assistance	-	-	-	986,386	986,386
Capital improvements	-	-	-	733,413	733,413
Assigned					
Capital improvements	-	-	-	7,762,268	7,762,268
Other	3,344,571	-	-	-	3,344,571
Unassigned (deficit)	57,675,573	-	-	(335,888)	57,339,685
Total fund balances	61,123,206	1,965,810	531,170	27,891,876	91,512,062
TOTAL LIABILITIES, INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 107,635,178	\$ 19,041,573	\$ 31,849,432	\$ 50,113,946	\$ 208,640,129

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, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 91,512,062
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	
Total governmental capital assets	\$ 228,756,629
Less internal service fund portion	<u>7,273,461</u> 221,483,168
Total OPEB liability payable is not due and payable in the current period and, therefore, is not reported in the governmental funds	
	(20,349,682)
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	
	(901,222)
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	\$ (138,486,406)
Less internal service fund portion	<u>(660,000)</u> (137,826,406)
Bonds premium liability	(10,252,369)
Compensated absences payable	(9,928,536)
Net pension liability/asset is shown as a liability/asset on the statement of net position	
Illinois Municipal Retirement Fund	39,092,326
Police Pension Fund	(128,935,255)
Firefighters' Pension Fund	(110,575,648)
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	(24,789,712)
Police Pension Fund	25,654,936
Firefighters' Pension Fund	19,071,188
OPEB	(1,899,845)
Deferred inflows for long-term loans are not available and, therefore, not revenue in fund financial statements	
	10,448,766
The net position of the internal service fund is included in the governmental activities on the statement of net position	
	<u>7,520,619</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (30,675,610)</u></u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	General	General Obligation Debt Service	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 76,461,370	\$ 13,858,421	\$ -	\$ 8,217,785	\$ 98,537,576
Licenses and permits	12,562,065	-	-	-	12,562,065
Special assessments	-	-	-	318,463	318,463
Intergovernmental	28,225,468	-	7,659,448	7,871,187	43,756,103
Fees	-	-	-	538,433	538,433
Charges for services	13,945,833	-	-	63,467	14,009,300
Fines and forfeits	3,790,046	-	-	-	3,790,046
Investment income	309,972	91,189	524,941	408,348	1,334,450
Miscellaneous	2,290,941	-	-	2,518,815	4,809,756
Total revenues	137,585,695	13,949,610	8,184,389	19,936,498	179,656,192
EXPENDITURES					
Current					
General management and support	19,318,298	19	3,180,971	1,565,948	24,065,236
Public safety	64,482,767	-	344,378	1,559,923	66,387,068
Public works	13,320,046	-	-	10,342,961	23,663,007
Health and human resource development	4,781,077	-	-	-	4,781,077
Recreational and cultural opportunities	11,351,700	-	-	-	11,351,700
Housing and economic development	3,062,160	-	-	8,369,669	11,431,829
Capital outlay	-	-	254,415	6,421,224	6,675,639
Debt service					
Principal	-	10,054,059	-	-	10,054,059
Interest	-	5,642,685	-	-	5,642,685
Fiscal charges	-	6,650	-	-	6,650
Total expenditures	116,316,048	15,703,413	3,779,764	28,259,725	164,058,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,269,647	(1,753,803)	4,404,625	(8,323,227)	15,597,242
OTHER FINANCING SOURCES (USES)					
Transfers in	8,775,706	2,267,041	-	1,249,439	12,292,186
Transfers (out)	(2,592,969)	-	(3,900,000)	(3,409,634)	(9,902,603)
Total other financing sources (uses)	6,182,737	2,267,041	(3,900,000)	(2,160,195)	2,389,583
NET CHANGE IN FUND BALANCES	27,452,384	513,238	504,625	(10,483,422)	17,986,825
FUND BALANCES, JANUARY 1	33,670,822	1,452,572	26,545	38,375,298	73,525,237
FUND BALANCES, DECEMBER 31	\$ 61,123,206	\$ 1,965,810	\$ 531,170	\$ 27,891,876	\$ 91,512,062

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 17,986,825
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	15,426,706
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 Depreciation	(10,715,563)
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	10,054,059
The amortization of premium on long-term debt is reported as a reduction of interest expense on the statement of activities	918,324
Changes in total other postemployment benefits obligations are reported only in the statement of activities	1,957,015
The change in compensated absences payable is shown as an expense on the statement of activities	750,515
The change in the accrual of interest is reported as interest expense on the statement of activities	(430,453)
The change in the net pension liability (asset) is reported only in the statement of activities Illinois Municipal Retirement Fund	18,465,780
Police Pension Fund	(43,160,349)
Firefighters' Pension Fund	(26,729,021)
The change in deferred inflows and outflows of resources is reported only in the statement of activities Illinois Municipal Retirement Fund	(9,843,013)
Police Pension Fund	40,416,891
Firefighters' Pension Fund	24,402,399
OPEB	(3,119,541)
The change in deferred inflows for long-term loans is not an expense on the statement of activities	549,666
Internal service funds are reported separately in the fund financial statements	<u>4,144,923</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 41,075,163</u></u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2022

	Business-Type Activities					Governmental
	Water	Sewer	Solid Waste	Motor Vehicle	Total	Internal Service
				Parking System		Funds
CURRENT ASSETS						
Cash and cash equivalents	\$ 300	\$ 522,284	\$ -	\$ 1,011,444	\$ 1,534,028	\$ 1,127,837
Investments	7,657,233	1,272,367	-	192,973	9,122,573	-
Receivables						
Property taxes	-	-	1,332,500	-	1,332,500	-
Accounts - water and sewerage charges						
Accounts - billed	4,096,934	241,367	203,703	-	4,542,004	-
Accounts - unbilled	1,357,249	1,398,919	746,305	-	3,502,473	-
Leases	-	-	-	3,926,575	3,926,575	-
Accrued interest	-	-	-	5,859	5,859	-
Other	-	-	46,037	166,418	212,455	4,994
Inventories	858,767	138,265	-	-	997,032	1,739,490
Prepaid items	-	-	-	-	-	6,149,830
Due from other funds	20,439,782	3,916,710	1,243,055	-	25,599,547	120,133
Total current assets	34,410,265	7,489,912	3,571,600	5,303,269	50,775,046	9,142,284
NONCURRENT ASSETS						
Capital assets						
Capital assets not being depreciated	2,276,680	-	-	4,396,478	6,673,158	-
Capital assets being depreciated	178,824,087	266,603,331	1,122,235	94,262,662	540,812,315	27,619,660
Accumulated depreciation	(41,114,146)	(78,957,046)	(235,979)	(46,247,733)	(166,554,904)	(20,346,199)
Total capital assets	139,986,621	187,646,285	886,256	52,411,407	380,930,569	7,273,461
Other assets						
Net pension asset	5,127,804	1,256,047	1,525,190	1,358,629	9,267,670	-
Notes receivable	-	-	-	199,000	199,000	-
Total other assets	5,127,804	1,256,047	1,525,190	1,557,629	9,466,670	-
Total noncurrent assets	145,114,425	188,902,332	2,411,446	53,969,036	390,397,239	7,273,461
Total assets	179,524,690	196,392,244	5,983,046	59,272,305	441,172,285	16,415,745
DEFERRED OUTFLOWS OF RESOURCES						
Asset retirement obligations	3,614,036	-	-	-	3,614,036	-
Pension items - IMRF	634,473	155,413	188,715	168,106	1,146,707	-
OPEB items	76,022	41,013	27,103	30,629	174,767	18,833
Total deferred outflows of resources	4,324,531	196,426	215,818	198,735	4,935,510	18,833
Total assets and deferred outflows of resources	183,849,221	196,588,670	6,198,864	59,471,040	446,107,795	16,434,578

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2022

	Business-Type Activities					Governmental
	Water	Sewer	Solid Waste	Motor Vehicle		Internal Service
				Parking System	Total	Funds
CURRENT LIABILITIES						
Vouchers payable	\$ 1,961,474	\$ 342,001	\$ 246,678	\$ 136,124	\$ 2,686,277	\$ 624,184
Retainage payable	91,289	-	-	-	91,289	-
Deposits payable	-	190	1,606	-	1,796	-
Unearned revenue	-	-	-	-	-	-
Interest payable - restricted	112,533	85,380	-	3,013	200,926	-
Notes payable - IEPA	1,604,741	3,183,578	-	-	4,788,319	-
Current portion of GO bonds payable	1,436,736	235,972	-	40,000	1,712,708	-
Current portion of total OPEB liability	17,049	9,198	6,078	6,869	39,194	4,224
Claims payable	-	-	-	-	-	701,992
Due to other funds	22,508,991	-	-	217,993	22,726,984	3,275,254
Compensated absences payable	83,990	19,005	11,886	20,276	135,157	17,163
Total current liabilities	27,816,803	3,875,324	266,248	424,275	32,382,650	4,622,817
NONCURRENT LIABILITIES						
Notes payable - IEPA	31,011,161	11,704,347	-	-	42,715,508	-
General obligation bonds payable	29,062,323	3,673,222	-	1,433,433	34,168,978	660,000
Asset retirement obligations	5,081,625	-	-	-	5,081,625	-
Total OPEB liability	398,775	215,134	142,173	160,668	916,750	98,790
Claims payable	-	-	-	-	-	3,435,250
Compensated absences payable	335,961	76,020	47,544	81,103	540,628	68,651
Total long-term liabilities	65,889,845	15,668,723	189,717	1,675,204	83,423,489	4,262,691
Total liabilities	93,706,648	19,544,047	455,965	2,099,479	115,806,139	8,885,508
DEFERRED INFLOWS OF RESOURCES						
Pension items - IMRF	3,886,180	951,914	1,155,888	1,029,656	7,023,638	-
OPEB items	114,843	61,956	40,944	46,271	264,014	28,451
Deferred property taxes	-	-	1,332,500	-	1,332,500	-
Leases	-	-	-	3,861,580	3,861,580	-
Total deferred inflows of resources	4,001,023	1,013,870	2,529,332	4,937,507	12,481,732	28,451
Total liabilities and deferred inflows of resources	97,707,671	20,557,917	2,985,297	7,036,986	128,287,871	8,913,959
NET POSITION						
Net investment in capital assets	76,359,621	168,761,427	886,256	50,937,974	296,945,278	6,329,848
Restricted for pensions	5,127,804	1,256,047	1,525,190	1,358,629	9,267,670	-
Unrestricted	4,654,125	6,013,279	802,121	137,451	11,606,976	1,190,771
TOTAL NET POSITION	\$ 86,141,550	\$ 176,030,753	\$ 3,213,567	\$ 52,434,054	\$ 317,819,924	\$ 7,520,619

See accompanying notes to financial statements.

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CITY OF EVANSTON, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	Business-Type Activities				Governmental Activities	
	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 22,229,311	\$ 9,614,057	\$ 5,197,233	\$ 8,631,301	\$ 45,671,902	\$ 22,942,038
Miscellaneous	696,241	24,000	126,508	257,990	1,104,739	877,905
Total operating revenues	22,925,552	9,638,057	5,323,741	8,889,291	46,776,641	23,819,943
OPERATING EXPENSES EXCLUDING DEPRECIATION						
Administration	872,283	1,338,939	999,453	1,757,309	4,967,984	-
Operations	9,031,126	700,847	4,050,839	4,052,209	17,835,021	20,725,550
Total operating expenses excluding depreciation	9,903,409	2,039,786	5,050,292	5,809,518	22,803,005	20,725,550
OPERATING INCOME BEFORE DEPRECIATION	13,022,143	7,598,271	273,449	3,079,773	23,973,636	3,094,393
Depreciation	3,342,779	3,870,723	98,226	3,035,033	10,346,761	1,506,351
OPERATING INCOME	9,679,364	3,727,548	175,223	44,740	13,626,875	1,588,042
NON-OPERATING REVENUES (EXPENSES)						
Investment income	(80,377)	(34,334)	20	114,599	(92)	906
Property taxes	-	-	1,332,500	-	1,332,500	-
Interest expense	(1,316,420)	(475,173)	-	(37,754)	(1,829,347)	(8,188)
Gain (loss) on disposal of capital assets	-	-	-	-	-	164,163
Claims reimbursements	-	-	-	-	-	-
Total non-operating revenues (expenses)	(1,396,797)	(509,507)	1,332,520	76,845	(496,939)	156,881
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	8,282,567	3,218,041	1,507,743	121,585	13,129,936	1,744,923
TRANSFERS AND CONTRIBUTIONS						
Transfers in	-	-	1,000,000	2,300,000	3,300,000	2,400,000
Transfers (out)	(4,049,559)	(611,164)	(456,470)	(2,972,390)	(8,089,583)	-
Capital contributions	-	-	-	-	-	-
Total transfers and capital contributions	(4,049,559)	(611,164)	543,530	(672,390)	(4,789,583)	2,400,000
NET INCOME (LOSS)	4,233,008	2,606,877	2,051,273	(550,805)	8,340,353	4,144,923
NET POSITION, JANUARY 1	81,908,542	173,423,876	1,162,294	52,984,859	309,479,571	3,375,696
NET POSITION, DECEMBER 31	\$ 86,141,550	\$ 176,030,753	\$ 3,213,567	\$ 52,434,054	\$ 317,819,924	\$ 7,520,619

See accompanying notes to financial statements.

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CITY OF EVANSTON, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 20,340,643	\$ 9,789,651	\$ 5,387,569	\$ 8,731,827	\$ 44,249,690	\$ 3,418,018
Receipts from (payments for) interfund services provided	(1,719,648)	(592,260)	(302,004)	(511,500)	(3,125,412)	19,810,524
Receipts from other agencies	-	-	-	-	-	586,407
Payments to suppliers	(8,163,070)	(1,017,685)	(3,609,951)	(4,027,502)	(16,818,208)	(3,728,163)
Payments to employees	(524,474)	(1,298,399)	(1,540,605)	(1,649,930)	(5,013,408)	(2,281,624)
Payments for insurance premiums	-	-	-	-	-	(19,470,627)
Net cash from operating activities	9,933,451	6,881,307	(64,991)	2,542,895	19,292,662	(1,665,465)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property taxes	-	-	1,332,500	-	1,332,500	-
Transfers in	-	-	1,000,000	2,300,000	3,300,000	2,400,000
Transfers (out)	(4,049,559)	(611,164)	(456,470)	(2,972,390)	(8,089,583)	-
Interfund activity	(1,529,611)	(376,149)	(1,531,102)	(2,515,034)	(5,951,896)	1,429,900
Net cash from noncapital financing activities	(5,579,170)	(987,313)	344,928	(3,187,424)	(9,408,979)	3,829,900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Sale of capital assets	-	-	-	-	-	164,163
Acquisition and construction of capital assets	(20,355,633)	(2,928,170)	(279,957)	(1,670,210)	(25,233,970)	(1,263,479)
Proceeds from loans	10,179,593	1,219,781	-	-	11,399,374	-
Principal paid on general obligation bonds	(897,831)	(188,404)	-	(35,000)	(1,121,235)	-
Interest paid on general obligation bonds	(1,464,451)	(532,017)	-	(51,903)	(2,048,371)	(8,188)
Principal paid on IEPA loans	(1,116,065)	(3,051,713)	-	-	(4,167,778)	-
Net cash from capital and related financing activities	(13,654,387)	(5,480,523)	(279,957)	(1,757,113)	(21,171,980)	(1,107,504)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	7,794,607	-	-	588,833	8,383,440	-
Interest income	140,771	20,363	20	117,021	278,175	906
Net cash from investing activities	7,935,378	20,363	20	705,854	8,661,615	906
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,364,728)	433,834	-	(1,695,788)	(2,626,682)	1,057,837
CASH AND CASH EQUIVALENTS, JANUARY 1	1,365,028	88,450	-	2,707,232	4,160,710	70,000
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 300	\$ 522,284	\$ -	\$ 1,011,444	\$ 1,534,028	\$ 1,127,837

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2022

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income	\$ 9,679,364	\$ 3,727,548	\$ 175,223	\$ 44,740	\$ 13,626,875	\$ 1,588,042
Adjustments to reconcile operating income to net cash from operating activities						
Depreciation	3,342,779	3,870,723	98,226	3,035,033	10,346,761	1,506,351
Changes in assets and liabilities						
Accounts receivable	(2,588,753)	151,594	63,828	(92,469)	(2,465,800)	(4,994)
Lease items	-	-	-	(64,995)	(64,995)	-
Prepaid expenses	-	-	166,816	-	166,816	(759,351)
Inventories	(116,692)	(21,576)	-	-	(138,268)	(139,378)
Compensated absences	(203,276)	(19,504)	(128,302)	44,515	(306,567)	(29,835)
OPEB items	11,702	(15,831)	(78,333)	(8,953)	(91,415)	(21,950)
Pension items - IMRF	(1,000,265)	(256,381)	(334,517)	(279,687)	(1,870,850)	-
Deposits payable	3,844	-	-	-	3,844	-
Vouchers payable	733,885	(555,266)	(27,932)	(135,289)	15,398	(438,992)
Deferred outflows - asset retirement obligations	70,863	-	-	-	70,863	-
Claims payable	-	-	-	-	-	(3,365,358)
NET CASH FROM OPERATING ACTIVITIES	\$ 9,933,451	\$ 6,881,307	\$ (64,991)	\$ 2,542,895	\$ 19,292,662	\$ (1,665,465)
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES						
Capital assets acquired through vouchers and retainage payable	\$ 512,039	\$ 87,739	\$ -	\$ -	\$ 599,778	\$ 283,613
Change in fair value of investments	(221,148)	(54,697)	-	(8,281)	(284,126)	-
TOTAL NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES	\$ 290,891	\$ 33,042	\$ -	\$ (8,281)	\$ 315,652	\$ 283,613

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

December 31, 2022

ASSETS	
Cash and cash equivalents	\$ 15,017,702
Investments	
U.S. Treasury obligations	18,821,300
U.S. agency obligations	10,895,016
Corporate bonds	12,376,583
Common stock	44,736,352
Equity mutual funds	56,227,705
Real estate	1,359,644
Investments held in the Illinois Firefighters' Pension Investment Fund	86,128,901
Prepays	9,988
Receivables	
Accounts	3,123
Accrued interest	366,826
Due from City	<u>4,065,865</u>
 Total assets	 <u>250,009,005</u>
 LIABILITIES	
Vouchers payable	<u>12,911</u>
 Total liabilities	 <u>12,911</u>
 NET POSITION RESTRICTED FOR PENSIONS	
	<u><u>\$ 249,996,094</u></u>

See accompanying notes to financial statements.

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CITY OF EVANSTON, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2022

ADDITIONS

Contributions	
Contributions - employer	\$ 21,112,289
Contributions - plan members	<u>2,417,158</u>
Total contributions	<u>23,529,447</u>
Investment income	
Net depreciation in fair value of investments	(47,250,960)
Interest on investments	4,316,727
Less investment expenses	<u>(486,522)</u>
Total investment income	<u>(43,420,755)</u>
Total additions	<u>(19,891,308)</u>

DEDUCTIONS

Administration	131,084
Benefit payments and refunds	<u>27,149,198</u>
Total deductions	<u>27,280,282</u>

NET DECREASE (47,171,590)

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>297,167,684</u>
December 31	<u>\$ 249,996,094</u>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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 government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

a. Reporting Entity

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, and (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

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Discrete Component Unit (Continued)

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 EPL does not issue separate financial statements.

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 FPERS) as a fiduciary component unit reported as a Pension Trust Fund. The City's sworn full-time firefighters participate in the FPERS. FPERS 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 FPERS 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 FPERS is fiscally dependent on the City.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. 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).

c. 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.

d. 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.”

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Fund Accounting (Continued)

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.

e. 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's 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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- e. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 | 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.

The ARPA Fund is used to account for the State and Local Fiscal Recovery Funds as provided for by the American Rescue Plan Act of 2021.

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 FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- e. 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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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.

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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. 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.

g. 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.

h. 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.

i. 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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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
Lease 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

j. 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.

k. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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 FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. 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.

m. 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.

n. 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

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Property Taxes (Continued)

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 2021 tax levy received during the fiscal period between January 1, 2022 and December 31, 2022. A 3% allowance for loss is reflected in the City and the Library financial statements.

The 2022 tax levy collections are intended to finance the 2023 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue.

o. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Equity (Continued)

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 or (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.

p. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. 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.

r. Conduit 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 Chiaravalle Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from the City, improvement to the existing building, refinancing 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, 2022, outstanding bond balance of the 2019A Revenue Bonds was \$3,505,000 and outstanding balance of the 2019B Revenue Bonds was \$3,440,000.

The City approved the issuance of \$8,275,000 Series 2021 Revenue Bonds during the fiscal period ended December 31, 2021. The use of proceeds includes the refunding of outstanding balance of the "Series 2011" bonds, fund one or more debt service reserve funds and to pay certain costs incurred in connection with the issuance of the bonds. The bonds are secured by the property or mortgages financed and are payable from the moneys, 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, 2022, outstanding bond balance was \$8,275,000.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Insurance Fund, an internal service fund, had a net deficit of \$2,147,197 as of December 31, 2022. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 9 had a net deficit of \$199,987 as of December 31, 2022. The City plans to use current resources to pay for future liabilities.

The Five Fifths Tax Increment District had a net deficit of \$135,901 as of December 31, 2022. The City plans to use current resources to pay for future liabilities.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. 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 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, 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.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAF/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five-day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

a. Types of Accounts and Securities (Continued)

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.

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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

c. Types of Investments (Continued)

The following table presents the investment and maturities of the City’s debt securities as of December 31, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 20,420,219	\$ 12,570,409	\$ 7,849,810	\$ -	\$ -
Municipal bonds	11,207,881	6,223,517	4,974,364	-	-
Negotiable CDs	701,735	-	701,735	-	-
TOTAL	\$ 32,329,835	\$ 18,793,926	\$ 13,525,909	\$ -	\$ -

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City’s investment policy does not impose further limits on investment choices. The 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, 2022. 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.

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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

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, 2022.

4. RECEIVABLES

a. Summary of Receivables

Other receivables as of December 31, 2022 for the City's Governmental Activities and Business-Type Activities, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables (net, where applicable, of allowances for uncollectibles)			
Amusement tax	\$ 116,768	\$ -	\$ 116,768
Hotel tax	253,851	-	253,851
Liquor tax	300,816	-	300,816
Local motor fuel tax	99,913	-	99,913
Parking tax	88,068	-	88,068
Transportation network tax	195,459	-	195,459
Other miscellaneous	4,994	212,455	217,449
NET TOTAL RECEIVABLES	\$ 1,059,869	\$ 212,455	\$ 1,272,324

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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. RECEIVABLES (Continued)

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 on the following page:

Loan Type	Interest Rates	Beginning	Loans Made	Loan Repayments	Loan Adjustments	Ending
Title transfer	0% - 8%	\$ 2,689,848	\$ 109,210	\$ 62,012	\$ (5,436)	\$ 2,731,610
Amortizing	0% - 8%	2,349,612	390,000	57,749	-	2,681,863
Forgivable	0% - 8%	4,501,260	-	4,778	(44,282)	4,452,200
Allowance		(78,000)	-	-	-	(78,000)
TOTAL LOANS		\$ 9,462,720	\$ 499,210	\$ 124,539	\$ (49,718)	\$ 9,787,673

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

a. Capital Asset Activity

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 7,250,067	\$ -	\$ -	\$ 7,250,067
Right of way	18,695,896	-	-	18,695,896
Artwork	471,051	-	-	471,051
Construction in progress	16,731,165	14,084,844	8,344,130	22,471,879
Total capital assets not being depreciated	<u>43,148,179</u>	<u>14,084,844</u>	<u>8,344,130</u>	<u>48,888,893</u>
Capital assets being depreciated/amortized				
Buildings and improvements	143,563,972	1,252,835	-	144,816,807
Office equipment and furniture	7,393,804	398,508	-	7,792,312
Intangible assets	8,314,832	-	-	8,314,832
Machinery and equipment	31,064,752	1,536,144	791,736	31,809,160
Infrastructure	205,300,783	7,478,371	-	212,779,154
Capitalized leases	502,532	-	-	502,532
Total capital assets being depreciated/amortized	<u>396,140,675</u>	<u>10,665,858</u>	<u>791,736</u>	<u>406,014,797</u>
Less accumulated depreciation/amortization for				
Buildings and improvements	47,228,890	2,957,764	-	50,186,654
Office equipment and furniture	5,519,228	425,938	-	5,945,166
Intangible assets	7,343,158	205,329	-	7,548,487
Machinery and equipment	22,471,828	1,805,440	791,736	23,485,532
Infrastructure	131,659,063	6,823,535	-	138,482,598
Capitalized leases	494,716	3,908	-	498,624
Total accumulated depreciation/amortization	<u>214,716,883</u>	<u>12,221,914</u>	<u>791,736</u>	<u>226,147,061</u>
Total capital assets being depreciated/amortized, net	<u>181,423,792</u>	<u>(1,556,056)</u>	<u>-</u>	<u>179,867,736</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 224,571,971</u>	<u>\$ 12,528,788</u>	<u>\$ 8,344,130</u>	<u>\$ 228,756,629</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

a. Capital Asset Activity (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,592,141	\$ -	\$ -	\$ 4,592,141
Construction in progress	1,527,624	752,179	558,538	1,721,265
Artwork	359,752	-	-	359,752
Total capital assets not being depreciated	<u>6,479,517</u>	<u>752,179</u>	<u>558,538</u>	<u>6,673,158</u>
Capital assets being depreciated/amortized				
Land improvements	9,909,854	406,923	-	10,316,777
Buildings and improvements	77,972,320	903,290	-	78,875,610
Leasehold improvements	772,131	-	-	772,131
Plant	70,340,095	1,637,403	-	71,977,498
Transmission and distribution system	88,451,868	18,009,800	-	106,461,668
Sewer system and underground lines	261,412,424	2,593,182	-	264,005,606
Intangible assets	1,250,490	-	-	1,250,490
Equipment	4,460,499	898,295	-	5,358,794
Parking meters	1,793,741	-	-	1,793,741
Total capital assets being depreciated/amortized	<u>516,363,422</u>	<u>24,448,893</u>	<u>-</u>	<u>540,812,315</u>
Less accumulated depreciation/amortization				
Land improvements	4,421,214	479,376	-	4,900,590
Buildings and improvements	36,273,201	2,070,309	-	38,343,510
Leasehold improvements	407,421	23,404	-	430,825
Plant	23,476,719	1,852,607	-	25,329,326
Transmission and distribution system	13,909,730	1,490,172	-	15,399,902
Sewer system and underground lines	73,762,692	3,580,210	-	77,342,902
Intangible assets	932,819	96,629	-	1,029,448
Equipment	1,919,911	558,620	-	2,478,531
Parking meters	1,104,436	195,434	-	1,299,870
Total accumulated depreciation/amortization	<u>156,208,143</u>	<u>10,346,761</u>	<u>-</u>	<u>166,554,904</u>
Total capital assets being depreciated and amortized, net	<u>360,155,279</u>	<u>14,102,132</u>	<u>-</u>	<u>374,257,411</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 366,634,796</u>	<u>\$ 14,854,311</u>	<u>\$ 558,538</u>	<u>\$ 380,930,569</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

a. Capital Asset Activity (Continued)

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

GOVERNMENTAL ACTIVITIES	
General management and support	\$ 440,083
Public safety	736,553
Public works	8,773,019
Housing and economic development	9,302
Recreation and cultural opportunities	756,606
Internal service funds	<u>1,506,351</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 12,221,914</u>
BUSINESS-TYPE ACTIVITIES	
Water	\$ 3,342,779
Sewer	3,870,723
Solid waste	98,226
Motor vehicle parking	<u>3,035,033</u>
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 10,346,761</u>

b. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2022 is as follows:

Capital Improvement Fund	\$ 9,524,413
Crown Capital Improvement Fund	904,324
Motor Fuel Tax Fund	506,790
Water Fund	52,570,665
Motor Vehicle Parking System Fund	268,426
West Evanston TIF	376,759
Special Assessment Fund	57,999
Chicago Main TIF	82,045
Five Fifth TIF	<u>98,711</u>
TOTAL CONSTRUCTION COMMITMENTS	<u>\$ 64,390,132</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUNDS

a. Interfund Accounts

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.

Due from/to other funds are as follows:

	Due From	Due To
General	\$ 5,190,166	\$ 4,065,865
General Obligation Debt Service	-	4,197,505
ARPA	-	532,962
Water	20,439,782	22,508,991
Sewer	3,916,710	-
Solid Waste	1,243,055	-
Motor Vehicle Parking System	-	217,993
Nonmajor Governmental	341,417	518,558
Fiduciary	4,065,865	-
Internal Service	120,133	3,275,254
TOTAL	\$ 35,317,128	\$ 35,317,128

b. Interfund Transfers

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, and (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.

Interfund transfers between funds for the year ended December 31, 2022 were as follows:

	Transfers In	Transfers Out
Governmental Funds		
General		
Emergency Telephone System	\$ 90,000	\$ -
Special Assessment	92,000	-
Motor Fuel Tax	1,044,987	-

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUNDS (Continued)

b. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Governmental Funds (Continued)		
General (Continued)		
Dempster-Dodge Tax Increment District	\$ 10,000	\$ -
Chicago Main Tax Increment District	30,000	-
Howard Ridge Tax Increment District	75,000	-
West Evanston Tax Increment District	75,000	-
Water	4,049,559	-
Sewer	336,770	-
Motor Vehicle Parking System	2,972,390	-
Solid Waste	-	1,000,000
Equipment Replacement	-	800,000
Capital Improvements	-	500,000
Crown Community Center	-	175,000
Sustainability	-	117,969
	<u>8,775,706</u>	<u>2,592,969</u>
Total General		
General Obligation Debt Service		
Sewer	274,394	-
Special Assessment	372,938	-
Chicago Main Tax Increment District	234,763	-
Dempster-Dodge Tax Increment District	161,833	-
Howard Ridge Tax Increment District	323,113	-
Crown Construction	900,000	-
	<u>2,267,041</u>	<u>-</u>
Total General Obligation Debt Service		
ARPA		
Motor Vehicle Parking System	-	2,300,000
Equipment Replacement	-	1,600,000
	<u>-</u>	<u>3,900,000</u>
Total ARPA		

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUNDS (Continued)

b. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Nonmajor Governmental		
Motor Fuel Tax		
General	\$ -	\$ 1,044,987
Total Motor Fuel Tax	-	1,044,987
Emergency Telephone System		
General	-	90,000
Total Emergency Telephone System	-	90,000
Sustainability		
General	117,969	-
Total Sustainability	117,969	-
Chicago Main Tax Increment District		
General	-	30,000
General Obligation Debt Service	-	234,763
Total Chicago Main Tax Increment District	-	264,763
Dempster-Dodge Tax Increment District		
General	-	10,000
General Obligation Debt Service	-	161,833
Total Dempster-Dodge Tax Increment District	-	171,833
Howard Ridge Tax Increment District		
General	-	75,000
General Obligation Debt Service	-	323,113
Total Howard Ridge Tax Increment District	-	398,113

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUNDS (Continued)

b. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Nonmajor Governmental (Continued)		
West Evanston Tax Increment District		
General	\$ -	\$ 75,000
Total West Evanston Tax Increment District	-	75,000
Capital Improvements		
General	500,000	-
Solid Waste	456,470	-
Total Capital Improvements	956,470	-
Crown Construction		
General Obligation Debt Service	-	900,000
Total Crown Construction	-	900,000
Crown Maintenance		
General	175,000	-
Total Crown Maintenance	175,000	-
Special Assessment		
General	-	92,000
General Obligation Debt Service	-	372,938
Total Special Assessment	-	464,938
Total Nonmajor Governmental Funds	1,249,439	3,409,634
Total Governmental Funds	12,292,186	9,902,603
Enterprise Funds		
Water		
General	-	4,049,559
Total Water	-	4,049,559

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUNDS (Continued)

b. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Enterprise Funds (Continued)		
Sewer		
General	\$ -	\$ 336,770
General Obligation Debt Service	-	274,394
Total Sewer	-	611,164
Solid Waste		
General	1,000,000	-
Capital Improvements	-	456,470
Total Solid Waste	1,000,000	456,470
Motor Vehicle Parking System		
General	-	2,972,390
ARPA	2,300,000	-
Total Motor Vehicle Parking System	2,300,000	2,972,390
Total Enterprise Funds	3,300,000	8,089,583
Internal Service Funds		
Equipment Replacement		
General	800,000	-
ARPA	1,600,000	-
Total Equipment Replacement	2,400,000	-
Total Internal Service Funds	2,400,000	-
TOTAL PRIMARY GOVERNMENT	\$ 17,992,186	\$ 17,992,186

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

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT

a. Changes in Long-Term Debt

G.O. Debt Governmental Activities	Interest Rate	Final Maturity Date	Balances January 1	Issued	Payments	Balances December 31	Current Portion
Series 2013A	2.00%-4.75%	12/1/2033	\$ 7,185,000	\$ -	\$ 545,000	\$ 6,640,000	\$ 565,000
Series 2013B	2.00%-3.00%	12/1/2025	5,487,989	-	1,838,117	3,649,872	1,892,504
Series 2014A	1.25%-5.00%	12/1/2034	6,735,000	-	430,000	6,305,000	450,000
Series 2015A	2.00%-4.00%	12/1/2035	5,815,000	-	345,000	5,470,000	355,000
Series 2015B	2.00%-3.00%	12/1/2022	1,725,000	-	1,725,000	-	-
Series 2016A	2.00%-4.00%	12/1/2036	7,495,000	-	435,000	7,060,000	455,000
Series 2016B	2.00%-3.00%	12/1/2026	4,080,000	-	770,000	3,310,000	790,000
Series 2017A	3.00%-4.00%	12/1/2037	9,865,000	-	500,000	9,365,000	520,000
Series 2017B	4.00%-5.00%	12/1/2027	5,088,879	-	795,281	4,293,598	809,072
Series 2017C	2.05%-4.00%	12/1/2035	4,535,000	-	245,000	4,290,000	260,000
Series 2018A	3.12%-5.00%	12/1/2043	24,385,000	-	570,000	23,815,000	595,000
Series 2018B	2.29%-5.00%	12/1/2038	9,675,439	-	105,263	9,570,176	108,187
Series 2018C	4.00%-5.00%	12/1/2038	4,768,551	-	589,838	4,178,713	618,915
Series 2018D	3.70%-4.25%	12/1/2038	3,570,000	-	180,000	3,390,000	185,000
Series 2019A	1.72%-2.85%	12/1/2043	12,750,000	-	330,000	12,420,000	350,000
Series 2019B	1.66%-2.68%	12/1/2039	6,586,226	-	233,360	6,352,866	247,086
Series 2020A&B	1.42%-1.61%	12/1/2040	16,853,881	-	100,000	16,753,881	130,000
Series 2021	2.00%-5.00%	12/1/2041	11,939,500	-	317,200	11,622,300	773,400
Subtotal G.O. debt governmental activities			148,540,465	-	10,054,059	138,486,406	9,104,164
Bonds premium			11,170,693	-	918,324	10,252,369	-
OPEB liability - City			22,306,697	-	1,957,015	20,349,682	834,338
OPEB liability - Internal Service Funds			142,366	-	39,352	103,014	4,224
Net pension liability - Police Pension			85,774,906	43,160,349	-	128,935,255	-
Net pension liability - Firefighters' Pension			83,846,627	26,729,021	-	110,575,648	-
Compensated absences payable - City			10,679,051	65,382	815,897	9,928,536	1,985,707
Compensated absences payable - Internal Service Funds			115,650	23,130	52,966	85,814	17,163
Claims payable			7,502,600	509,500	3,874,858	4,137,242	701,992
Subtotal other governmental activities liabilities			221,538,590	70,487,382	7,658,412	284,367,560	3,543,424
TOTAL GOVERNMENTAL ACTIVITIES DEBT AND LIABILITIES			\$ 370,079,055	\$ 70,487,382	\$ 17,712,471	\$ 422,853,966	\$ 12,647,588

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Debt (Continued)

G.O. Debt Business-Type Activities	Interest Rate	Final Maturity Date	Balances January 1	Issued	Payments	Balances December 31	Current Portion
Series 2013A	2.00%-4.75%	12/1/2033	\$ 1,375,000	\$ -	\$ 90,000	\$ 1,285,000	\$ 95,000
Series 2014	1.25%-5.00%	12/1/2034	2,000,000	-	120,000	1,880,000	125,000
Series 2015A	2.00%-4.00%	12/1/2035	4,255,000	-	235,000	4,020,000	245,000
Series 2016A	2.00%-4.00%	12/1/2036	2,920,000	-	155,000	2,765,000	160,000
Series 2017A	3.00%-4.00%	12/1/2037	825,000	-	45,000	780,000	45,000
Series 2018B	2.29%-5.00%	12/1/2038	4,837,719	-	52,632	4,785,087	54,094
Series 2018C	4.00%-5.00%	12/1/2038	971,449	-	120,162	851,287	126,085
Series 2019B	1.66%-2.68%	12/1/2039	3,687,160	-	130,641	3,556,519	184,358
Series 2020	2.00%-5.00%	12/1/2040	11,106,119	-	140,000	10,966,119	366,571
Series 2021	2.00%-5.00%	12/1/2041	2,480,500	-	32,800	2,447,700	311,600
Subtotal G.O. debt business-type activities			34,457,947	-	1,121,235	33,336,712	1,712,708
IEPA loans	2.535%-3.590%	Various	40,272,231	11,399,374	4,167,778	47,503,827	4,788,319
Bonds premium			2,739,943	-	194,969	2,544,974	-
Leases payable			-	-	-	-	-
Compensated absences payable - City			982,352	196,471	503,038	675,785	135,157
Asset retirement obligations			5,081,625	-	-	5,081,625	-
OPEB liabilities			1,202,348	-	246,404	955,944	39,194
Subtotal other business-type activities liabilities			10,006,268	196,471	944,411	9,258,328	174,351
TOTAL BUSINESS-TYPE ACTIVITIES DEBT AND LIABILITIES			\$ 84,736,446	\$ 11,595,845	\$ 6,233,424	\$ 90,098,867	\$ 6,675,378

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.

At December 31, 2022, the City reported an IMRF net pension asset of \$39,092,326 in governmental activities and \$9,267,670 in business-type activities.

b. 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 IEPA loans issued in 1994 through 2022. 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 2042. Annual principal and interest on the loans are expected to require \$5,581,775 of net revenues for the fiscal year 2023. The total principal and interest remaining to be paid on the loans is \$53,342,502. Principal and interest paid for the current period and total customer net revenues were \$4,944,959 and \$13,627,653, respectively.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements

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

Fiscal Year Ending December 31,	General Obligation Bonds			General Obligation Bonds		
	Payable from Governmental Activities			Payable by Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 9,104,164	\$ 5,225,660	\$ 14,329,824	\$ 1,712,708	\$ 1,162,184	\$ 2,874,892
2024	9,873,921	4,836,112	14,710,033	1,937,687	1,091,779	3,029,466
2025	10,226,121	4,437,788	14,663,909	2,013,796	1,011,868	3,025,664
2026	9,487,199	4,020,490	13,507,689	1,951,405	925,817	2,877,222
2027	8,818,941	3,627,235	12,446,176	2,033,130	841,884	2,875,014
2028-2032	39,496,884	13,262,685	52,759,569	10,860,930	2,998,955	13,859,885
2033-2037	31,340,311	6,924,862	38,265,173	9,005,045	1,289,069	10,294,114
2038-2042	17,593,865	2,538,130	20,131,995	3,822,011	173,190	3,995,201
2043-2045	2,545,000	111,000	2,656,000	-	-	-
TOTAL	\$ 138,486,406	\$ 44,983,962	\$183,470,368	\$ 33,336,712	\$ 9,494,746	\$ 42,831,458

The following schedule illustrates the annual debt service requirements to maturity for IEPA Loans.

Fiscal Year Ending December 31,	IEPA Loans		
	Payable by Enterprise Funds		
	Principal	Interest	Total
2023	\$ 4,788,319	\$ 793,456	\$ 5,581,775
2024	4,561,223	692,831	5,254,054
2025	3,775,220	600,314	4,375,534
2026	3,557,080	528,421	4,085,501
2027	3,184,368	461,503	3,645,871
2028-2032	10,857,100	1,692,449	12,549,549
2033-2037	9,979,176	870,998	10,850,174
2038-2042	6,801,341	198,703	7,000,044
TOTAL	\$ 47,503,827	\$ 5,838,675	\$ 53,342,502

d. 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 52 years.

8. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity is as follows:

The City entered into a lease arrangement on May 1, 2015 to lease commercial property. Payments of \$15,000 to \$20,101 are due to the City in monthly installments through December 31, 2041. The lease agreement is noncancelable and maintains an interest rate of 1.837%. During the fiscal year, the City collected \$180,000 and recognized a \$174,943 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$3,213,621 and \$3,163,552, respectively, as of December 31, 2022.

The City entered into a lease arrangement on October 1, 2016 to lease commercial property. Payments of \$3,710 to \$6,887 are due to the City in monthly installments through October 31, 2034. The lease arrangement is noncancelable and maintains an interest rate of 1.581%. During the fiscal year, the City collected \$54,710 and recognized a \$58,988 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$712,953 and \$698,028, respectively, as of December 31, 2022.

The City entered into a lease arrangement on August 1, 2020 to lease commercial property. Payments of \$110,352 to \$133,525 are due to the City in annual installments through October 31, 2035. The lease arrangement is noncancelable and maintains an interest rate of 1.338%. During the fiscal year, the City collected \$110,352 and recognized a \$111,675 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$1,452,854 and \$1,433,158, respectively, as of December 31, 2022.

The City entered into a lease arrangement on August 1, 2019 to lease commercial property. Payments of \$1,200 to \$1,815 are due to the City in monthly installments through July 31, 2034. The lease arrangement is noncancelable and maintains an interest rate of 1.581%. During the fiscal year, the City collected \$15,468 and recognized a \$16,645 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$196,923 and \$192,802, respectively, as of December 31, 2022.

The City entered into a lease arrangement on December 1, 2016 to lease commercial property. Payments of \$637 to \$1,130 are due to the City in variable monthly installments through December 31, 2031. The lease arrangement is noncancelable and maintains an interest rate of 1.458%. During the fiscal year, the City collected \$8,507 and recognized a \$10,148 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$94,281 and \$91,333, respectively, as of December 31, 2022.

8. LESSOR DISCLOSURES (Continued)

The City entered into a lease arrangement on April 12, 2018 to lease commercial property. Payments of \$3,500 to \$5,345 are due to the City in variable monthly installments through April 11, 2028. The lease arrangement is noncancelable and maintains an interest rate of 1.008%. During the fiscal year, the City collected \$54,000 and recognized a \$56,610 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$304,704 and \$298,932, respectively, as of December 31, 2022.

The City entered into a lease arrangement on December 1, 2019 to lease commercial property. Payments of \$2,500 to \$3,073 are due to the City in variable monthly installments through November 30, 2026. The lease arrangement is noncancelable and maintains an interest rate of 0.830%. During the fiscal year, the City collected \$32,230 and recognized a \$33,804 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$135,121 and \$132,401, respectively, as of December 31, 2022.

9. INDIVIDUAL FUND DISCLOSURES

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; 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 December 31, 2040.

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.

9. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Water Fund (Continued)

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 MGNW'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.

The Water Fund revenues reflect payment from the Village of Skokie at the rate of \$1.29 per 1000 gallons as agreed upon during 2022.

c. Special Service District No. 6

Special Service District No. 6 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 2022 was \$227,835 which includes an estimated allowance amount of \$6,835.

d. 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 2022 was \$146,392 which includes an estimated allowance amount of \$4,264.

e. 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 2022 was \$62,006 which includes an estimated allowance amount of \$1,806.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES (Continued)

f. 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 2022 was \$610,995 which includes an estimated allowance amount of \$18,330.

10. FUND EQUITY

a. Restricted Net Position - Fiduciary Funds

Police Pension Fund for employee pension benefits	\$ 150,950,058
Firefighters' Pension Fund restrictions for employee pension benefits	<u>99,046,036</u>
TOTAL FIDUCIARY FUNDS	<u>\$ 249,996,094</u>

b. Assigned Fund Balances

General Fund	
Assigned for Arts Council	\$ 3,948
Assigned for parkway trees	60,722
Assigned for Butterfield Sculpture	29,393
Assigned for Noyes Center	312,170
Assigned for recreation group activities	207,123
Assigned for parks and recreation	468,080
Assigned for Mayor's program	93,679
Other assignments	944,198
Assigned for subsequent year's budget	<u>1,225,258</u>
Total general fund	<u>3,344,571</u>
Nonmajor Government Funds	
Assigned for capital improvements	<u>7,762,268</u>
Total nonmajor government funds	<u>7,762,268</u>
TOTAL ASSIGNED FUND BALANCES	<u>\$ 11,106,839</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RISK MANAGEMENT

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 \$20,000,000.

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. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Workers’ Compensation	General Liability	Total
DECEMBER 31, 2020	\$ 1,882,500	\$ 6,372,000	\$ 8,254,500
New claims/estimate revisions	782,630	25,000	807,630
Claims payments	(572,530)	(987,000)	(1,559,530)
DECEMBER 31, 2021	2,092,600	5,410,000	7,502,600
New claims/estimate revisions	521,059	(595,887)	(74,828)
Claims payments	(1,171,417)	(2,119,113)	(3,290,530)
DECEMBER 31, 2022	\$ 1,442,242	\$ 2,695,000	\$ 4,137,242

11. RISK MANAGEMENT (Continued)

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.

12. 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.

13. JOINT VENTURES

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.

13. JOINT VENTURES (Continued)

Solid Waste Agency of Northern Cook County (Continued)

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 77 W. Hintz Rd., Suite 200, Wheeling, Illinois, 60090.

14. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Administration

The City administers 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 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.

b. Benefits Provided

The City'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.

To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided (Continued)

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

c. Membership

At December 31, 2022, membership consisted of:

Inactive fund members and beneficiaries currently receiving benefit payments	71
Inactive fund members entitled to but not yet receiving benefit payments	8
Active fund members	<u>690</u>
TOTAL	<u><u>769</u></u>
Participating employers	<u><u>1</u></u>

d. Contributions

Contribution requirements are established through Illinois State laws. The City and the Library implicitly contribute 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 \$595 for single coverage to \$2,134 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 \$595 for single coverage to \$2,134 for family coverage. For the year ended December 31, 2022, the estimated contribution to the plan is \$890,214. The 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 FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Measurement date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.50%
Discount rate	4.05%
Healthcare cost trend rates	6.75% in Fiscal 2022, 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.

f. 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, 2022.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2022	\$ 24,064,145
Changes for the period	
Service cost	1,613,298
Interest	434,590
Changes in assumptions	(1,428,232)
Difference between expected and actual experience	(2,081,084)
Benefit payments	(890,214)
Other changes	-
Net changes	(2,351,642)
BALANCES AT DECEMBER 31, 2022	\$ 21,712,503

There were changes in assumptions related to the discount rate in 2022.

h. 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 4.05% 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 (3.05%) or 1 percentage point higher (5.05%) than the current rate:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Total OPEB liability	\$ 24,304,622	\$ 21,712,503	\$ 19,503,421

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

h. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.50% to 6.75% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 5.75%) or 1 percentage point higher (5.50% to 7.75%) than the current rate:

	1% Decrease (3.50% to 5.75%)	Current Healthcare Rate (4.50% to 6.75%)	1% Increase (5.50% to 7.75%)
Total OPEB liability	\$ 18,692,198	\$ 21,712,503	\$ 25,512,236

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$1,881,440. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		Library		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,926,734	\$ -	\$ 55,734	\$ -	\$ 3,982,468
Changes in assumption	3,913,958	1,985,934	55,553	28,187	3,969,511	2,014,121
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-	-
TOTAL	\$ 3,913,958	\$ 5,912,668	\$ 55,553	\$ 83,921	\$ 3,969,511	\$ 5,996,589

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

Year Ending December 31,	
2023	\$ (166,448)
2024	(166,448)
2025	(166,448)
2026	(166,448)
2027	(166,448)
Thereafter	<u>(1,194,838)</u>
TOTAL	\$ <u>(2,027,078)</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS

The City contributes to three different 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 benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. Those reports can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at imrf.org.

The table below is a summary for all pension plans as of and for the year ended December 31, 2022:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability (asset)	\$ (48,359,996)	\$ 128,935,255	\$ 110,575,648	\$ 191,150,907
Deferred outflows of resources	5,983,678	26,898,174	20,103,248	52,985,100
Deferred inflows of resources	36,650,321	1,243,238	1,032,060	38,925,619
Pension expense (income)	(6,130,745)	14,148,534	12,033,835	20,051,624

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration and Benefits Provided

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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.

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration and Benefits Provided (Continued)

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.

Contributions

These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended December 31, 2022 was 4.66% of covered payroll.

Plan Membership

At December 31, 2021 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	709
Inactive employees entitled to but not yet receiving benefits	418
Active employees	<u>501</u>
 TOTAL	 <u><u>1,628</u></u>

Actuarial Assumptions

The City's net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

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 IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.25% was used to determine the total pension liability.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2021	\$ 261,328,458	\$ 290,497,291	\$ (29,168,833)
Changes for the period			
Service cost	3,420,369	-	3,420,369
Interest	18,507,004	-	18,507,004
Difference between expected and actual experience	6,705,189	-	6,705,189
Changes in assumptions	-	-	-
Employer contributions	-	3,245,589	(3,245,589)
Employee contributions	-	1,806,941	(1,806,941)
Net investment income	-	49,648,106	(49,648,106)
Benefit payments and refunds	(15,539,235)	(15,539,235)	-
Administrative expense	-	-	-
Other (net transfer)	-	(1,512,861)	1,512,861
Net changes	13,093,327	37,648,540	(24,555,213)
BALANCES AT DECEMBER 31, 2021	\$ 274,421,785	\$ 328,145,831	\$ (53,724,046)

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, 2021, the employer contributions, and the net pension liability (asset) at December 31, 2022 was \$(26,146,070), \$2,921,535, and (\$48,359,996), respectively. The Library's proportionate share of the net pension liability at January 1, 2021, the employer contributions and the net pension liability (asset) at December 31, 2022 was \$(3,022,763), \$324,054, and \$(5,364,050), respectively.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. 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, 2022, the City recognized pension income of \$9,774,674. At December 31, 2022, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	City		Library		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,250,580	\$ 810,274	\$ 471,471	\$ 89,875	\$ 4,722,051	\$ 900,149
Changes in assumption	-	760,963	-	84,405	-	845,368
Net difference between projected and actual earnings on pension plan investments	-	35,079,084	-	3,890,943	-	38,970,027
Employer contributions subsequent to the measurement date	1,733,098	-	192,234	-	1,925,332	-
TOTAL	\$ 5,983,678	\$ 36,650,321	\$ 663,705	\$ 4,065,223	\$ 6,647,383	\$ 40,715,544

\$1,925,332 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2023. 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,	City	Library	Total
2023	\$ (6,989,048)	\$ (775,219)	\$ (7,764,267)
2024	(12,238,433)	(1,357,477)	(13,595,910)
2025	(7,947,389)	(881,518)	(8,828,907)
2026	(5,224,871)	(579,538)	(5,804,409)
2027	-	-	-
Thereafter	-	-	-
TOTAL	\$ (32,399,741)	\$ (3,593,752)	\$ (35,993,493)

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. 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%)
Net pension liability (asset)			
City	\$ (20,878,398)	\$ (48,359,996)	\$ (70,164,698)
Library	(2,315,814)	(5,364,050)	(7,782,609)
TOTAL	<u>\$ (23,194,212)</u>	<u>\$ (53,724,046)</u>	<u>\$ (77,947,307)</u>

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Council, one member is elected by pension beneficiaries and two members are elected by active police employees.

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.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2022, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	196
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	<u>132</u>
TOTAL	<u><u>351</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. 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 eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those 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 \$113,645, 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

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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 proceeding calendar year.

Contributions

Covered employees are required by ILCS 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 Police Pension Plan as actuarially determined by an enrolled actuary, including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. 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 100% of the past service cost by 2040. The City's contribution was 85.1% of covered payroll for the year ended December 31, 2022.

Investment Policy

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 Baa1), and corporate bonds. During the year, no changes to the investment policy were approved by the Board of Trustees.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Large-Cap Equities	52.00%	1.80%
Domestic Small-Cap Equities	5.00%	2.10%
International Equities	5.00%	4.20%
Fixed Income	32.00%	0.30%
Real estate	3.00%	3.40%
Cash	3.00%	-1.00%

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, 2022 are listed in the table above.

Investment Valuations

All investments in the plan 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 FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (16.78%). 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 Fund's deposits may not be returned to them. The Fund's 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 Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate bonds	\$ 12,376,583	\$ 791,465	\$ 2,676,651	\$ 6,106,766	\$ 2,801,701
U.S. Treasury obligations	18,821,300	1,800,391	6,284,624	5,203,724	5,532,561
U.S Agency obligations	10,895,016	3,058	214,923	122,242	10,554,793
TOTAL	\$ 42,092,899	\$ 2,594,914	\$ 9,176,198	\$ 11,432,732	\$ 18,889,055

The Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 Fund has the following recurring fair value measurements as of December 31, 2022: the U.S. Treasury obligations, equity securities, and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs), corporate bonds and U.S. agency obligations are valued using quoted matrix pricing models (Level 2 inputs).

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk

The Funds' limits 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 and IMET are rated Aaa.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires 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 Fund's agent separate from where the investment was purchased in the Fund's name. The Illinois Funds, IMET, and equity mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk

There are no significant investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represents 5% or more of the Fund's investments.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pooled Real Estate Fund

The Fund invests in a pooled real estate fund measured at net asset value (NAV) valued at \$1,359,644 as of December 31, 2022. This investment focuses primarily on private equity commercial real estate, which will generate returns based on lease income and appreciation in building values. There are no unfunded commitments at December 31, 2022. Requests for withdrawals and transfers may be subject to contractual limitations in the investment, which allows for the investment to pay them out in a series of payments over the span of three years from the effective date of the limitation, begun on July 1, 2022.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 268,350,076	\$ 182,575,170	\$ 85,774,906
Changes for the period			
Service cost	3,614,698	-	3,614,698
Interest	17,149,791	-	17,149,791
Difference between expected and actual experience	2,912,380	-	2,912,380
Changes in assumptions	4,102,024	-	4,102,024
Changes of benefit terms	-	-	-
Employer contributions	-	11,405,076	(11,405,076)
Employee contributions	-	1,327,634	(1,327,634)
Net investment income	-	(28,069,391)	28,069,391
Benefit payments and refunds	(16,243,656)	(16,243,656)	-
Administrative expense	-	(44,775)	44,775
Net changes	11,535,237	(31,625,112)	43,160,349
BALANCES AT DECEMBER 31, 2022	\$ 279,885,313	\$ 150,950,058	\$ 128,935,255

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

The plan's fiduciary net position as a percentage of the total pension liability was 53.93% at December 31, 2022.

In 2022, there were changes in assumptions related to the mortality tables.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Measurement date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.00% to 9.00%
Interest rate	6.50%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 1.25%
Asset valuation method	Fair value

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality rates were based on the PubS.H-2010 Study using improvement scale MP-2020.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total 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's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 167,785,098	\$ 128,935,255	\$ 97,274,544

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2022, the City recognized police pension expense of \$14,148,534. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,921,308	\$ -
Changes in assumption	4,657,422	1,243,238
Net difference between projected and actual earnings on pension plan investments	<u>15,319,444</u>	<u>-</u>
TOTAL	<u>\$ 26,898,174</u>	<u>\$ 1,243,238</u>

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

<u>Year Ending December 31,</u>	
2023	\$ 2,662,471
2024	6,886,568
2025	6,738,773
2026	9,367,124
2027	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 25,654,936</u>

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Council, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

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, 2022, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	148
Inactive plan members entitle to but not yet receiving benefits	5
Active plan members	<u>104</u>
TOTAL	<u><u>257</u></u>

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. 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 but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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 be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those 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 firefighter 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 \$113,645, 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 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 proceeding calendar year.

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. The City's contribution was 84.2% of covered payroll for the year ended December 31, 2022.

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. The pension fund transferred their investment assets to the IFPIF in January 2022.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at <https://ifpif.org>.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. 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 plan held no investments subject to fair value measurement at December 31, 2022.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$86,128,901 at December 31, 2022. The pooled investments consist of the investments as noted in the target allocation table available at <https://ifpif.org>. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2022. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (14.94%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 198,439,141	\$ 114,592,514	\$ 83,846,627
Changes for the period			
Service cost	2,889,155	-	2,889,155
Interest	12,731,909	-	12,731,909
Changes in benefit terms	-	-	-
Difference between expected and actual experience	288,722	-	288,722
Changes in assumptions	6,178,299	-	6,178,299
Employer contributions	-	9,707,213	(9,707,213)
Employee contributions	-	1,089,524	(1,089,524)
Net investment income	-	(15,351,364)	15,351,364
Benefit payments and refunds	(10,905,542)	(10,905,542)	-
Administrative expense	-	(86,309)	86,309
Net changes	11,182,543	(15,546,478)	26,729,021
BALANCES AT DECEMBER 31, 2022	\$ 209,621,684	\$ 99,046,036	\$ 110,575,648

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

The plan's fiduciary net position as a percentage of the total pension liability was 47.25% at December 31, 2022. See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

In 2022, there were changes in assumptions related to the mortality table.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Measurement date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.62% to 7.36%
Interest rate	6.50%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 1.25%
Asset valuation method	Fair value

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality rates were based on the PubS.H-2010 Study using improvement scale MP-2020 applied on a fully generational basis.

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total 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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 139,489,138	\$ 110,575,648	\$ 86,981,782

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2022, the City recognized firefighters' pension expense of \$12,033,835. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,517,323	\$ -
Changes in assumption	6,665,163	1,032,060
Net difference between projected and actual earnings on pension plan investments	9,920,762	-
TOTAL	\$ 20,103,248	\$ 1,032,060

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

<u>Year Ending December 31,</u>	
2023	\$ 2,245,920
2024	5,137,447
2025	4,620,499
2026	5,989,485
2027	1,077,837
Thereafter	-
TOTAL	\$ 19,071,188

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

16. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

Statement of Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and cash equivalents	\$ 4,002,058	\$ 11,015,644	\$ 15,017,702
Investments			
U.S. Treasury obligations	18,821,300	-	18,821,300
U.S. agency obligations	10,895,016	-	10,895,016
Corporate bonds	12,376,583	-	12,376,583
Common stock	44,736,352	-	44,736,352
Equity mutual funds	56,227,705	-	56,227,705
Real estate	1,359,644	-	1,359,644
Investments held in the Illinois Firefighters' Pension Investment Fund	-	86,128,901	86,128,901
Prepaid items	-	9,988	9,988
Receivables			
Accounts	-	3,123	3,123
Accrued interest	334,260	32,566	366,826
Due from City	2,197,140	1,868,725	4,065,865
Total assets	150,950,058	99,058,947	250,009,005
LIABILITIES			
Accounts payable	-	12,911	12,911
Total liabilities	-	12,911	12,911
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 150,950,058	\$ 99,046,036	\$ 249,996,094

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

16. PENSION TRUST FUNDS (Continued)

Fiduciary Funds Summary Financial Information (Continued)

Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 11,405,076	\$ 9,707,213	\$ 21,112,289
Plan members	1,327,634	1,089,524	2,417,158
Total contributions	<u>12,732,710</u>	<u>10,796,737</u>	<u>23,529,447</u>
Investment income			
Net depreciation in fair value of investments	(31,113,684)	(16,137,276)	(47,250,960)
Interest	3,368,544	948,183	4,316,727
Total investment income	<u>(27,745,140)</u>	<u>(15,189,093)</u>	<u>(42,934,233)</u>
Less investment expense	(324,251)	(162,271)	(486,522)
Net investment income	<u>(28,069,391)</u>	<u>(15,351,364)</u>	<u>(43,420,755)</u>
Total additions	<u>(15,336,681)</u>	<u>(4,554,627)</u>	<u>(19,891,308)</u>
DEDUCTIONS			
Administrative	44,775	86,309	131,084
Benefits and refunds	16,243,656	10,905,542	27,149,198
Total deductions	<u>16,288,431</u>	<u>10,991,851</u>	<u>27,280,282</u>
NET DECREASE	(31,625,112)	(15,546,478)	(47,171,590)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>182,575,170</u>	<u>114,592,514</u>	<u>297,167,684</u>
December 31	<u>\$ 150,950,058</u>	<u>\$ 99,046,036</u>	<u>\$ 249,996,094</u>

17. EVANSTON LIBRARY COMPONENT UNIT

This report contains the Evanston Public Library (the Library), which is included as a component unit. Financial information is presented as a discrete column in the statement of net position and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Library follows the accrual basis of accounting and the flow of economic resources measurement focus at the government-wide level and the modified accrual basis of accounting and the current financial resources measurement focus for its governmental funds.

b. Deposits and Investments

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 its 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.

17. EVANSTON LIBRARY COMPONENT UNIT (Continued)

b. Deposits and Investments (Continued)

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.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five-day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

c. 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, 2022, 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 FINANCIAL STATEMENTS (Continued)

17. EVANSTON LIBRARY COMPONENT UNIT (Continued)

c. Custodial Credit Risk (Continued)

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.

d. Capital Asset Activity

Library capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 311,380	\$ -	\$ -	\$ 311,380
Total capital assets not being depreciated/amortized	311,380	-	-	311,380
Capital assets being depreciated				
Buildings and improvements	20,751,236	177,014	-	20,928,250
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	230,006	-	-	230,006
Library collections	8,448,435	-	14,874	8,433,561
Capitalized leases	266,190	-	-	266,190
Total capital assets being depreciated/amortized	31,980,876	177,014	14,874	32,143,016
Less accumulated depreciation/amortization for:				
Buildings and improvements	10,434,835	547,077	-	10,981,912
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	184,503	14,757	-	199,260
Library collections	8,399,918	17,408	7,437	8,409,889
Capitalized leases	266,190	-	-	266,190
Total accumulated depreciation/amortization	21,570,455	579,242	7,437	22,142,260
Total capital assets being depreciated/amortized, net	10,410,421	(402,228)	7,437	10,000,756
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 10,721,801	\$ (402,228)	\$ 7,437	\$ 10,312,136

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

17. EVANSTON LIBRARY COMPONENT UNIT (Continued)

e. Long-Term Debt

Long-term obligations activity for the year ended December 31, 2022 was as follows:

	Interest Rate	Final Maturity Date	Balance January 1, 2022	Issued	Payments	Balance December 31, 2022	Due Within One Year
General obligation debt							
Series 2013B	2.00% - 3.00%	12/1/2025	\$ 112,011	\$ -	\$ 26,883	\$ 85,128	\$ 27,496
Series 2016A	2.00% - 4.00%	12/1/2036	530,000	-	30,000	500,000	30,000
Series 2017A	3.00% - 4.00%	12/1/2037	1,185,000	-	55,000	1,130,000	60,000
Series 2017B	4.00% - 5.00%	12/1/2027	446,121	-	69,719	376,402	70,928
Series 2018B	2.29% - 5.00%	12/1/2038	2,031,842	-	22,105	2,009,737	22,719
Series 2019B	1.66% - 2.68%	12/1/2039	1,721,613	-	60,999	1,660,614	64,587
Total general obligation debt			6,026,587	-	264,706	5,761,881	275,730
Bonds premiums			502,011	-	32,990	469,021	-
Total OPEB Liability			412,734	-	108,871	303,863	12,458
Compensated absences payable			417,441	18,347	83,488	352,300	70,460
TOTAL LONG-TERM DEBT			\$ 7,358,773	\$ 18,347	\$ 490,055	\$ 6,887,065	\$ 358,648

The Library reported a net pension asset of \$5,364,050 at December 31, 2022.

Debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 275,730	\$ 232,183	\$ 507,913
2024	353,392	221,284	574,676
2025	370,083	206,866	576,949
2026	356,396	191,425	547,821
2027	372,929	176,153	549,082
2028-2032	1,644,583	667,185	2,311,768
2033-2037	1,944,644	322,887	2,267,531
2038-2042	444,124	26,643	470,767
TOTAL	\$ 5,761,881	\$ 2,044,626	\$ 7,806,507

CITY OF EVANSTON, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

17. EVANSTON LIBRARY COMPONENT UNIT (Continued)

f. Employee Retirement System

The Library contributes to IMRF an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois through the City. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

The employees of the Library are pooled with the employees of City for purposes of actuarial valuation.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes	\$ 61,809,164	\$ 61,809,164	\$ 76,461,370	\$ 14,652,206
Licenses and permits	10,498,550	10,498,550	12,562,065	2,063,515
Intergovernmental	24,292,442	24,292,442	28,225,468	3,933,026
Charges for services	9,358,325	9,415,325	13,945,833	4,530,508
Fines	3,395,500	3,395,500	3,790,046	394,546
Investment income	55,000	55,000	309,972	254,972
Miscellaneous	2,670,100	2,613,100	2,290,941	(322,159)
Total revenues	112,079,081	112,079,081	137,585,695	25,506,614
EXPENDITURES				
General management and support	19,575,363	19,575,363	19,318,298	(257,065)
Public safety	66,827,017	66,827,017	64,482,767	(2,344,250)
Public works	13,444,799	13,444,799	13,320,046	(124,753)
Health and human services development	5,322,087	4,322,087	4,781,077	458,990
Recreation and cultural opportunities	11,926,741	11,926,741	11,351,700	(575,041)
Housing and economic development	4,488,316	4,488,316	3,062,160	(1,426,156)
Total expenditures	121,584,323	120,584,323	116,316,048	(4,268,275)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,505,242)	(8,505,242)	21,269,647	29,774,889
OTHER FINANCING SOURCES (USES)				
Transfers in	9,136,606	9,136,606	8,775,706	(360,900)
Transfers (out)	(175,000)	(175,000)	(2,592,969)	(2,417,969)
Total other financing sources (uses)	8,961,606	8,961,606	6,182,737	(2,778,869)
NET CHANGE IN FUND BALANCE	\$ (543,636)	\$ 456,364	27,452,384	\$ 26,996,020
FUND BALANCE, JANUARY 1			33,670,822	
FUND BALANCE, DECEMBER 31			\$ 61,123,206	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ARPA FUND**

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 21,586,827	\$ 21,586,827	\$ 7,659,448	\$ (13,927,379)
Investment income	-	-	524,941	524,941
Total revenues	<u>21,586,827</u>	<u>21,586,827</u>	<u>8,184,389</u>	<u>(13,402,438)</u>
EXPENDITURES				
General management and support	22,250,000	2,250,000	3,180,971	930,971
Public safety	-	-	344,378	344,378
Capital outlay	-	-	254,415	254,415
Total expenditures	<u>22,250,000</u>	<u>2,250,000</u>	<u>3,779,764</u>	<u>1,529,764</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(663,173)</u>	<u>19,336,827</u>	<u>4,404,625</u>	<u>(14,932,202)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(8,150,000)</u>	<u>(8,150,000)</u>	<u>(3,900,000)</u>	<u>4,250,000</u>
Other financing sources (uses) - net	<u>(8,150,000)</u>	<u>(8,150,000)</u>	<u>(3,900,000)</u>	<u>4,250,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,813,173)</u>	<u>\$ 11,186,827</u>	<u>504,625</u>	<u>\$ (10,682,202)</u>
FUND BALANCE, JANUARY 1			<u>26,545</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 531,170</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022
TOTAL OPEB LIABILITY					
Service cost	\$ 1,050,028	\$ 974,443	\$ 1,249,550	\$ 1,544,418	\$ 1,613,298
Interest	630,168	733,796	593,787	442,412	434,590
Benefit changes	-	-	(53,511)	-	-
Differences between expected and actual experience	-	-	(2,856,275)	-	(2,081,084)
Changes in assumptions	(1,272,525)	2,879,775	2,471,462	370,681	(1,428,232)
Implicit benefit payments	(797,159)	(860,932)	(925,502)	(827,885)	(890,214)
Other changes	-	-	-	-	-
Net change in total OPEB liability	(389,488)	3,727,082	479,511	1,529,626	(2,351,642)
Total OPEB liability - beginning	18,717,414	18,327,926	22,055,008	22,534,519	24,064,145
TOTAL OPEB LIABILITY - ENDING	\$ 18,327,926	\$ 22,055,008	\$ 22,534,519	\$ 24,064,145	\$ 21,712,503
Covered-employee payroll	\$ 59,333,084	\$ 60,964,744	\$ 59,251,377	\$ 61,325,175	\$ 61,334,086
Employer's total OPEB liability as a percentage of covered-employee payroll	30.89%	36.18%	38.03%	39.24%	35.40%

No assets accumulate in a trust that meets the criteria in paragraph 4 in GASB Statement No. 75.

There was a change in assumptions related to the discount rate in 2022.

There was a change in assumptions related to the discount rate in 2021.

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 Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 3,977,718	\$ 3,882,629	\$ 3,695,564	\$ 3,634,209	\$ 2,379,845	\$ 3,235,547	\$ 3,240,141	\$ 1,925,332
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	3,240,141	1,925,332
CONTRIBUTION DEFICIENCY (Excess)	\$ (40,550)	\$ (81,227)	\$ (6,707)	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage contributed	101.02%	102.09%	100.18%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered payroll	\$ 37,703,487	\$ 37,477,116	\$ 37,480,368	\$ 38,519,776	\$ 38,103,750	\$ 37,019,990	\$ 40,098,516	\$ 41,282,319
Contributions as a percentage of covered payroll	10.66%	10.58%	9.88%	9.43%	6.25%	8.74%	8.08%	4.66%

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 22 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.25% 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 Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 8,358,924	\$ 8,257,475	\$ 9,380,940	\$ 10,237,200	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650	\$ 11,431,461	\$ 11,194,538
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	11,501,791	11,405,076
CONTRIBUTION DEFICIENCY (Excess)	\$ (285,272)	\$ (546,789)	\$ (69,884)	\$ (63,349)	\$ -	\$ -	\$ -	\$ (70,330)	\$ (210,538)
Percentage contributed	103.41%	106.62%	100.74%	100.62%	100.00%	100.00%	100.00%	100.62%	101.88%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002	\$ 15,371,756	\$ 13,396,912
Contributions as a percentage of covered payroll	63.85%	59.00%	54.08%	67.09%	66.03%	65.72%	73.05%	74.82%	85.13%

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 19 years; the asset valuation method was 5-year smoothed fair value 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 Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 6,239,481	\$ 5,903,483	\$ 7,350,865	\$ 8,148,709	\$ 8,344,947	\$ 8,266,584	\$ 9,247,042	\$ 9,626,778	\$ 9,528,524
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	9,670,974	9,707,213
CONTRIBUTION DEFICIENCY (Excess)	\$ (288,216)	\$ (481,761)	\$ (45,776)	\$ (57,091)	\$ -	\$ -	\$ (10,474)	\$ (44,196)	\$ (178,689)
Percentage contributed	104.62%	108.16%	100.62%	100.70%	100.00%	100.00%	100.11%	100.46%	101.88%
Covered payroll	\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768	\$ 11,012,470	\$ 11,523,258
Contributions as a percentage of covered payroll	68.56%	61.42%	70.13%	79.58%	71.83%	79.94%	88.77%	87.82%	84.24%

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 19 years; the asset valuation method was 5-year smoothed fair value; 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 Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 3,898,440	\$ 3,910,996	\$ 3,951,687	\$ 3,970,214	\$ 3,671,434	\$ 3,926,313	\$ 3,850,771	\$ 3,420,369
Interest	14,880,724	16,235,086	16,947,408	17,355,320	17,185,510	17,812,836	18,314,051	18,507,004
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	3,043,895	1,465,442	(2,905,680)	(2,489,328)	2,992,302	(166,989)	(2,056,346)	6,705,189
Changes of assumptions	7,927,038	266,906	(269,039)	(7,652,648)	6,567,349	-	(1,993,968)	-
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)	(12,922,439)	(13,674,160)	(14,305,617)	(14,936,529)	(15,539,235)
Net change in total pension liability	18,282,000	9,950,085	5,453,812	(1,738,881)	16,742,435	7,266,543	3,177,979	13,093,327
Total pension liability - beginning	202,194,485	220,476,485	230,426,570	235,880,382	234,141,501	250,883,936	258,150,479	261,328,458
PLAN FIDUCIARY NET POSITION								
	\$ 220,476,485	\$ 230,426,570	\$ 235,880,382	\$ 234,141,501	\$ 250,883,936	\$ 258,150,479	\$ 261,328,458	\$ 274,421,785
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 3,963,983	\$ 4,018,268	\$ 3,963,856	\$ 3,702,271	\$ 3,634,209	\$ 2,379,845	\$ 3,235,547	\$ 3,245,589
Contributions - member	1,710,168	1,767,523	1,705,636	1,693,912	1,847,906	1,845,576	1,684,700	1,806,941
Net investment income	12,425,190	1,062,353	14,441,739	39,438,193	(14,090,715)	43,379,549	37,552,547	49,648,106
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)	(12,922,439)	(13,674,160)	(14,305,617)	(14,936,529)	(15,539,235)
Administrative expense	2,322,043	737,427	(142,981)	(4,817,948)	3,915,577	647,604	1,390,447	(1,512,861)
Net change in plan fiduciary net position	8,953,287	(4,342,774)	7,697,686	27,093,989	(18,367,183)	33,946,957	28,926,712	37,648,540
Plan fiduciary net position - beginning	206,588,617	215,541,904	211,199,130	218,896,816	245,990,805	227,623,622	261,570,579	290,497,291
PLAN FIDUCIARY NET POSITION - ENDING								
	\$ 215,541,904	\$ 211,199,130	\$ 218,896,816	\$ 245,990,805	\$ 227,623,622	\$ 261,570,579	\$ 290,497,291	\$ 328,145,831
EMPLOYER'S NET PENSION LIABILITY (ASSET)								
	\$ 4,934,581	\$ 19,227,440	\$ 16,983,566	\$ (11,849,304)	\$ 23,260,314	\$ (3,420,100)	\$ (29,168,833)	\$ (53,724,046)

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	91.66%	92.80%	105.06%	90.73%	101.32%	111.16%	119.58%
Covered payroll	\$ 35,171,426	\$ 37,703,487	\$ 37,477,116	\$ 37,480,368	\$ 38,519,776	\$ 38,103,750	\$ 37,019,990	\$ 40,098,516
Employer's net pension liability as a percentage of covered payroll	14.03%	51.00%	45.32%	(31.61%)	60.39%	(8.98%)	(78.79%)	(133.98%)

There was a change in assumptions related to the retirement age and mortality rates in 2020.

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.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	\$ 3,842,941	\$ 3,614,698
Interest	12,284,036	12,663,010	13,192,680	14,088,889	14,433,770	15,128,398	16,138,601	16,648,988	17,149,791
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	3,025,037	2,912,380
Changes of assumptions	-	5,791,392	11,039,027	7,096,300	(7,459,427)	4,127,403	-	-	4,102,024
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)	(14,924,443)	(16,243,656)
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	8,592,523	11,535,237
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	259,757,553	268,350,076
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	\$ 268,350,076	\$ 279,885,313
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 8,644,196	\$ 8,804,264	\$ 9,450,824	\$ 10,300,549	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650	\$ 11,501,791	\$ 11,405,076
Contributions - member	1,565,053	1,454,720	1,731,740	1,521,467	1,570,309	1,583,631	1,522,969	1,523,341	1,327,634
Net investment income	8,675,133	430,756	7,544,856	15,240,680	(4,911,053)	25,043,593	17,521,008	26,382,486	(28,069,391)
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)	(14,924,443)	(16,243,656)
Administrative expense	(68,938)	(71,408)	(123,796)	(148,631)	(58,885)	(52,088)	(66,152)	(44,442)	(44,775)
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	24,438,733	(31,625,112)
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	158,136,437	182,575,170
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	158,136,437	182,575,170
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	\$ 182,575,170	\$ 150,950,058
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	\$ 85,774,906	\$ 128,935,255

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	68.04%	53.93%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002	\$ 15,371,756	\$ 13,396,912
Employer's net pension liability as a percentage of covered	662.13%	711.81%	642.67%	722.95%	746.39%	686.14%	661.25%	558.00%	962.43%

For the measurement date December 31, 2022, there were changes in assumptions related to the mortality tables.

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 Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY									
Service cost	\$ 2,326,092	\$ 2,431,680	\$ 2,731,257	\$ 2,813,961	\$ 3,026,223	\$ 2,763,258	\$ 2,948,710	\$ 2,739,481	\$ 2,889,155
Interest	9,391,253	9,656,198	9,922,911	10,507,435	10,741,734	11,061,538	12,013,035	12,303,886	12,731,909
Changes in benefit terms	-	-	-	-	-	799,936	-	-	-
Differences between expected and actual experience	-	1,184,609	(3,239,221)	368,761	384,928	5,218,449	122,642	2,117,644	288,722
Changes of assumptions	-	4,239,272	7,971,672	5,192,584	(6,192,362)	4,549,731	-	-	6,178,299
Benefit payments, including refunds of member contributions	(7,727,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)	(10,545,893)	(10,905,542)
Net change in total pension liability	3,989,662	9,443,794	9,042,679	10,273,372	(1,190,307)	14,768,146	4,829,227	6,615,118	11,182,543
Total pension liability - beginning	140,667,430	144,657,092	154,100,886	163,143,565	173,416,937	172,226,630	186,994,776	191,824,023	198,439,141
TOTAL PENSION LIABILITY - ENDING	\$ 144,657,092	\$ 154,100,886	\$ 163,143,565	\$ 173,416,937	\$ 172,226,630	\$ 186,994,776	\$ 191,824,023	\$ 198,439,141	\$ 209,621,684
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 6,527,697	\$ 6,385,244	\$ 7,396,641	\$ 8,205,800	\$ 8,344,947	\$ 8,266,584	\$ 9,257,516	\$ 9,670,974	\$ 9,707,213
Contributions - member	919,874	956,092	997,198	974,992	1,098,506	954,112	986,040	1,041,229	1,089,524
Net investment income	3,549,131	228,236	3,894,765	7,974,296	(3,478,827)	14,527,581	11,387,655	13,515,733	(15,351,364)
Benefit payments, including refunds of member contributions	(7,727,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)	(10,545,893)	(10,905,542)
Administrative expense	(52,248)	(44,597)	(85,750)	(72,640)	(105,755)	(97,588)	(148,979)	(123,642)	(86,309)
Net change in plan fiduciary net position	3,216,771	(542,990)	3,858,914	8,473,079	(3,291,959)	14,025,923	11,227,072	13,558,401	(15,546,478)
Plan fiduciary net position - beginning	65,024,941	68,241,712	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041	101,034,113	114,592,514
Prior period adjustment	-	(957,638)	-	-	-	-	-	-	-
Plan fiduciary net position - beginning , restated	65,024,941	67,284,074	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041	101,034,113	114,592,514
PLAN FIDUCIARY NET POSITION - ENDING	\$ 68,241,712	\$ 66,741,084	\$ 70,599,998	\$ 79,073,077	\$ 75,781,118	\$ 89,807,041	\$ 101,034,113	\$ 114,592,514	\$ 99,046,036
EMPLOYER'S NET PENSION LIABILITY	\$ 76,415,380	\$ 87,359,802	\$ 92,543,567	\$ 94,343,860	\$ 96,445,512	\$ 97,187,735	\$ 90,789,910	\$ 83,846,627	\$ 110,575,648

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	57.75%	47.25%
Covered payroll	\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768	\$ 11,012,470	\$ 11,523,258
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%	761.38%	959.59%

For the measurement date December 31, 2022, there were changes in assumptions related to the mortality tables.

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
SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	9.54%	1.45%	6.90%	14.25%	(5.20%)	21.13%	12.88%	16.65%	(16.78%)

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 Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	5.47%	0.36%	5.90%	11.42%	(4.54%)	19.62%	12.72%	13.91%	(14.94%)

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

BUDGETARY INFORMATION

The City follows these procedure 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, 2021. 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. A budget was not adopted for the Neighborhood Improvement Fund. All annual budgets lapse at fiscal year end.

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 following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2022.

Fund	Actual	Final Budget	Variance
ARPA	\$ 3,779,764	\$ 2,250,000	\$ 1,529,764

**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.

Crown Capital - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and city contributions.

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
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property				
Current year levy	\$ 31,884,164	\$ 31,884,164	\$ 32,182,623	\$ 298,459
Total property taxes	31,884,164	31,884,164	32,182,623	298,459
Personal property replacement tax	1,205,000	1,205,000	5,516,675	4,311,675
Other taxes				
State use tax	2,500,000	2,500,000	3,165,654	665,654
Sales tax - home rule	7,500,000	7,500,000	10,455,926	2,955,926
Auto rental tax	50,000	50,000	70,927	20,927
Transportation network provider tax	550,000	550,000	776,296	226,296
Athletic contest tax	500,000	500,000	884,462	384,462
Municipal hotel tax	900,000	900,000	2,166,476	1,266,476
Utility tax	6,100,000	6,100,000	6,878,514	778,514
Cigarette tax	200,000	200,000	216,000	16,000
Evanston motor fuel tax	1,000,000	1,000,000	835,935	(164,065)
Liquor tax	2,900,000	2,900,000	3,291,166	391,166
Medical cannabis tax	150,000	150,000	-	(150,000)
Recreational cannabis tax	-	-	361,649	361,649
Parking tax	2,600,000	2,600,000	2,952,826	352,826
Amusement tax	520,000	520,000	942,170	422,170
Foreign fire tax	-	-	267,765	267,765
Real estate transfer tax	3,250,000	3,250,000	5,496,306	2,246,306
Total other taxes	28,720,000	28,720,000	38,762,072	10,042,072
Total taxes	61,809,164	61,809,164	76,461,370	14,652,206
Licenses and permits				
Vehicle licenses	2,900,000	2,900,000	2,804,272	(95,728)
Business licenses	35,000	35,000	46,893	11,893
Sealant office visits	-	-	31	31
Bed and breakfast licenses	150	150	-	(150)
Collection box license	2,500	2,500	3,100	600
Pet licenses	10,000	10,000	14,284	4,284
Contractor licenses	170,000	170,000	174,275	4,275
Rooming house licenses	-	-	2,300	2,300
Liquor licenses	525,000	525,000	645,106	120,106
One-day liquor licenses	12,000	12,000	17,279	5,279
Farmer's market licenses	51,250	51,250	51,733	483
Rental building registration	360,000	360,000	299,430	(60,570)
Other licenses	20,000	20,000	-	(20,000)
Long-term care license	120,000	120,000	102,700	(17,300)
Seasonal foot ESTB	15,000	15,000	9,200	(5,800)
Mobile food vehicle license	1,450	1,450	-	(1,450)
Hen coop license	800	800	-	(800)
Resident care home license	1,200	1,200	300	(900)
Building permits	4,225,100	4,225,100	7,000,238	2,775,138
Elevator permits	42,000	42,000	33,782	(8,218)

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Licenses and permits (Continued)				
Right of way permits	\$ 358,000	\$ 358,000	\$ 36,796	\$ (321,204)
Residents parking permit	228,000	228,000	1,220	(226,780)
Visitor parking permit	13,000	13,000	76	(12,924)
Fire suppression/alarm permit	100,000	100,000	10,599	(89,401)
Oversize truck permit	20,000	20,000	26,375	6,375
Moving van permit	57,000	57,000	63,125	6,125
Plat PR and sign application fee	2,100	2,100	-	(2,100)
IL Bell franchise fee	-	-	106,744	106,744
Alarm panel franchise fee	4,000	4,000	-	(4,000)
Northwestern University easement	47,000	47,000	-	(47,000)
Easements	-	-	47,000	47,000
Cable franchise fee	950,000	950,000	890,517	(59,483)
PEG fees - Comcast	145,000	145,000	116,236	(28,764)
Nicor franchise fee	75,000	75,000	58,454	(16,546)
Permit penalty fees	8,000	8,000	-	(8,000)
Total licenses and permits	10,498,550	10,498,550	12,562,065	2,063,515
Intergovernmental - revenue from other agencies				
Retailer and service occupation tax	10,300,000	10,300,000	12,987,309	2,687,309
State income tax	8,800,000	8,800,000	12,826,057	4,026,057
State highway maintenance	83,000	83,000	94,402	11,402
Health Department Basic Service Grant	124,183	124,183	150,424	26,241
Illinois tobacco free community	25,000	25,000	23,427	(1,573)
IL HIV Surveillance Grant	34,150	34,150	15,359	(18,791)
NEA Grant	-	-	155,000	155,000
Aspire Program Grant	-	-	425,120	425,120
Other State/County Grant	21,400	21,400	289,507	268,107
Fire Department training	6,000	6,000	-	(6,000)
CRI Grant	43,541	43,541	46,273	2,732
PEHP Grant	63,701	63,701	64,434	733
Lead Paid Hazard Grant	39,600	39,600	-	(39,600)
Federal Grant/Aid	281,000	281,000	310,617	29,617
Commission on Aging Grant - Advocate	64,000	64,000	128,010	64,010
Vacant Property Grant	37,500	37,500	3,710	(33,790)
Market link vouchers	30,000	30,000	-	(30,000)
Civil Defense Grants (F.E.M.A.)	-	-	147,939	147,939
Narcotics enforcement revenue	40,000	40,000	72,750	32,750
Police training	5,000	5,000	-	(5,000)
eShare revenue	-	-	122,360	122,360
Police DUI reimbursement	15,000	15,000	-	(15,000)
You Streets Grant	-	-	55,000	55,000
Beach Grant	15,097	15,097	-	(15,097)
COVID-19 Mass Vaccination Grant	-	-	293,500	293,500
ARPA	4,250,000	4,250,000	-	(4,250,000)
Cook County WNV Grant	14,270	14,270	14,270	-
Total intergovernmental - revenue from other agencies	24,292,442	24,292,442	28,225,468	3,933,026

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Charges for services				
Recreation				
Recreation - program	\$ 5,175,525	\$ 5,175,525	\$ 6,883,690	\$ 1,708,165
Recreation - other	-	-	1,448	1,448
Recreation - charges	3,000	3,000	12	(2,988)
Recreation - special events	12,500	12,500	21,086	8,586
Total recreation	5,191,025	5,191,025	6,906,236	1,715,211
Other charges for services				
Health clinic fees - food establishment	230,000	230,000	270,857	40,857
Homeless health clinic	-	-	-	-
Infrastructure maintenance fees	485,000	485,000	-	(485,000)
Temporary license fee	11,000	11,000	2,553	(8,447)
Food delivery vehicle	6,500	6,500	3,050	(3,450)
Beverage snack vending machine	41,000	41,000	44,780	3,780
Tobacco license	17,000	17,000	21,500	4,500
Beekeeper license	300	300	1,620	1,320
Funeral director license	6,000	6,000	-	(6,000)
Temp funeral director licenses	4,000	4,000	-	(4,000)
Birth/death certificates	80,000	80,000	95,514	15,514
Parking enforcement reimbursement	-	57,000	41,099	(15,901)
Property clean up	10,000	10,000	-	(10,000)
Senior Taxi coupon sales	85,000	85,000	53,547	(31,453)
Fire cost recovery charge	1,000	1,000	-	(1,000)
Historic preservation	30,000	30,000	14,270	(15,730)
Tree preservation revenue	5,000	5,000	12,843	7,843
Ambulance service	2,550,000	2,550,000	5,937,543	3,387,543
Police CTA detail	300,000	300,000	216,674	(83,326)
Police report fees	25,000	25,000	22,115	(2,885)
Zoning fees	50,000	50,000	25,885	(24,115)
Fire building inspections	25,000	25,000	-	(25,000)
Fire report fee	100	100	-	(100)
Aging Well conference	2,000	2,000	-	(2,000)
Alarm panel subscription fees	115,000	115,000	275,741	160,741
Background check daycare providers	400	400	-	(400)
New pavement degradation	80,000	80,000	-	(80,000)
I Heart Evanston Trees project	3,000	3,000	6	(2,994)
Plan review	5,000	5,000	-	(5,000)
Total other service charges	4,167,300	4,224,300	7,039,597	2,815,297
Total charges for services	9,358,325	9,415,325	13,945,833	4,530,508
Fines				
Ticket fines - parking	2,800,000	2,800,000	3,581,580	781,580
Regular fines	115,000	115,000	116,259	1,259
Animal ordinance penalties	7,500	7,500	-	(7,500)
Boot release fee	90,000	90,000	40,185	(49,815)
Fire false alarm fines	115,000	115,000	60	(114,940)

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)				
Fines (Continued)				
Housing code violation fines	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Health code violation fees	3,000	3,000	-	(3,000)
Administrative adjudication fee	225,000	225,000	51,962	(173,038)
Total fines	3,395,500	3,395,500	3,790,046	394,546
Investment income	55,000	55,000	309,972	254,972
Other revenues				
Police equipment reimbursement	20,000	20,000	4,923	(15,077)
Rethink your drink	5,000	5,000	-	(5,000)
Holiday food drive	10,000	10,000	11,947	1,947
We're Out Walking	6,000	6,000	-	(6,000)
Property sales and rentals	51,100	51,100	104,795	53,695
Donation	13,900	13,900	122,667	108,767
Miscellaneous revenue	179,100	122,100	782,108	660,008
Sale of other assets	1,500	1,500	1,576	76
Reimbursements - serve and protect	42,000	42,000	8,257	(33,743)
Reimbursements - salt use	45,000	45,000	36,157	(8,843)
Reimbursements - fire department	105,000	105,000	-	(105,000)
Reimbursements - police	640,000	640,000	489,162	(150,838)
Community relief program	-	-	-	-
Payment in lieu of taxes	200,000	200,000	65,000	(135,000)
Fund balance applied	1,000,000	1,000,000	-	(1,000,000)
Chargeback revenue	300,000	300,000	618,195	318,195
Insurance proceeds	-	-	9,769	9,769
Private Elm Trees Insurance	30,000	30,000	21,160	(8,840)
Citizens CPR class fees	6,500	6,500	13,515	7,015
Surface lot permits	-	-	(90)	(90)
Commercial drive permits	-	-	1,800	1,800
Parking permits - Ryan Field	15,000	15,000	-	(15,000)
Total other revenues	2,670,100	2,613,100	2,290,941	(322,159)
TOTAL REVENUES	\$ 112,079,081	\$ 112,079,081	\$ 137,585,695	\$ 25,506,614

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
General management and support				
City Council	\$ 579,384	\$ 579,384	\$ 647,845	\$ 68,461
City Manager and Budget Management	6,232,882	6,232,882	5,733,973	(498,909)
City Clerk	343,573	343,573	308,725	(34,848)
Law Department	970,341	970,341	848,616	(121,725)
Administrative services	11,449,183	11,449,183	11,779,139	329,956
Total general management and support	19,575,363	19,575,363	19,318,298	(257,065)
Public safety				
Police	50,003,660	50,003,660	47,578,172	(2,425,488)
Fire	16,823,357	16,823,357	16,904,595	81,238
Total public safety	66,827,017	66,827,017	64,482,767	(2,344,250)
Public works				
Public Works Director	3,347,448	3,347,448	3,352,064	4,616
Municipal Service Center	2,016,903	2,016,903	2,862,998	846,095
City Engineer	377,227	377,227	381,314	4,087
Traffic Engineer	3,754,680	3,754,680	3,221,221	(533,459)
Streets	3,801,781	3,801,781	3,375,765	(426,016)
Sanitation	146,760	146,760	126,684	(20,076)
Total public works	13,444,799	13,444,799	13,320,046	(124,753)
Health and Human Services Development				
COVID contact tracing	-	-	349,656	349,656
Health and Human Services Director	343,671	343,671	247,397	(96,274)
Health Department	1,110,080	1,110,080	1,112,889	2,809
Mental health and community purchased services	-	-	13,459	13,459
Human relations	3,868,336	2,868,336	3,057,676	189,340
Total Health and Human Services Development	5,322,087	4,322,087	4,781,077	458,990
Recreation and cultural opportunities				
Recreation	10,690,828	10,690,828	10,335,624	(355,204)
Ecology Center	603,474	603,474	464,447	(139,027)
Cultural Arts	632,439	632,439	551,629	(80,810)
Total recreation and cultural opportunities	11,926,741	11,926,741	11,351,700	(575,041)
Housing and Economic Development				
Community development administration	1,073,810	1,073,810	375,838	(697,972)
Planning and zoning	1,259,537	1,259,537	842,953	(416,584)
Housing rehabilitation and property standards	713,020	713,020	645,446	(67,574)
Building code compliance	1,441,949	1,441,949	1,197,923	(244,026)
Total housing and economic development	4,488,316	4,488,316	3,062,160	(1,426,156)
TOTAL EXPENDITURES	\$ 121,584,323	\$ 120,584,323	\$ 116,316,048	\$ (4,268,275)

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL OBLIGATION DEBT FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Property taxes				
Current year levy, net	\$ 13,436,256	\$ 13,436,256	\$ 13,858,421	\$ 422,165
Investment income	1,500	1,500	91,189	89,689
Total revenues	<u>13,437,756</u>	<u>13,437,756</u>	<u>13,949,610</u>	<u>511,854</u>
EXPENDITURES				
General management and support	-	-	19	19
Debt Service				
Principal	10,086,859	10,086,859	10,054,059	(32,800)
Interest	5,603,216	5,603,216	5,642,685	39,469
Fiscal agent fees	-	13,338	6,650	(6,688)
Total expenditures	<u>15,690,075</u>	<u>15,703,413</u>	<u>15,703,413</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,252,319)</u>	<u>(2,265,657)</u>	<u>(1,753,803)</u>	<u>511,854</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,267,041	2,267,041	2,267,041	-
Total other financing sources (uses)	<u>2,267,041</u>	<u>2,267,041</u>	<u>2,267,041</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,722</u>	<u>\$ 1,384</u>	513,238	<u>\$ 511,854</u>
FUND BALANCE, JANUARY 1			<u>1,452,572</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,965,810</u>	

(See independent auditor's report.)

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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. 4 - to account for promotion, advertisement, and street maintenance costs of the area located in the City's central business district. Financing is provided by the City through an annual property tax levy.

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.

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.

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, 2022

	Special Revenue				
	Motor Fuel Tax	Emergency Telephone System	Neighborhood Improvement	Affordable Housing	HOME
ASSETS					
Cash and equivalents	\$ -	\$ 1,123,671	\$ 22,255	\$ 2,713,841	\$ 33,294
Investments	5,343,927	-	-	-	-
Receivables					
Property tax	-	-	-	-	-
Loans	-	-	-	2,531,277	5,300,354
Special assessments	-	-	-	-	-
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	304,867	367,002	-	35,353	15,336
Due from other funds	-	120,526	40	42,236	1,575
TOTAL ASSETS	\$ 5,648,794	\$ 1,611,199	\$ 22,295	\$ 5,322,707	\$ 5,350,559
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 190,828	\$ 126,831	\$ -	\$ 40,833	\$ 43,353
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	148,234	-
Due to other funds	-	-	-	-	-
Total liabilities	190,828	126,831	-	189,067	43,353
DEFERRED INFLOWS OF RESOURCES					
Long-term notes receivable	-	-	-	2,531,277	5,300,354
Unavailable revenue - property taxes	-	-	-	-	-
Leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	2,531,277	5,300,354
Total liabilities and deferred inflows of resources	190,828	126,831	-	2,720,344	5,343,707
FUND BALANCES					
Restricted for					
Highway maintenance	5,457,966	-	-	-	-
Emergency telephone system	-	1,484,368	-	-	-
HUD approved projects	-	-	-	-	6,852
Neighborhood improvements	-	-	22,295	2,602,363	-
Reparations	-	-	-	-	-
Sustainability	-	-	-	-	-
Debt service	-	-	-	-	-
General assistance	-	-	-	-	-
Capital improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	5,457,966	1,484,368	22,295	2,602,363	6,852
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,648,794	\$ 1,611,199	\$ 22,295	\$ 5,322,707	\$ 5,350,559

Special Revenue								
Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Sustainability	Good Neighbor	General Assistance	Total Special Revenue	
\$ -	\$ 328,933	\$ 18,850	\$ 251,978	\$ 376,538	\$ 732,512	\$ 715,781	\$ 6,317,653	
-	-	-	-	-	-	-	5,343,927	
-	-	652,479	-	-	-	1,565,401	2,217,880	
-	1,956,042	-	-	-	-	-	9,787,673	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
413,417	-	-	-	-	-	-	1,135,975	
-	55,274	-	3,685	39,425	901	5,205	268,867	
<u>\$ 413,417</u>	<u>\$ 2,340,249</u>	<u>\$ 671,329</u>	<u>\$ 255,663</u>	<u>\$ 415,963</u>	<u>\$ 733,413</u>	<u>\$ 2,286,387</u>	<u>\$ 25,071,975</u>	
\$ 41,261	\$ 16	\$ 276,316	\$ 7,127	\$ 31,371	\$ -	\$ -	\$ 757,936	
-	-	-	-	-	-	-	-	
-	4,942	-	-	-	-	-	153,176	
312,833	-	-	-	-	-	-	312,833	
354,094	4,958	276,316	7,127	31,371	-	-	1,223,945	
-	1,956,042	-	-	-	-	-	9,787,673	
-	-	595,000	-	-	-	1,300,001	1,895,001	
-	-	-	-	-	-	-	-	
-	1,956,042	595,000	-	-	-	1,300,001	11,682,674	
354,094	1,961,000	871,316	7,127	31,371	-	1,300,001	12,906,619	
-	-	-	-	-	-	-	5,457,966	
-	-	-	-	-	-	-	1,484,368	
59,323	379,249	-	-	-	-	-	445,424	
-	-	-	-	-	-	-	2,624,658	
-	-	-	248,536	-	-	-	248,536	
-	-	-	-	384,592	-	-	384,592	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	986,386	986,386	
-	-	-	-	-	733,413	-	733,413	
-	-	-	-	-	-	-	-	
-	-	(199,987)	-	-	-	-	(199,987)	
59,323	379,249	(199,987)	248,536	384,592	733,413	986,386	12,165,356	
<u>\$ 413,417</u>	<u>\$ 2,340,249</u>	<u>\$ 671,329</u>	<u>\$ 255,663</u>	<u>\$ 415,963</u>	<u>\$ 733,413</u>	<u>\$ 2,286,387</u>	<u>\$ 25,071,975</u>	

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2022

	Debt Service				
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8	Dempster-Dodge Tax Increment District
ASSETS					
Cash and equivalents	\$ 1,323,108	\$ 192,858	\$ 66,160	\$ 23,282	\$ 374,766
Investments	-	-	-	-	-
Receivables					
Property tax	376,653	254,136	171,048	72,067	18
Loans	-	-	-	-	-
Special assessments	-	-	-	-	-
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Other	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	4,609	424	47	24	1,201
TOTAL ASSETS	\$ 1,704,370	\$ 447,418	\$ 237,255	\$ 95,373	\$ 375,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 10,692	\$ 221,862	\$ 70,019	\$ 30,644	\$ 2,973
Unearned revenue	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	10,692	221,862	70,019	30,644	2,973
DEFERRED INFLOWS OF RESOURCES					
Long-term notes receivable	-	-	-	-	-
Unavailable revenue - property taxes	-	221,001	154,800	60,200	-
Leases	-	-	-	-	-
Total deferred inflows of resources	-	221,001	154,800	60,200	-
Total liabilities and deferred inflows of resources	10,692	442,863	224,819	90,844	2,973
FUND BALANCES					
Restricted for					
Highway maintenance	-	-	-	-	-
Emergency telephone system	-	-	-	-	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	4,555	12,436	4,529	-
Reparations	-	-	-	-	-
Sustainability	-	-	-	-	-
Debt service	1,693,678	-	-	-	373,012
General assistance	-	-	-	-	-
Capital improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	1,693,678	4,555	12,436	4,529	373,012
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,704,370	\$ 447,418	\$ 237,255	\$ 95,373	\$ 375,985

Debt Service			Capital Projects					Total Nonmajor Governmental Funds	
Howard Ridge Tax Increment District	West Evanston Tax Increment District	Five-Fifths Tax Increment District	Total Debt Service	Capital Improvements	Crown Construction	Crown Maintenance	Special Assessment		Total Capital Projects
\$ 1,739,373	\$ 2,290,642	\$ -	\$ 6,010,189	\$ 4,537,297	\$ 5,300,016	\$ 490,045	\$ 1,505,447	\$ 11,832,805	\$ 24,160,647
-	-	-	-	4,342,441	-	-	-	4,342,441	9,686,368
457,364	351,528	-	1,682,814	-	-	-	-	-	3,900,694
-	-	-	-	-	-	-	-	-	9,787,673
-	-	-	-	-	-	-	661,093	661,093	661,093
439,826	-	-	439,826	-	-	-	-	-	439,826
253	-	-	253	-	-	-	-	-	253
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,135,975
8,920	8,136	-	23,361	-	18,115	-	31,074	49,189	341,417
<u>\$ 2,645,736</u>	<u>\$ 2,650,306</u>	<u>\$ -</u>	<u>\$ 8,156,443</u>	<u>\$ 8,879,738</u>	<u>\$ 5,318,131</u>	<u>\$ 490,045</u>	<u>\$ 2,197,614</u>	<u>\$ 16,885,528</u>	<u>\$ 50,113,946</u>
\$ 109,309	\$ 186,309	\$ 100,993	\$ 732,801	\$ 6,742,029	\$ 12,800	\$ -	\$ 93,669	\$ 6,848,498	\$ 8,339,235
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	153,176
-	-	34,908	34,908	170,817	-	-	-	170,817	518,558
109,309	186,309	135,901	767,709	6,912,846	12,800	-	93,669	7,019,315	9,010,969
-	-	-	-	-	-	-	661,093	661,093	10,448,766
-	-	-	436,001	-	-	-	-	-	2,331,002
431,333	-	-	431,333	-	-	-	-	-	431,333
431,333	-	-	867,334	-	-	-	661,093	661,093	13,211,101
540,642	186,309	135,901	1,635,043	6,912,846	12,800	-	754,762	7,680,408	22,222,070
-	-	-	-	-	-	-	-	-	5,457,966
-	-	-	-	-	-	-	-	-	1,484,368
-	-	-	-	-	-	-	-	-	445,424
-	-	-	21,520	-	-	-	1,442,852	1,442,852	4,089,030
-	-	-	-	-	-	-	-	-	248,536
-	-	-	-	-	-	-	-	-	384,592
2,105,094	2,463,997	-	6,635,781	-	-	-	-	-	6,635,781
-	-	-	-	-	-	-	-	-	986,386
-	-	-	-	-	-	-	-	-	733,413
-	-	-	-	1,966,892	5,305,331	490,045	-	7,762,268	7,762,268
-	-	(135,901)	(135,901)	-	-	-	-	-	(335,888)
2,105,094	2,463,997	(135,901)	6,521,400	1,966,892	5,305,331	490,045	1,442,852	9,205,120	27,891,876
<u>\$ 2,645,736</u>	<u>\$ 2,650,306</u>	<u>\$ -</u>	<u>\$ 8,156,443</u>	<u>\$ 8,879,738</u>	<u>\$ 5,318,131</u>	<u>\$ 490,045</u>	<u>\$ 2,197,614</u>	<u>\$ 16,885,528</u>	<u>\$ 50,113,946</u>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	Special Revenue				
	Motor Fuel Tax	Emergency Telephone System	Neighborhood Improvement	Affordable Housing	HOME
REVENUES					
Taxes	\$ -	\$ 1,591,465	\$ -	\$ 169,260	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	4,686,682	-	-	335,858	308,371
Fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	92,024	8,339	152	35,081	996
Miscellaneous					
Contributions	-	-	-	125,000	-
Other	-	-	-	5,000	32,162
Total revenues	4,778,706	1,599,804	152	670,199	341,529
EXPENDITURES					
Current					
General management and support	-	-	-	-	-
Public safety	-	1,559,923	-	-	-
Public works	3,356,576	-	-	-	-
Housing and economic development	-	-	-	540,780	360,412
Capital outlay	-	-	-	-	-
Total expenditures	3,356,576	1,559,923	-	540,780	360,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,422,130	39,881	152	129,419	(18,883)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(1,044,987)	(90,000)	-	-	-
Total other financing sources (uses)	(1,044,987)	(90,000)	-	-	-
NET CHANGE IN FUND BALANCES	377,143	(50,119)	152	129,419	(18,883)
FUND BALANCES (DEFICIT), JANUARY 1	5,080,823	1,534,487	22,143	2,472,944	25,735
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 5,457,966	\$ 1,484,368	\$ 22,295	\$ 2,602,363	\$ 6,852

Special Revenue							
Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Sustainability	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ -	\$ 600,545	\$ -	\$ -	\$ -	\$ 1,340,034	\$ 3,701,304
-	-	-	-	-	-	-	-
2,328,668	-	-	-	-	-	-	7,659,579
-	-	-	-	504,991	-	-	504,991
-	-	-	-	-	-	-	-
2,103	-	74	5,095	-	5,805	12,266	161,935
-	-	-	10,225	-	-	-	135,225
-	85,957	-	-	-	-	27,828	150,947
2,330,771	85,957	600,619	15,320	504,991	5,805	1,380,128	12,313,981
-	-	-	272,499	238,368	50,325	1,004,058	1,565,250
-	-	-	-	-	-	-	1,559,923
-	-	-	-	-	-	-	3,356,576
2,332,271	17,638	593,856	-	-	-	-	3,844,957
-	-	-	-	-	124,230	-	124,230
2,332,271	17,638	593,856	272,499	238,368	174,555	1,004,058	10,450,936
(1,500)	68,319	6,763	(257,179)	266,623	(168,750)	376,070	1,863,045
-	-	-	-	117,969	-	-	117,969
-	-	-	-	-	-	-	(1,134,987)
-	-	-	-	117,969	-	-	(1,017,018)
(1,500)	68,319	6,763	(257,179)	384,592	(168,750)	376,070	846,027
60,823	310,930	(206,750)	505,715	-	902,163	610,316	11,319,329
\$ 59,323	\$ 379,249	\$ (199,987)	\$ 248,536	\$ 384,592	\$ 733,413	\$ 986,386	\$ 12,165,356

(This schedule in continued on the following pages.)

CITY OF EVANSTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	Debt Service				
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8	Dempster-Dodge Tax Increment District
REVENUES					
Taxes	\$ 1,139,750	\$ 222,830	\$ 150,456	\$ 62,376	\$ 224,028
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	20,930	1,808	359	97	5,772
Miscellaneous					
Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	1,160,680	224,638	150,815	62,473	229,800
EXPENDITURES					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing and economic development	153,766	221,862	147,094	61,162	9,959
Capital outlay	-	-	-	-	-
Total expenditures	153,766	221,862	147,094	61,162	9,959
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,006,914	2,776	3,721	1,311	219,841
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(264,763)	-	-	-	(171,833)
Total other financing sources (uses)	(264,763)	-	-	-	(171,833)
NET CHANGE IN FUND BALANCES	742,151	2,776	3,721	1,311	48,008
FUND BALANCES (DEFICIT), JANUARY 1	951,527	1,779	8,715	3,218	325,004
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,693,678	\$ 4,555	\$ 12,436	\$ 4,529	\$ 373,012

Debt Service			Capital Projects					Total Nonmajor Governmental Funds	
Howard Ridge Tax Increment District	West Evanston Tax Increment District	Five-Fifths Tax Increment District	Total Debt Service	Capital Improvements	Crown Construction	Crown Maintenance	Special Assessment	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 1,198,459	\$ 1,518,582	\$ -	\$ 4,516,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,217,785
-	-	-	-	-	-	-	318,463	318,463	318,463
-	-	-	-	211,608	-	-	-	211,608	7,871,187
-	-	-	-	33,442	-	-	-	33,442	538,433
-	-	-	-	63,467	-	-	-	63,467	63,467
46,043	50,722	-	125,731	1,000	92,567	-	27,115	120,682	408,348
-	-	-	-	808,249	600,000	-	-	1,408,249	1,543,474
76,588	-	-	76,588	747,806	-	-	-	747,806	975,341
1,321,090	1,569,304	-	4,718,800	1,865,572	692,567	-	345,578	2,903,717	19,936,498
-	-	-	-	638	-	-	60	698	1,565,948
-	-	-	-	-	-	-	-	-	1,559,923
-	-	-	-	6,936,663	49,722	-	-	6,986,385	10,342,961
1,491,447	2,303,521	135,901	4,524,712	-	-	-	-	-	8,369,669
-	-	-	-	5,523,387	167,332	34,951	571,324	6,296,994	6,421,224
1,491,447	2,303,521	135,901	4,524,712	12,460,688	217,054	34,951	571,384	13,284,077	28,259,725
(170,357)	(734,217)	(135,901)	194,088	(10,595,116)	475,513	(34,951)	(225,806)	(10,380,360)	(8,323,227)
-	-	-	-	956,470	-	175,000	-	1,131,470	1,249,439
(398,113)	(75,000)	-	(909,709)	-	(900,000)	-	(464,938)	(1,364,938)	(3,409,634)
(398,113)	(75,000)	-	(909,709)	956,470	(900,000)	175,000	(464,938)	(233,468)	(2,160,195)
(568,470)	(809,217)	(135,901)	(715,621)	(9,638,646)	(424,487)	140,049	(690,744)	(10,613,828)	(10,483,422)
2,673,564	3,273,214	-	7,237,021	11,605,538	5,729,818	349,996	2,133,596	19,818,948	38,375,298
\$ 2,105,094	\$ 2,463,997	\$ (135,901)	\$ 6,521,400	\$ 1,966,892	\$ 5,305,331	\$ 490,045	\$ 1,442,852	\$ 9,205,120	\$ 27,891,876

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental allotments	\$ 3,656,700	\$ 4,686,682	\$ 1,029,982
Interest	12,000	92,024	80,024
Total revenues	<u>3,668,700</u>	<u>4,778,706</u>	<u>1,110,006</u>
EXPENDITURES			
Public works	<u>4,299,000</u>	<u>3,356,576</u>	<u>(942,424)</u>
Total expenditures	<u>4,299,000</u>	<u>3,356,576</u>	<u>(942,424)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(630,300)</u>	<u>1,422,130</u>	<u>2,052,430</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(1,044,987)</u>	<u>(1,044,987)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,044,987)</u>	<u>(1,044,987)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,675,287)</u>	377,143	<u>\$ 2,052,430</u>
FUND BALANCE, JANUARY 1		<u>5,080,823</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 5,457,966</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY TELEPHONE SYSTEM FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Taxes and special assessments	\$ 1,400,000	\$ 1,591,465	\$ 191,465
Interest	7,000	8,339	1,339
Total revenues	<u>1,407,000</u>	<u>1,599,804</u>	<u>192,804</u>
EXPENDITURES			
Public safety	<u>1,630,546</u>	<u>1,559,923</u>	<u>(70,623)</u>
Total expenditures	<u>1,630,546</u>	<u>1,559,923</u>	<u>(70,623)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(223,546)	39,881	263,427
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(90,000)</u>	<u>(90,000)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (313,546)</u>	<u>(50,119)</u>	<u>\$ 263,427</u>
FUND BALANCE, JANUARY 1		<u>1,534,487</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,484,368</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AFFORDABLE HOUSING FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Affordable housing demo tax	\$ 75,000	\$ 75,000	\$ 169,260	\$ 94,260
Intergovernmental	658,000	658,000	335,858	(322,142)
Developer contributions	125,000	125,000	125,000	-
Interest	5,700	5,700	35,081	29,381
Miscellaneous	15,600	15,600	5,000	(10,600)
Total revenues	879,300	879,300	670,199	(209,101)
EXPENDITURES				
Housing and economic development	2,505,625	1,505,625	540,780	(964,845)
Total expenditures	2,505,625	1,505,625	540,780	(964,845)
NET CHANGE IN FUND BALANCE	\$ (1,626,325)	\$ (626,325)	129,419	\$ 755,744
FUND BALANCE, JANUARY 1			2,472,944	
FUND BALANCE, DECEMBER 31			\$ 2,602,363	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOME FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental allotments	\$ 540,453	\$ 308,371	\$ (232,082)
Interest	150	996	846
Miscellaneous	25,000	32,162	7,162
	<hr/>	<hr/>	<hr/>
Total revenues	565,603	341,529	(224,074)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Housing and economic development	571,746	360,412	(211,334)
	<hr/>	<hr/>	<hr/>
Total expenditures	571,746	360,412	(211,334)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (6,143)</u>	<u>(18,883)</u>	<u>\$ (12,740)</u>
FUND BALANCE, JANUARY 1		<u>25,735</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 6,852</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental allotments			
Grant from U.S. Department of Housing and Urban Development	\$ 3,684,820	\$ 2,328,668	\$ (1,356,152)
Investment income	-	2,103	2,103
	<hr/>	<hr/>	<hr/>
Total revenues	3,684,820	2,330,771	(1,354,049)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Housing and economic development	3,685,622	2,332,271	(1,353,351)
	<hr/>	<hr/>	<hr/>
Total expenditures	3,685,622	2,332,271	(1,353,351)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (802)</u>	(1,500)	<u>\$ (698)</u>
FUND BALANCE, JANUARY 1		<hr/>	60,823
FUND BALANCE, DECEMBER 31		<u>\$ 59,323</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
Administration/Planning			
CDBG administration	\$ 3,554,146	\$ 355,008	\$ (3,199,138)
Salaries	-	508	508
Total administration/planning	<u>3,554,146</u>	<u>355,516</u>	<u>(3,198,630)</u>
Housing			
Rehab construction administration	56,476	55,855	(621)
Targeted housing code enforcement	-	378,449	378,449
Total housing	<u>56,476</u>	<u>434,304</u>	<u>377,828</u>
Neighborhood Revitalization			
Alley paving program	-	409,150	409,150
Curbs/sidewalk replacement	-	286,995	286,995
Twiggs park	-	9,111	9,111
Contributions to other agencies	-	29,035	29,035
Total neighborhood revitalization	<u>-</u>	<u>734,291</u>	<u>734,291</u>
Public Services			
Connection for Homeless	-	257,030	257,030
Summer youth employment	-	235,870	235,870
Childcare Network Evanston	-	35,000	35,000
James Moran Center	-	75,000	75,000
YWCA Domestic Violence	-	35,000	35,000
Interfaith Housing Program - Homeshare	-	20,000	20,000
Family Focus	-	65,260	65,260
Books and Breakfast	-	20,000	20,000
Connections for Homeless	-	50,000	50,000
Direct financial assistance to businesses	75,000	15,000	(60,000)
Total public services	<u>75,000</u>	<u>808,160</u>	<u>733,160</u>
TOTAL EXPENDITURES	<u><u>\$ 3,685,622</u></u>	<u><u>\$ 2,332,271</u></u>	<u><u>\$ (1,353,351)</u></u>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT LOAN FUND**

For the Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Miscellaneous	\$ 100,000	\$ 85,957	\$ (14,043)
Total revenues	<u>100,000</u>	<u>85,957</u>	<u>(14,043)</u>
EXPENDITURES			
Housing and economic development	<u>175,000</u>	<u>17,638</u>	<u>(157,362)</u>
Total expenditures	<u>175,000</u>	<u>17,638</u>	<u>(157,362)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (75,000)</u>	68,319	<u>\$ 143,319</u>
FUND BALANCE, JANUARY 1		<u>310,930</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 379,249</u>	

(See independent auditor's report.)

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CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE DISTRICT NO. 9 FUND**

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes				
Current year	\$ 595,000	\$ 595,000	\$ 600,545	\$ 5,545
Investment income	-	-	74	74
Total revenues	<u>595,000</u>	<u>595,000</u>	<u>600,619</u>	<u>5,619</u>
EXPENDITURES				
Housing and economic development	<u>575,000</u>	<u>593,856</u>	<u>593,856</u>	<u>-</u>
Total expenditures	<u>575,000</u>	<u>593,856</u>	<u>593,856</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 20,000</u>	<u>\$ 1,144</u>	6,763	<u>\$ 5,619</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>(206,750)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (199,987)</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REPARATIONS FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Taxes	\$ 400,000	\$ -	\$ (400,000)
Miscellaneous			
Contributions	-	10,225	10,225
Investment income	-	5,095	5,095
	<hr/>		
Total revenues	400,000	15,320	(384,680)
	<hr/>		
EXPENDITURES			
General management and support	400,000	272,499	(127,501)
	<hr/>		
Total expenditures	400,000	272,499	(127,501)
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	(257,179)	\$ (257,179)
	<hr/>		
FUND BALANCE, JANUARY 1		505,715	
	<hr/>		
FUND BALANCE, DECEMBER 31		\$ 248,536	
	<hr/>		

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SUSTAINABILITY FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Fees	\$ -	\$ -	\$ 504,991	\$ 504,991
Total revenues	-	-	504,991	504,991
EXPENDITURES				
General management and support	-	238,368	238,368	-
Total expenditures	-	238,368	238,368	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(238,368)	266,623	504,991
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	117,969	117,969
NET CHANGE IN FUND BALANCE	\$ -	\$ (238,368)	384,592	\$ 622,960
FUND BALANCE, JANUARY 1			-	
FUND BALANCE, DECEMBER 31			<u>\$ 384,592</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOOD NEIGHBOR FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Investment income	\$ -	\$ 5,805	\$ 5,805
Total revenues	<u>-</u>	<u>5,805</u>	<u>5,805</u>
EXPENDITURES			
General management and support	1,000,000	50,325	(949,675)
Capital outlay	<u>-</u>	<u>124,230</u>	<u>124,230</u>
Total expenditures	<u>1,000,000</u>	<u>174,555</u>	<u>(825,445)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,000,000)</u>	<u>(168,750)</u>	<u>\$ 831,250</u>
FUND BALANCE, JANUARY 1		<u>902,163</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 733,413</u></u>	

(See independent auditor's report.)

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CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL ASSISTANCE FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,340,034	\$ 40,034
Investment income	1,000	12,266	11,266
Miscellaneous	27,500	27,828	328
	<hr/>	<hr/>	<hr/>
Total revenues	1,328,500	1,380,128	51,628
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
General management and support	1,341,353	1,004,058	(337,295)
	<hr/>	<hr/>	<hr/>
Total expenditures	1,341,353	1,004,058	(337,295)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (12,853)</u>	376,070	<u>\$ 388,923</u>
FUND BALANCE, JANUARY 1		<hr/> 610,316	
FUND BALANCE, DECEMBER 31		<hr/> <u>\$ 986,386</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ -	\$ 211,608	\$ 211,608
Contributions	100,000	808,249	708,249
Fees	-	33,442	33,442
Charges for services	-	63,467	63,467
Investment income	-	1,000	1,000
Miscellaneous	1,250,000	747,806	(502,194)
	<hr/>		
Total revenues	1,350,000	1,865,572	515,572
	<hr/>		
EXPENDITURES			
General management and support	-	638	638
Public works	14,342,000	6,936,663	(7,405,337)
Capital outlay	2,113,000	5,523,387	3,410,387
	<hr/>		
Total expenditures	16,455,000	12,460,688	(3,994,312)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,105,000)	(10,595,116)	4,509,884
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	-	956,470	956,470
Issuance of bonds	10,903,000	-	(10,903,000)
	<hr/>		
Total other financing sources (uses)	10,903,000	956,470	(9,946,530)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (4,202,000)</u>	(9,638,646)	<u>\$ (5,436,646)</u>
		<hr/>	
FUND BALANCE, JANUARY 1		11,605,538	
		<hr/>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,966,892</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CROWN CONSTRUCTION FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Investment income	\$ -	\$ 92,567	\$ 92,567
Miscellaneous Contributions	1,000,000	600,000	(400,000)
Total revenues	<u>1,000,000</u>	<u>692,567</u>	<u>(307,433)</u>
EXPENDITURES			
Public works	-	49,722	49,722
Capital outlay	800,000	167,332	(632,668)
Total expenditures	<u>800,000</u>	<u>217,054</u>	<u>(582,946)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>200,000</u>	<u>475,513</u>	<u>275,513</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(900,000)	(900,000)	-
Total other financing sources (uses)	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (700,000)</u>	<u>(424,487)</u>	<u>\$ 275,513</u>
FUND BALANCE, JANUARY 1		<u>5,729,818</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 5,305,331</u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CROWN MAINTENANCE FUND

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Capital outlay	-	34,951	34,951	-
Total expenditures	-	34,951	34,951	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(34,951)	(34,951)	-
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	<u>\$ 175,000</u>	<u>\$ 140,049</u>	140,049	<u>\$ -</u>
FUND BALANCE, JANUARY 1			<u>349,996</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 490,045</u></u>	

(See independent auditor's report.)

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CITY OF EVANSTON, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL ASSESSMENT CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2022

	<u>Original and</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 155,000	\$ 318,463	\$ 163,463
Investment income	-	27,115	27,115
	<hr/>		
Total revenues	155,000	345,578	190,578
	<hr/>		
EXPENDITURES			
Current			
General management and support	-	60	60
Capital outlay	650,000	571,324	(78,676)
	<hr/>		
Total expenditures	650,000	571,384	(78,616)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(495,000)	(225,806)	269,194
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(464,938)	(464,938)	-
	<hr/>		
Total other financing sources (uses)	(464,938)	(464,938)	-
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (959,938)</u>	(690,744)	<u>\$ 269,194</u>
FUND BALANCE, JANUARY 1		<u>2,133,596</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 1,442,852</u></u>	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS

For the Year Ended December 31, 2022

	Chicago Main Tax Increment District		Special Service Area No. 6		
	Original and Final Budget	Actual	Original Budget	Final Budget	Actual
	REVENUES				
Taxes					
Property taxes	\$ 1,000,000	\$ 1,139,750	\$ 221,000	\$ 221,000	\$ 222,830
Investment income	-	20,930	-	-	1,808
Miscellaneous	-	-	-	-	-
Total revenues	1,000,000	1,160,680	221,000	221,000	224,638
EXPENDITURES					
Housing and economic development	1,345,000	153,766	221,000	221,862	221,862
Total expenditures	1,345,000	153,766	221,000	221,862	221,862
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(345,000)	1,006,914	-	(862)	2,776
OTHER FINANCING SOURCES (USES)					
Transfers in (out)					
General	(30,000)	(30,000)	-	-	-
Other	(234,763)	(234,763)	-	-	-
Total other financing sources (uses)	(264,763)	(264,763)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (609,763)</u>	742,151	<u>\$ -</u>	<u>\$ (862)</u>	2,776
FUND BALANCE, JANUARY 1		951,527			1,779
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ 1,693,678</u>			<u>\$ 4,555</u>

Special Service Area No. 7			Special Service Area No. 8			Dempster-Dodge Tax Increment District		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 142,000	\$ 142,000	\$ 150,456	\$ 60,200	\$ 60,200	\$ 62,376	\$ 160,000	\$ 160,000	\$ 224,028
-	-	359	-	-	97	-	-	5,772
-	-	-	-	-	-	-	-	-
142,000	142,000	150,815	60,200	60,200	62,473	160,000	160,000	229,800
140,000	147,094	147,094	60,200	61,162	61,162	2,000	9,958	9,959
140,000	147,094	147,094	60,200	61,162	61,162	2,000	9,958	9,959
2,000	(5,094)	3,721	-	(962)	1,311	158,000	150,042	219,841
-	-	-	-	-	-	(10,000)	(10,000)	(10,000)
-	-	-	-	-	-	(161,833)	(161,833)	(161,833)
-	-	-	-	-	-	(171,833)	(171,833)	(171,833)
<u>\$ 2,000</u>	<u>\$ (5,094)</u>	3,721	<u>\$ -</u>	<u>\$ (962)</u>	1,311	<u>\$ (13,833)</u>	<u>\$ (21,791)</u>	48,008
		<u>8,715</u>			<u>3,218</u>			<u>325,004</u>
		<u>\$ 12,436</u>			<u>\$ 4,529</u>			<u>\$ 373,012</u>

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Continued)
DEBT SERVICE FUNDS

For the Year Ended December 31, 2022

	Howard Ridge Tax Increment District			West Evanston Tax Increment District		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
	REVENUES					
Taxes						
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,198,459	\$ 1,450,000	\$ 1,450,000	\$ 1,518,582
Investment income	400	400	46,043	4,000	4,000	50,722
Miscellaneous	5,366	5,366	76,588	11,000	11,000	-
Total revenues	1,105,766	1,105,766	1,321,090	1,465,000	1,465,000	1,569,304
EXPENDITURES						
Housing and economic development	1,050,000	1,491,447	1,491,447	1,970,000	2,303,521	2,303,521
Total expenditures	1,050,000	1,491,447	1,491,447	1,970,000	2,303,521	2,303,521
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	55,766	(385,681)	(170,357)	(505,000)	(838,521)	(734,217)
OTHER FINANCING SOURCES (USES)						
Transfers in (out)						
General	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Other	(323,113)	(323,113)	(323,113)	-	-	-
Total other financing sources (uses)	(398,113)	(398,113)	(398,113)	(75,000)	(75,000)	(75,000)
NET CHANGE IN FUND BALANCE	<u>\$ (342,347)</u>	<u>\$ (783,794)</u>	<u>(568,470)</u>	<u>\$ (580,000)</u>	<u>\$ (913,521)</u>	<u>(809,217)</u>
FUND BALANCE, JANUARY 1			<u>2,673,564</u>			<u>3,273,214</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ 2,105,094</u>			<u>\$ 2,463,997</u>

Five Fifths Tax Increment District						Total	
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual		
\$ -	\$ -	\$ -	\$ 4,133,200	\$ 4,133,200	\$ 4,516,481		
-	-	-	4,400	4,400	125,731		
-	-	-	16,366	16,366	76,588		
-	-	-	4,153,966	4,153,966	4,718,800		
-	135,901	135,901	4,788,200	5,715,945	4,524,712		
-	135,901	135,901	4,788,200	5,715,945	4,524,712		
-	(135,901)	(135,901)	(634,234)	(1,561,979)	194,088		
-	-	-	(190,000)	(190,000)	(190,000)		
-	-	-	(719,709)	(719,709)	(719,709)		
-	-	-	(909,709)	(909,709)	(909,709)		
<u>\$ -</u>	<u>\$ (135,901)</u>	<u>(135,901)</u>	<u>\$ (1,543,943)</u>	<u>\$ (2,471,688)</u>	<u>(715,621)</u>		
		-			7,237,021		
		<u>\$ (135,901)</u>			<u>\$ 6,521,400</u>		

(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
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 23,168,700	\$ 22,229,311
Miscellaneous	528,650	696,241
	23,697,350	22,925,552
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Administration	1,988,650	872,283
Operations		
Pumping	2,886,697	2,364,710
Filtration	3,131,120	2,475,675
Distribution	1,659,399	1,423,024
Meter maintenance	412,175	260,378
Administration	1,655,468	1,023,577
Other	23,066,100	1,483,762
	34,799,609	9,903,409
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(11,102,259)	13,022,143
Depreciation	-	3,342,779
OPERATING INCOME (LOSS)	(11,102,259)	9,679,364
NON-OPERATING REVENUES (EXPENSES)		
Investment income	70,000	(80,377)
Interest expense	(3,596,365)	(1,316,420)
Claims reimbursements	-	-
Issuance of bonds	6,410,000	-
Issuance of loans	23,220,000	-
	26,103,635	(1,396,797)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	15,001,376	8,282,567
TRANSFERS AND CONTRIBUTIONS		
Transfers in	-	-
Transfers (out)	(4,049,559)	(4,049,559)
Contributions	-	-
	(4,049,559)	(4,049,559)
NET INCOME	\$ 10,951,817	4,233,008
NET POSITION, JANUARY 1		81,908,542
NET POSITION, DECEMBER 31		\$ 86,141,550

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL
OPERATION AND MAINTENANCE ACCOUNT
WATER FUND

For the Year Ended December 31, 2022

	Original and Final Budget	Actual
CHARGES FOR SERVICES, NET		
Water Sales		
Evanston	\$ 9,754,000	\$ 9,259,634
Skokie	3,883,200	3,335,672
Northwest Water Commission	6,257,000	6,625,624
Morton Grove Niles Water Commission	2,278,700	2,077,157
Lincolnwood	995,800	931,224
	<hr/>	<hr/>
Total charges for services	23,168,700	22,229,311
	<hr/>	<hr/>
MISCELLANEOUS		
Fees and outside work	73,000	87,966
Fees, merchandise, and other	455,650	608,275
	<hr/>	<hr/>
Total miscellaneous	528,650	696,241
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	\$ 23,697,350	\$ 22,925,552
	<hr/> <hr/>	<hr/> <hr/>

(See independent auditor's report.)

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
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2022

	Equipment Replacement	Fleet Services	Insurance	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,057,837	\$ -	\$ 70,000	\$ 1,127,837
Receivables - other	4,994	-	-	4,994
Inventories	-	1,739,490	-	1,739,490
Prepaid items	1,831,867	-	4,317,963	6,149,830
Due from other funds	120,133	-	-	120,133
Total current assets	3,014,831	1,739,490	4,387,963	9,142,284
CAPITAL ASSETS				
Capital assets being depreciated	27,002,108	617,552	-	27,619,660
Accumulated depreciation	(19,728,752)	(617,447)	-	(20,346,199)
Total capital assets	7,273,356	105	-	7,273,461
Total assets	10,288,187	1,739,595	4,387,963	16,415,745
DEFERRED OUTFLOWS OF RESOURCES				
OPEB items	-	18,833	-	18,833
Total deferred outflows of resources	-	18,833	-	18,833
Total assets and deferred outflows of resources	10,288,187	1,758,428	4,387,963	16,434,578
CURRENT LIABILITIES				
Vouchers payable	304,430	199,045	120,709	624,184
Due to other funds	-	998,045	2,277,209	3,275,254
Compensated absences payable	-	17,163	-	17,163
Total OPEB liability	-	4,224	-	4,224
Claims payable	-	-	701,992	701,992
Total current liabilities	304,430	1,218,477	3,099,910	4,622,817
LONG-TERM LIABILITIES				
General obligation bonds payable	660,000	-	-	660,000
Compensated absences payable	-	68,651	-	68,651
Total OPEB liability	-	98,790	-	98,790
Claims payable	-	-	3,435,250	3,435,250
Total long-term liabilities	660,000	167,441	3,435,250	4,262,691
Total liabilities	964,430	1,385,918	6,535,160	8,885,508
DEFERRED INFLOWS OF RESOURCES				
OPEB items	-	28,451	-	28,451
Total deferred inflows of resources	-	28,451	-	28,451
Total liabilities and deferred inflows of resources	964,430	1,414,369	6,535,160	8,913,959
NET POSITION				
Net investment in capital assets	6,329,743	105	-	6,329,848
Unrestricted (deficit)	2,994,014	343,954	(2,147,197)	1,190,771
TOTAL NET POSITION (DEFICIT)	\$ 9,323,757	\$ 344,059	\$ (2,147,197)	\$ 7,520,619

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2022

	Equipment Replacement	Fleet Services	Insurance	Total
OPERATING REVENUES				
Charges for services				
General Fund	\$ 234,299	\$ 2,200,000	\$ 3,600,000	\$ 6,034,299
Sewer Fund	-	260,000	352,190	612,190
Solid Waste	-	302,000	-	302,000
Water Fund	-	180,000	1,585,843	1,765,843
Motor Vehicle Parking System Fund	-	160,000	351,502	511,502
Library Fund	4,885	5,440	-	10,325
Emergency Telephone System	-	-	18,230	18,230
Claims reimbursements	-	-	128,947	128,947
Health insurance contributions				
Contributions from other funds	-	-	9,678,230	9,678,230
Employee contributions	-	-	3,289,071	3,289,071
Other contributions	-	24,579	566,822	591,401
Donations	877,905	-	-	877,905
Total operating revenues	<u>1,117,089</u>	<u>3,132,019</u>	<u>19,570,835</u>	<u>23,819,943</u>
OPERATING EXPENSES				
General support	-	1,147,133	77,590	1,224,723
Major maintenance	18	2,359,548	-	2,359,566
General liability claims	-	-	1,082,706	1,082,706
Workers' compensation claims	-	-	1,682,714	1,682,714
Health insurance premiums	-	-	14,375,841	14,375,841
Total operating expenses	<u>18</u>	<u>3,506,681</u>	<u>17,218,851</u>	<u>20,725,550</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	1,117,071	(374,662)	2,351,984	3,094,393
Depreciation	<u>1,506,351</u>	<u>-</u>	<u>-</u>	<u>1,506,351</u>
OPERATING INCOME (LOSS)	<u>(389,280)</u>	<u>(374,662)</u>	<u>2,351,984</u>	<u>1,588,042</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	906	-	-	906
Gain (loss) on sale of property	164,163	-	-	164,163
Interest expense	<u>(8,188)</u>	<u>-</u>	<u>-</u>	<u>(8,188)</u>
Total non-operating revenues (expenses)	<u>156,881</u>	<u>-</u>	<u>-</u>	<u>156,881</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(232,399)</u>	<u>(374,662)</u>	<u>2,351,984</u>	<u>1,744,923</u>
TRANSFERS				
Transfers in	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
Total transfers	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>2,400,000</u>
CHANGE IN NET POSITION	2,167,601	(374,662)	2,351,984	4,144,923
NET POSITION (DEFICIT), JANUARY 1	<u>7,156,156</u>	<u>718,721</u>	<u>(4,499,181)</u>	<u>3,375,696</u>
NET POSITION (DEFICIT), DECEMBER 31	<u>\$ 9,323,757</u>	<u>\$ 344,059</u>	<u>\$ (2,147,197)</u>	<u>\$ 7,520,619</u>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2022

	Equipment Replacement	Fleet Services	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ -	\$ -	\$ 3,418,018	\$ 3,418,018
Receipts from (payments for) Interfund services provided	1,117,089	3,107,440	15,585,995	19,810,524
Receipts from other agencies	(4,994)	24,579	566,822	586,407
Payments to suppliers	(1,071,254)	(2,579,319)	(77,590)	(3,728,163)
Payments to employees	-	(1,186,602)	(1,095,022)	(2,281,624)
Payments for insurance premiums	-	-	(19,470,627)	(19,470,627)
Net cash from operating activities	40,841	(633,902)	(1,072,404)	(1,665,465)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund transfers	2,400,000	-	-	2,400,000
Interfund activity	(276,406)	633,902	1,072,404	1,429,900
Net cash from noncapital financing activities	2,123,594	633,902	1,072,404	3,829,900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	164,163	-	-	164,163
Acquisition and construction of capital assets	(1,263,479)	-	-	(1,263,479)
Interest paid on general obligation bonds	(8,188)	-	-	(8,188)
Net cash from capital and related financing activities	(1,107,504)	-	-	(1,107,504)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	906	-	-	906
Net cash from investing activities	906	-	-	906
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,057,837	-	-	1,057,837
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	70,000	70,000
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,057,837	\$ -	\$ 70,000	\$ 1,127,837
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (389,280)	\$ (374,662)	\$ 2,351,984	\$ 1,588,042
Adjustments to reconcile operating income (loss) to Net cash from operating activities				
Depreciation	1,506,351	-	-	1,506,351
Changes in assets and liabilities				
Increase (decrease) in accounts receivable miscellaneous	(4,994)	-	-	(4,994)
Prepaid expenses	(700,051)	-	(59,300)	(759,351)
Inventories	-	(139,378)	-	(139,378)
Compensated absences	-	(17,519)	(12,316)	(29,835)
OPEB items	-	(21,950)	-	(21,950)
Vouchers payable	(371,185)	(80,393)	12,586	(438,992)
Claims payable	-	-	(3,365,358)	(3,365,358)
NET CASH FROM OPERATING ACTIVITIES	\$ 40,841	\$ (633,902)	\$ (1,072,404)	\$ (1,665,465)

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2022

	<u>Equipment</u>			
	<u>Replacement</u>	<u>Fleet Services</u>	<u>Insurance</u>	<u>Total</u>
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES				
Capital assets acquired through vouchers and retainage payable	\$ 283,613	\$ -	\$ -	\$ 283,613

(See independent auditor's report.)

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COMPONENT UNIT - PUBLIC LIBRARY

**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET

December 31, 2022

	Operating	Permanent Endowment	Capital Improvement
ASSETS			
Cash and investments	\$ 2,514,418	\$ 4,107,524	\$ 704,389
Property taxes receivable	9,006,241	-	-
Other receivables	95	-	-
Due from primary government	200,546	-	-
Net pension asset - IMRF	-	-	-
Capital assets not being depreciated	-	-	-
Capital assets net of accumulated depreciation	-	-	-
	11,721,300	4,107,524	704,389
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	-	-	-
OPEB items	-	-	-
	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 11,721,300	\$ 4,107,524	\$ 704,389
LIABILITIES			
Current liabilities			
Accounts payable	\$ 175,222	\$ -	\$ -
Accrued interest	-	-	-
	175,222	-	-
Total current liabilities	175,222	-	-
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	-	-	-
	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	175,222	-	-
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	-	-	-
OPEB items	-	-	-
Unavailable property taxes	7,535,472	-	-
	7,535,472	-	-
Total deferred inflows of resources	7,535,472	-	-
Total liabilities and deferred inflows of resources	7,710,694	-	-
FUND BALANCES/NET POSITION			
Net investment in capital assets	-	-	-
Restricted for pensions	-	-	-
Restricted for debt service	-	-	-
Restricted for capital improvements	-	-	704,389
Restricted for endowment	-	4,107,524	-
Unassigned/unrestricted (deficit)	4,010,606	-	-
	4,010,606	4,107,524	704,389
Total fund balances/net position	4,010,606	4,107,524	704,389
TOTAL FUND BALANCE/NET POSITION	\$ 11,721,300	\$ 4,107,524	\$ 704,389

Debt Service	Total	Adjustments	Statement of Net Position
\$ -	\$ 7,326,331	\$ -	\$ 7,326,331
507,913	9,514,154	-	9,514,154
-	95	-	95
2,782	203,328	-	203,328
-	-	5,364,050	5,364,050
-	-	311,380	311,380
-	-	10,000,756	10,000,756
510,695	17,043,908	15,676,186	32,720,094
-	-	663,705	663,705
-	-	55,553	55,553
-	-	719,258	719,258
\$ 510,695	\$ 17,043,908	\$ 16,395,444	\$ 33,439,352
\$ -	\$ 175,222	\$ -	\$ 175,222
-	-	19,348	19,348
-	175,222	19,348	194,570
-	-	358,648	358,648
-	-	6,528,417	6,528,417
-	-	6,887,065	6,887,065
-	175,222	6,906,413	7,081,635
-	-	4,065,223	4,065,223
-	-	83,921	83,921
507,913	8,043,385	-	8,043,385
507,913	8,043,385	4,149,144	12,192,529
507,913	8,218,607	11,055,557	19,274,164
-	-	4,081,234	4,081,234
-	-	5,364,050	5,364,050
2,782	2,782	-	2,782
-	704,389	-	704,389
-	4,107,524	-	4,107,524
-	4,010,606	(4,105,397)	(94,791)
2,782	8,825,301	5,339,887	14,165,188
\$ 510,695	\$ 17,043,908	\$ 16,395,444	\$ 33,439,352

(See independent auditor's report.)

**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

STATEMENT OF ACTIVITIES AND COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the Year Ended December 31, 2022

	<u>Operating</u>	<u>Permanent Endowment</u>	<u>Capital Improvement</u>
REVENUES			
Property taxes	\$ 7,348,375	\$ -	\$ -
Intergovernmental			
Grant revenue	307,846	-	-
Charges for services	44,927	-	-
Fines and forfeits	-	-	-
Other			
Investment income	68,818	(1,012,208)	-
Donations	359,774	-	-
Miscellaneous	6,649	-	-
	<hr/>		
Total revenues	8,136,389	(1,012,208)	-
	<hr/>		
EXPENDITURES			
Current			
Community services	7,863,330	-	-
Capital outlay	-	-	173,737
Debt service			
Payment primary government	-	-	-
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>		
Total expenditures	7,863,330	-	173,737
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	273,059	(1,012,208)	(173,737)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfer in	217,930	-	-
Transfer (out)	-	(217,930)	-
	<hr/>		
Total other financing sources (uses)	217,930	(217,930)	-
	<hr/>		
NET CHANGE IN FUND BALANCE	490,989	(1,230,138)	(173,737)
	<hr/>		
FUND BALANCE/NET POSITION, JANUARY 1	3,519,617	5,337,662	878,126
	<hr/>		
FUND BALANCE/NET POSITION, DECEMBER 31	\$ 4,010,606	\$ 4,107,524	\$ 704,389
	<hr/>		

Debt Service	Total	Adjustments	Statement of Activities
\$ 506,626	\$ 7,855,001	\$ -	\$ 7,855,001
-	307,846	-	307,846
-	44,927	-	44,927
-	-	-	-
-	(943,390)	-	(943,390)
-	359,774	-	359,774
-	6,649	-	6,649
<u>506,626</u>	<u>7,630,807</u>	<u>-</u>	<u>7,630,807</u>
-	7,863,330	(669,840)	7,193,490
-	173,737	(173,737)	-
-	-	-	-
264,706	264,706	(264,706)	-
240,283	240,283	(33,802)	206,481
<u>504,989</u>	<u>8,542,056</u>	<u>(1,142,085)</u>	<u>7,399,971</u>
<u>1,637</u>	<u>(911,249)</u>	<u>1,142,085</u>	<u>230,836</u>
-	217,930	(217,930)	-
-	(217,930)	217,930	-
-	-	-	-
<u>1,637</u>	<u>(911,249)</u>	<u>1,142,085</u>	<u>230,836</u>
<u>1,145</u>	<u>9,736,550</u>	<u>4,197,802</u>	<u>13,934,352</u>
<u>\$ 2,782</u>	<u>\$ 8,825,301</u>	<u>\$ 5,339,887</u>	<u>\$ 14,165,188</u>

(See independent auditor's report.)

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**CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY OPERATING FUND**

For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Taxes			
Property taxes	\$ 7,252,000	\$ 7,348,375	\$ 96,375
Intergovernmental			
Grant revenue	414,866	307,846	(107,020)
Charges for services	150,567	44,927	(105,640)
Fines and forfeits	-	-	-
Other			
Investment income	15,000	68,818	53,818
Donations	400,000	359,774	(40,226)
Miscellaneous	10,000	6,649	(3,351)
Total revenues	8,242,433	8,136,389	(106,044)
EXPENDITURES			
General management and support	8,657,612	7,863,330	(794,282)
Total expenditures	8,657,612	7,863,330	(794,282)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(415,179)	273,059	688,238
OTHER FINANCING SOURCES (USES)			
Transfers in	415,911	217,930	(197,981)
Total other financing sources (uses)	415,911	217,930	(197,981)
NET CHANGE IN FUND BALANCE	\$ 732	490,989	\$ 490,257
FUND BALANCE, JANUARY 1		3,519,617	
FUND BALANCE, DECEMBER 31		\$ 4,010,606	

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Evanston, Illinois' annual comprehensive 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.

<u>Contents</u>	<u>Page(s)</u>
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.	154-163
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	164-166
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.	167-172
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.	173-174
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.	175-179

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF EVANSTON, ILLINOIS

NET POSITION BY COMPONENT

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

Fiscal Year	2013	2014	2015*	2016
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 47,214	\$ 46,633	\$ 47,953	\$ 51,588
Restricted	24,720	25,446	16,409	18,523
Unrestricted	(13,846)	(11,436)	(136,007)	(170,270)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 58,088	\$ 60,643	\$ (71,645)	\$ (100,159)
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 239,243	\$ 246,382	\$ 255,622	\$ 268,851
Restricted	712	649	-	-
Unrestricted	25,484	23,563	22,785	18,928
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 265,439	\$ 270,594	\$ 278,407	\$ 287,779
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 286,457	\$ 293,015	\$ 303,575	\$ 320,439
Restricted	25,432	26,095	16,409	18,523
Unrestricted	11,638	12,127	(113,222)	(151,342)
TOTAL PRIMARY GOVERNMENT	\$ 323,527	\$ 331,237	\$ 206,762	\$ 187,620

*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.

Data Source

City Finance Division

	2017	2018**	2019	2020	2021	2022
\$	51,575	\$ 52,536	\$ 53,784	\$ 65,388	\$ 69,636	\$ 80,018
	11,990	8,708	15,554	19,843	23,472	62,604
	(164,614)	(194,435)	(181,451)	(199,044)	(164,859)	(173,298)
\$	(101,049)	\$ (133,191)	\$ (112,113)	\$ (113,813)	\$ (71,751)	\$ (30,676)
\$	278,446	\$ 283,981	\$ 289,023	\$ 284,516	\$ 289,165	\$ 296,945
	-	-	-	-	-	9,268
	14,249	11,896	9,883	16,150	20,315	11,607
\$	292,695	\$ 295,877	\$ 298,906	\$ 300,666	\$ 309,480	\$ 317,820
\$	330,021	\$ 336,517	\$ 342,807	\$ 349,904	\$ 358,801	\$ 376,963
	11,990	8,708	15,554	19,843	23,472	71,872
	(150,365)	(182,539)	(171,568)	(182,894)	(144,544)	(161,691)
\$	191,646	\$ 162,686	\$ 186,793	\$ 186,853	\$ 237,729	\$ 287,144

CITY OF EVANSTON, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2016
EXPENSES				
Governmental activities				
General management and support	\$ 18,892	\$ 13,811	\$ 12,493	\$ 18,163
Public safety	57,090	58,795	57,443	55,625
Public works	13,782	25,825	20,011	13,668
Health and human resource development	3,601	3,837	2,911	3,319
Recreational and cultural opportunities	16,433	9,358	14,794	14,380
Housing and economic development	11,123	12,443	10,532	21,063
Interest	377	3,919	3,757	3,779
Total governmental activities expenses	<u>121,298</u>	<u>127,988</u>	<u>121,941</u>	<u>129,997</u>
Business-type activities				
Water	11,193	11,977	10,748	11,450
Sewer	7,649	7,293	6,608	6,683
Solid waste	4,732	4,856	5,150	4,967
Motor vehicle parking system	8,369	7,856	7,862	8,532
Total business-type activities expenses	<u>31,943</u>	<u>31,982</u>	<u>30,368</u>	<u>31,632</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 153,241</u>	<u>\$ 159,970</u>	<u>\$ 152,309</u>	<u>\$ 161,629</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General management and support	\$ 8,917	\$ 9,374	\$ 8,629	\$ 10,094
Culture and recreation	5,236	5,360	5,572	5,560
Other activities	12,179	15,253	11,268	15,739
Operating grants and contributions	10,102	7,151	5,535	6,809
Capital grants and contributions	2,956	501	275	368
Total governmental activities program revenues	<u>39,390</u>	<u>37,639</u>	<u>31,279</u>	<u>38,570</u>
Business-type activities				
Charges for services				
Water	14,658	15,052	15,722	16,419
Sewer	13,510	12,785	12,511	13,049
Solid waste	3,651	3,971	4,004	4,031
Motor vehicle parking system	6,255	6,080	6,164	6,688
Operating grants and contributions	939	15	-	38,400
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>39,013</u>	<u>37,903</u>	<u>38,401</u>	<u>78,587</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 78,403</u>	<u>\$ 75,542</u>	<u>\$ 69,680</u>	<u>\$ 117,157</u>
NET REVENUE (EXPENSE)				
Governmental activities	\$ (81,908)	\$ (90,349)	\$ (90,662)	\$ (91,427)
Business-type activities	7,070	5,921	8,033	46,955
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	<u>\$ (74,838)</u>	<u>\$ (84,428)</u>	<u>\$ (82,629)</u>	<u>\$ (44,472)</u>

	2017	2018	2019	2020	2021	2022
\$	20,890	\$ 20,016	\$ 19,444	\$ 18,630	\$ 19,041	\$ 22,825
	61,191	80,789	56,755	83,015	58,842	70,097
	24,793	22,718	26,584	18,573	16,861	20,712
	3,354	3,455	2,895	3,719	3,970	3,158
	14,744	14,061	11,081	1,326	9,148	11,098
	7,023	9,129	6,907	20,992	11,046	10,318
	3,354	4,683	5,454	5,252	4,430	5,161
	135,349	154,851	129,120	151,507	123,338	143,369
	12,239	12,964	12,880	13,612	14,562	14,563
	6,540	6,735	6,492	6,795	6,706	6,386
	4,907	4,852	5,079	5,316	5,476	5,149
	8,575	9,321	9,585	8,982	8,395	8,882
	32,261	33,872	34,036	34,705	35,139	34,980
\$	167,610	\$ 188,723	\$ 163,156	\$ 186,212	\$ 158,477	\$ 178,349
\$	8,145	\$ 8,985	\$ 8,768	\$ 7,267	\$ 8,736	\$ 9,403
	5,669	6,037	6,119	4,831	6,080	6,962
	12,712	11,945	10,917	12,200	12,090	16,260
	5,931	5,244	5,775	9,672	10,067	9,913
	325	125	8,630	2,971	4,275	937
	32,782	32,336	40,209	36,941	41,248	43,475
	17,588	15,642	17,789	23,934	20,900	22,926
	12,478	11,920	10,780	10,242	10,374	9,638
	4,061	4,083	4,668	4,618	4,969	5,324
	6,530	6,621	10,640	7,289	8,090	8,889
	-	-	-	-	-	-
	-	-	-	383	-	-
	40,657	38,266	43,877	46,466	44,333	46,777
\$	73,439	\$ 70,602	\$ 84,086	\$ 83,407	\$ 85,581	\$ 90,252
\$	(102,567)	\$ (122,515)	\$ (88,911)	\$ (114,566)	\$ (82,090)	\$ (99,894)
	8,396	4,394	9,841	11,761	9,194	11,797
\$	(94,171)	\$ (118,121)	\$ (79,070)	\$ (102,805)	\$ (72,896)	\$ (88,097)

CITY OF EVANSTON, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property taxes	\$ 46,349	\$ 48,579	\$ 45,840	\$ 45,610
Sales taxes	16,965	17,362	17,758	17,932
Intergovernmental	-	-	-	-
Investment earnings	79	(258)	30	118
Miscellaneous	27,369	26,612	30,950	33,217
Transfers	(2,586)	610	631	434
Total governmental activities	88,176	92,905	95,209	97,311
Business-type activities				
Property taxes	-	-	-	-
Investment earnings	33	(156)	27	59
Gains on sale of capital assets	-	-	-	-
Miscellaneous	(61)	-	301	(245)
Transfers	2,586	(610)	(631)	(434)
Total business-type activities	2,558	(766)	(303)	(620)
CHANGE IN NET POSITION				
Governmental activities	6,268	2,556	4,547	5,884
Business-type activities	9,628	5,155	7,730	46,335
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 15,896	\$ 7,711	\$ 12,277	\$ 52,219

Data Source

City Finance Division

	2017	2018	2019	2020	2021	2022
\$	46,563	\$ 47,102	\$ 44,163	\$ 51,655	\$ 53,269	\$ 52,498
	16,071	16,963	16,905	16,445	21,497	23,443
	-	-	-	-	4,800	7,659
	235	778	1,669	423	74	1,334
	35,011	38,786	39,051	34,123	42,242	51,246
	3,797	1,480	8,203	10,219	2,270	4,790
	<u>101,677</u>	<u>105,109</u>	<u>109,991</u>	<u>112,865</u>	<u>124,152</u>	<u>140,970</u>
	-	410	820	1,333	1,333	1,333
	114	234	565	140	(39)	-
	-	-	7	-	217	-
	203	-	-	-	379	-
	<u>(3,797)</u>	<u>(1,480)</u>	<u>(8,203)</u>	<u>(10,219)</u>	<u>(2,270)</u>	<u>(4,790)</u>
	<u>(3,480)</u>	<u>(836)</u>	<u>(6,811)</u>	<u>(8,746)</u>	<u>(380)</u>	<u>(3,457)</u>
	(890)	(17,406)	21,080	(1,701)	42,062	41,076
	<u>4,916</u>	<u>3,558</u>	<u>3,030</u>	<u>3,015</u>	<u>8,814</u>	<u>8,340</u>
\$	<u>4,026</u>	\$ <u>(13,848)</u>	\$ <u>24,110</u>	\$ <u>1,314</u>	\$ <u>50,876</u>	\$ <u>49,416</u>

CITY OF EVANSTON, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2016
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ 118	\$ -
Assigned	6,362	5,347	5,672	5,046
Unassigned	10,001	9,636	4,914	6,622
TOTAL GENERAL FUND	\$ 16,363	\$ 14,983	\$ 10,586	\$ 11,668
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 407	\$ 1,430	\$ 2,158	\$ -
Restricted	25,359	26,003	16,409	18,523
Committed	3,507	3,540	2,556	2,996
Assigned	8,372	10,467	5,517	7,668
Unassigned	(149)	(153)	(221)	(252)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 37,496	\$ 41,287	\$ 26,419	\$ 28,935

Data Source

City Finance Division

2017	2018	2019	2020	2021	2022
\$ 300	\$ 310	\$ 415	\$ 220	\$ 125	\$ 103
4,180	4,303	4,330	1,573	1,807	3,345
8,868	9,242	11,145	16,882	31,739	57,675
\$ 13,348	\$ 13,855	\$ 15,890	\$ 18,675	\$ 33,671	\$ 61,123
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,418	25,651	15,933	19,457	27,151	22,962
-	-	-	-	-	-
12,301	17,065	20,306	13,324	12,910	7,762
(204)	(227)	(226)	(215)	(207)	(336)
\$ 23,515	\$ 42,489	\$ 36,013	\$ 32,566	\$ 39,854	\$ 30,388

CITY OF EVANSTON, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	2013	2014	2015	2016
REVENUES				
Taxes	\$ 78,254	\$ 77,933	\$ 75,747	\$ 76,047
Licenses, fees, and permits	10,617	14,503	12,184	17,933
Special assessments	275	167	8,312	169
Intergovernmental	27,844	24,300	3,554	24,886
Charges for services	7,723	7,793	23,834	8,791
Fines and penalties	3,449	3,358	148	3,612
Investment earnings	94	89	30	118
Other revenues	1,906	1,791	1,722	3,892
Total revenues	130,162	129,934	125,531	135,448
EXPENDITURES				
General management and support	17,611	13,314	13,444	17,064
Public safety	56,431	59,425	59,654	62,252
Public works	11,982	19,821	19,815	13,477
Health and human development	3,601	3,837	3,141	3,021
Recreation and cultural opportunities	14,775	10,524	11,087	11,894
Housing and economic development	11,305	9,348	13,292	10,477
Capital outlay	5,948	6,286	9,151	9,953
Debt service				
Principal	34,259	10,040	20,833	19,661
Interest	4,996	4,411	4,413	4,276
Fiscal agent fees	127	43	16	14
Total expenditure	161,035	137,049	154,846	152,089
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,873)	(7,115)	(29,315)	(16,641)
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowing	\$ 34,982	\$ 9,989	\$ 22,377	\$ 19,652
Payment to escrow agent	-	-	-	-
Transfers in	8,182	9,202	10,308	16,011
Transfers (out)	(11,879)	(9,665)	(9,315)	(15,542)
Total other financing sources (uses)	31,285	9,526	23,370	20,121
NET CHANGE IN FUND BALANCES	\$ 412	\$ 2,411	\$ (5,945)	\$ 3,480
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	25.31%	11.05%	17.33%	17.62%

Data Source

City Finance Division

	2017	2018	2019	2020	2021	2022
\$	78,157	\$ 81,281	\$ 78,645	\$ 82,567	\$ 92,738	\$ 98,538
	13,358	11,664	10,012	11,853	11,033	12,562
	260	199	230	185	109	318
	22,627	23,004	25,278	27,592	38,587	43,756
	8,713	10,053	8,925	7,879	10,762	14,549
	3,468	3,765	5,108	2,983	3,644	3,790
	235	778	1,669	423	74	1,334
	3,843	5,220	12,130	6,105	6,184	4,810
	130,661	135,964	141,997	139,587	163,131	179,657
	18,152	18,330	19,206	18,767	19,708	24,065
	64,347	65,533	65,821	66,970	67,159	66,387
	14,041	22,069	15,848	18,787	20,930	23,663
	3,111	3,142	2,989	3,749	4,473	4,781
	12,371	12,789	12,247	9,351	11,036	11,352
	7,225	9,006	6,567	9,043	10,372	11,432
	14,953	11,399	39,796	12,389	2,480	6,676
	24,253	17,557	10,166	9,988	9,311	10,054
	4,040	4,536	5,749	5,643	5,604	5,642
	2	537	274	214	172	7
	162,495	164,898	178,663	154,901	151,245	164,059
	(31,834)	(28,934)	(36,666)	(15,314)	11,886	15,598
\$	26,558	\$ 46,892	\$ 23,976	\$ 18,576	\$ 12,954	\$ -
	-	-	-	(12,143)	(3,975)	-
	17,428	20,698	14,405	15,633	10,831	12,292
	(15,893)	(19,174)	(6,156)	(7,414)	(9,411)	(9,903)
	28,093	48,416	32,225	14,652	10,399	2,389
\$	(3,741)	\$ 19,482	\$ (4,441)	\$ (662)	\$ 22,285	\$ 17,987
	19.18%	14.39%	11.62%	11.40%	10.45%	10.56%

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
2012	\$ 1,944,932,067	\$ 15,956	\$ 462,671,239	\$ 106,007,084	\$ 995,206	\$ 2,514,621,552	\$ 7,543,864,656	1.551
2013	1,653,524,481	15,956	452,108,891	94,820,879	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
2020	2,686,706,545	15,467	735,655,726	37,326,126	1,943,606	3,461,647,470	10,384,942,410	1.452
2021	2,492,953,368	15,467	690,224,247	35,719,445	1,943,606	3,220,856,133	9,662,568,399	1.518

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

2021 Levy				2012 Levy			
Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV	Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV
Orrington TT LLC Golub	\$ 35,122,432	1	1.09%	Grubb & Ellis	\$ 23,750,814	1	0.87%
Rotary International	32,617,561	2	1.01%	Rotary International	19,957,955	2	0.73%
FSP 909 Davis Street	30,186,726	3	0.94%	Lowe Enterprises	19,687,132	3	0.72%
900 950 Church Street	19,070,184	4	0.59%	Church Street Plaza	17,812,119	4	0.65%
TIAA PK Evanston INC	17,653,291	5	0.55%	NNN Church Street Office Center	13,041,620	5	0.48%
MB Sherman Highlands	16,772,338	6	0.52%	Evanston Hotel Assoc.	11,605,700	6	0.43%
FDS/David Alperstein	15,849,187	7	0.49%	Inland	10,956,173	7	0.40%
1890 Maple LLC	15,780,077	8	0.49%	Church & Chicago Limited Partnership	10,825,746	8	0.40%
500 Davis Owner LLC	14,330,695	9	0.44%	Northshore University Healthcare	10,417,651	9	0.38%
Azurri of Evanston	13,321,070	10	0.41%	Paradigm Tax Group	9,005,460	10	0.33%
Total	\$ 210,703,561		6.54%	Total	\$ 147,060,370		5.39%
Total EAV	\$ 3,220,856,133			Total EAV	\$ 2,727,367,573		

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		Collections in Subsequent Years	Total Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 43,869,798	\$ 42,762,685	97.48%	\$ 338,420	\$ 43,101,105	98.25%
2014	45,557,079	44,280,493	97.20%	270,619	44,551,112	97.79%
2015	46,394,914	44,974,845	96.94%	205,607	45,180,452	97.38%
2016	47,538,529	46,723,672	98.29%	97,249	46,820,921	98.49%
2017	48,161,247	46,866,198	97.31%	197,415	47,063,613	97.72%
2018	49,712,625	49,032,839	98.63%	217,133	49,249,972	99.07%
2019	55,139,563	54,616,777	99.05%	186,248	54,803,025	99.39%
2020	55,711,545	55,836,792	100.22%	538,227	56,375,019	101.19%
2021	55,711,545	57,100,401	102.49%	531,709	57,632,110	103.45%
2022	55,711,545	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2022 is collected through December 31, 2023

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	(1) Equalized Assessed Valuation	(2) Gross General Obligation Bonded Debt	Debt Service Monies Available	(3) Debt Payable From Other Revenues	Net General Obligation Debt	Total Personal Income	Debt to Equalized Assessed Valuation	Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
2013	74,619	\$ 2,514,621,552	\$ 153,460,742	\$ 12,520,761	\$ 40,042,921	\$ 100,897,060	\$ 3,113,477,775	6.10%	4.93%	1,352.16
2014	75,570	2,201,697,038	150,421,841	12,209,139	34,614,357	103,598,345	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	111,281,279	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	152,775,613	3,800,243,979	7.18%	5.14%	2,079.34
2020	73,473	3,432,148,547	199,878,623	721,459	38,634,626	160,522,538	3,800,243,979	5.82%	5.26%	2,184.78
2021	77,517	3,461,647,470	196,907,459	8,675,881	37,196,303	151,035,275	4,193,335,350	5.69%	4.70%	1,948.41
2022	77,517	3,220,856,133	184,620,461	8,478,464	35,881,685	140,260,312	4,466,994,642	5.73%	4.13%	1,809.41

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 Hartrey Tax Increment District, Washington National Tax Increment District, and Special Assessment Fund.

(4) 2022 data not available for Personal Income or Census Data, so 2021 data was used

Source: Cook County and City Finance Division

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			
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	5.80%	3,214
2021	159,711,156	-	-	37,196,303	-	40,272,232	237,179,691	5.66%	3,036
2022	148,738,775	-	-	35,881,686	-	47,503,827	232,124,288	5.20%	2,972

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

CITY OF EVANSTON, ILLINOIS

Direct and Overlapping Governmental Activities Debt

As of December 31, 2022

	Total Outstanding	Percentage of Debt Applicable to the City	The City's Share of Debt (1)
Direct debt - bonds, notes, and contracts outstanding	\$ 148,738,775	100.00%	\$ 148,738,775
Other bonded debt by taxing body			
High School District 202	23,365,000	100.00%	23,365,000
School District 65	64,886,167	91.55%	59,402,030
Community College District 535	47,200,000	13.44%	6,343,617
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
Skokie Park District	19,819,679	0.84%	166,008
Total Overlapping Debt	<u>5,055,032,186</u>		<u>190,752,703</u>
Total Direct and Overlapping Debt (Less Debt Supported by Other Sources)	<u>\$ 5,203,770,961</u>		<u>\$ 339,491,478</u>

Note: Overlapping debt calculated based on the pro rata EAV.

Source: Bonds Statement

CITY OF EVANSTON, ILLINOIS

Legal Debt Margin

December 31, 2022

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	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
				Principal	Interest	
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
2021	NA	NA	NA	-	-	NA
2022	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

Principal Employers

Current Year and Nine Years Ago

2022				2013			
<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	6,500	39%	1	Northwestern University	10,858	51%	1
Northshore University Health System	4,788	28%	2	Evanston Northwestern Healthcare	4,377	21%	2
Evanston School District 65	1,511	9%	3	Evanston School District 65	1,550	7%	3
City of Evanston	819	5%	5	St. Francis Hospital	1,176	6%	4
Presence Saint Francis Hospital	800	5%	4	City of Evanston	828	4%	5
School District 202	640	4%	6	Presbyterian Homes/McGaw Care	622	3%	6
Rotary International	549	3%	7	School District 202	544	3%	7
ZS Associates	517	3%	8	Rotary International	535	3%	8
West Minster Pl., McGaw Care Center	455	3%	9	Jewel/Osco Food Stores	418	2%	9
C.E. Neihoff & Co.	<u>290</u>	2%	10	C.E. Neihoff & Co.	<u>415</u>	2%	10
Total	<u>16,869</u>			Total	<u>21,323</u>		

Source: City Economic Development Division

CITY OF EVANSTON, ILLINOIS

Demographic and Economic Statistics

Last Ten Years

Calendar Year	Population	Total Personal Income	Per Capita Personal Income	Median Age	Education % of Population with HS Diploma or Higher	School Enrollment	Unemployment Rate
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%
2020	78,110	4,193,335,350	53,685	36.2	94.2%	11,132	3.7%
2021	77,517	4,466,994,642	57,626	36.2	95.4%	11,132	5.8%

Note: 2022 data not available

CITY OF EVANSTON, ILLINOIS

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Function/Program</u>										
General Government										
City Clerk	2.20	2.20	2.00	2.00	2.00	1.00	2.00	1.00	2.00	3.00
City Manager's Office	12.00	14.00	13.00	28.50	32.00	30.00	27.50	28.50	28.50	30.50
Legal	8.00	7.00	8.00	8.00	4.50	4.50	4.50	4.50	4.50	7.00
Administrative Services	59.00	49.00	51.00	57.20	57.70	55.70	53.10	54.10	54.50	58.00
Community Development	24.00	21.00	19.00	21.50	26.25	22.00	23.50	25.75	30.15	27.45
Police	220.00	227.00	227.00	225.50	225.80	220.00	217.00	216.00	201.00	201.00
Fire	106.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Human and Health Services	20.00	21.10	22.10	21.10	21.10	21.75	17.75	8.75	8.75	13.25
Parks and Recreation	69	69.64	74.23	77.13	78.83	76.13	75.46	69.08	69.21	73.71
Public Works	97	108.45	107.45	84.25	84.25	72.5	70.00	71.00	69.00	78.50
Total General Government	617.20	629.39	633.78	635.18	642.43	613.58	600.81	588.68	577.61	602.41
Library	63.00	63.13	66.45	66.87	73.88	71.05	69.81	78.45	78.04	79.58
Neighborhood Stabilization Program	1.00	1.31	0.50	0.45	0.3	0.15	-	-	-	-
Housing Rehabilitation	-	-	1.75	1.75	1.75	1.75	1.75	1.50	1.43	1.35
Human Services Fund	-	-	-	-	-	-	-	17.90	17.90	17.00
General Assistance Fund	-	-	4.00	4.00	4.00	4.25	4.25	4.25	4.25	4.25
HOME Fund	-	-	0.40	0.50	0.50	0.35	0.35	0.35	0.73	0.70
Emergency Telephone System	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
CDBG	3.00	2.60	2.60	2.80	2.50	2.75	2.90	4.40	2.90	5.60
Economic Development Fund	5.00	6.25	6.25	-	-	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	-	4.50	4.50	4.50	4.50	-
Parking Fund	15.50	15.50	15.50	15.50	15.50	18.00	19.00	17.00	16.50	16.00
Water	40.00	42.50	44.50	44.50	44.50	45.75	45.25	46.25	47.75	48.25
Sewer	11.00	13.33	11.33	11.33	11.33	12.25	12.25	12.25	12.75	11.75
Solid Waste	8.00	9.66	9.66	9.66	9.66	10.5	11.50	13.50	13.50	15.50
Fleet Services	10.00	12.00	12.50	12.50	12.00	9.50	9.90	9.90	10.00	11.00
Insurance Fund	4.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50	5.50	-
Total Other Functions	164.50	176.28	185.44	179.86	186.42	191.3	191.96	220.75	221.75	216.98
Total All Funds	781.70	805.67	819.22	815.04	828.85	804.88	792.77	809.43	799.36	819.39

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Evanston*	1.551	1.760	1.766	1.800	1.536	1.524	1.604	1.446	1.452	1.518
Consolidated Elections	-	0.031	-	0.034	-	0.031	-	0.030	-	-
Cook County	0.531	0.560	0.568	0.552	0.533	0.496	0.489	0.454	0.453	0.446
Cook County Forest Preserve District	0.063	0.069	0.069	0.069	0.063	0.062	0.060	0.059	0.058	0.058
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406	0.402	0.396	0.389	0.378	0.382
North Shore Mosquito Abatement District	0.010	0.007	0.011	0.012	0.010	0.010	0.010	0.009	0.009	0.009
Evanston Township	0.010	0.053	-	-	-	-	-	-	-	-
Community College 535	0.219	0.256	0.258	0.271	0.231	0.232	0.246	0.221	0.227	0.252
School District 202	2.308	2.689	2.659	2.792	2.332	2.329	2.462	2.024	2.072	2.286
School District 65	3.149	3.671	3.686	3.810	3.676	3.673	3.891	3.185	3.258	3.593
Total Tax Rate for Property not in Park District or Special Service District	8.211	9.513	9.447	9.766	8.787	8.759	9.158	7.817	7.907	8.544
Percent of Total Tax Rate Levied by City of Evanston	18.89%	18.50%	18.69%	18.43%	17.48%	17.40%	17.51%	18.50%	18.36%	17.77%

*City of Evanston rate includes General Assistance beginning in 2014. Does not include Evanston Public Library.

Note: 2022 data not available

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Water Sold by Type of Customer

Last Ten Fiscal Years
(in 100 cubic feet)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Customer										
Residential	\$ 2,189,588	\$ 2,065,980	\$ 2,098,160	\$ 2,057,713	\$ 2,285,759	\$ 2,344,636	\$ 2,208,023	\$ 2,058,029	\$ 2,098,289	\$ 1,946,416
Industrial	12,392	11,627	10,772	9,808	12,777	16,405	14,182	1,111,151	10,589	9,233
Commercial	1,105,077	1,036,034	1,045,791	1,061,080	1,115,236	1,083,414	1,154,229	815,275	925,927	919,082
Government	61,908	53,732	55,485	57,965	67,547	72,062	69,065	38,856	27,900	18,442
Total	\$ 3,368,965	\$ 3,167,373	\$ 3,210,208	\$ 3,186,566	\$ 3,481,319	\$ 3,516,517	\$ 3,445,499	\$ 4,023,311	\$ 3,062,705	\$ 2,893,173
Total direct rate per 100 cubic feet	\$ 1.80	\$ 1.98	\$ 2.18	\$ 2.18	\$ 2.31	\$ 2.47	\$ 2.74	\$ 2.74	\$ 2.89	\$ 3.17

Source: City of Evanston Public Works Agency

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Customer										
Evanston residents/businesses	\$ 5,915,560	\$ 6,301,307	\$ 6,975,785	\$ 6,820,350	\$ 7,280,260	\$ 7,640,457	\$ 8,235,089	\$ 8,613,315	\$ 8,636,384	\$ 9,085,988
Village of Skokie	2,772,424	2,805,425	2,854,684	2,941,912	3,651,338	5,773,487	5,572,511	2,489,520	3,491,947	3,335,672
Northwest Water Commission	5,183,425	5,074,770	5,183,391	5,695,812	5,898,670	5,963,424	5,416,394	5,549,357	5,670,328	6,625,624
Morton Grove and Niles	-	-	-	-	-	19,830	1,075,089	1,918,954	1,813,040	2,077,157
Village of Lincolnwood	-	-	-	-	-	-	-	352,370	509,932	931,224
Total	\$ 13,871,409	\$ 14,181,502	\$ 15,013,860	\$ 15,458,074	\$ 16,830,268	\$ 19,397,198	\$ 20,299,083	\$ 18,923,515	\$ 20,121,631	\$ 22,055,665

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Function/Program</u>										
Police										
Violent offenses	131	97	80	130	122	140	73	88	96	114
Property offenses	1,980	1,959	1,872	1,681	1,777	1,708	1,979	1,481	2,453	2,910
911 calls received	42,551	44,177	46,749	42,763	38,525	36,642	39,357	38,279	40,924	39,634
Fire										
Emergency responses	9,373	9,617	9,630	10,267	10,058	10,014	10,256	9,091	9,867	11,083
Fires extinguished	129	120	99	114	90	111	69	77	89	105
Inspections	660	740	760	760	1,267	1,275	446	728	850	900
EMS Responses (reported beginning 2016)	-	-	-	6,441	6,456	6,419	6,678	5,912	6,529	7,542
Other Public Works										
Street resurfacing (estimated miles)	3.4	4.9	2.7	2.9	2.9	2.9	1.9	2.9	2.65	2.65
Parks and Recreation										
Athletic field usage (hours)	16,367	16,270	15,531	27,426	22,920	24,263	22,054	8,749	17,287	18,868
Picnic permits issued	445	448	404	229	652	572	641	94	644	650
Library										
Volumes in collection (online & physical materials)	400,034	401,300	481,626	534,533	540,696	514,756	562,567	535,527	424,619	654,134
Total volumes borrowed	1,056,243	1,074,972	1,071,401	1,078,653	1,039,585	1,207,419	1,191,600	699,631	1,139,779	964,682
Water										
New connections	-	18	9	3	3	7	15	8	10	7
Water main breaks	51	70	23	28	28	32	28	29	40	39
Average daily consumption (millions of gallons)	35.81	36.79	36.63	39.645	39.645	41.122	43.151	46.50	48.30	46.00
Peak daily consumption (millions of gallons)	56.95	48.91	50.59	55.084	55.084	55.291	60.248	62.63	66.50	60.76

Note: Indicators are not available for general government functions

CITY OF EVANSTON, ILLINOIS

Capital Assets Statistics by Function

Last Ten Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Function/Program</u>										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Budgeted sworn officers	164	164	164	165	165	165	166	154	153	153
Fire Stations	5	5	5	5	5	5	5	5	5	5
Other Public Works										
Streets (miles)	147	147	147	147	147	147	147	147	147	147
Streetlights	5,641	5,641	5,641	5,736	5,736	5,736	5,641	5,641	5,675	5,675
Parks and Recreation										
Acreage	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	60	60	60	60	60
Baseball/softball diamonds	18	18	18	18	18	13	16	16	16	16
Soccer/football fields	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	6	6	7	7	7	7	7	7
Water										
Water mains (miles)	157	157	156.4	155.6	155.6	155.8	157.5	156.2	156.0	156.0
Fire hydrants	1,399	1,477	1,484	1,490	1,490	1,508	1,511	1,501	1,522	1,531
Storage capacity (millions of gallons)	22	22	22	22	22	22	22	22	22	22

Note: No capital asset indicators are available for the general government or library function

Source: Various City departments; Budget

Source: City Finance division



Memorandum

To: Members of the Finance and Budget Committee
From: Hitesh Desai, Chief Financial Officer/Treasurer
CC: Clayton Black, Budget Manager
Subject: FY 2023 Mid-Year Financial Report
Date: August 29, 2023

Recommended Action:
For Discussion

Committee Action:
For Discussion

Summary:

Staff will be presenting a midyear FY 2023 financial update covering fund balances, expenses, and projected revenues.

Attachments:

[2023 Mid-Year Financial Update](#)

2023 Mid-Year Financial Update

August 29, 2023

2023 Mid-Year Summary General Fund

- **YTD Revenue** through June
 - \$66,304,324 = 52% of budget
- **YTD Expenses** through June
 - \$68,884,366 = 54% of budget
- **YTD Net = (\$2,580,042)**

- **Fund Balance as of June 30, 2023, is \$55,325,557 or 43% of budgeted expenses.**

2023 Mid-Year Summary General Fund Revenues

- Most shared State revenues are trending near 2022 levels.
 - Sales Tax (3%) and Home Rule Taxes (4%) trending up in 2023 compared to 2022 actuals through May.
 - Income Taxes down 7% in 2023 compared to 2022 actuals through July.
- Personal Property Replacement Taxes (PPRT) are down 17% compared to 2022 actuals through July.
 - IML and IDOR are projecting a 29% decrease to PPRT for July 2023 through June 2024.
- Real Estate Transfer Taxes are down 29% compared to 2022 actuals through July.
 - The first \$3 million collected is deposited in the Reparations Fund.
- Several local revenues on pace to meet or exceed budget including Recreation Program Fees, Building Permits, Ticket Fines-Parking, GEMT, and Ambulance Fees.

2023 Mid-Year Summary General Fund Revenues

Row Labels	2022 Actual	2023 Actual	2023 Budget	2023 Low Projection	2023 High Projection
STATE INCOME TAX	12,826,057	6,859,738	11,500,000	11,500,000	11,900,000
SALES TAX - BASIC	12,987,309	5,821,421	11,000,000	12,500,000	13,300,000
SALES TAX - HOME RULE	10,455,926	4,366,888	8,000,000	10,000,000	10,800,000
RECREATION PROGRAM FEES	6,883,690	4,091,861	5,371,375	6,900,000	6,900,000
BUILDING PERMITS	7,000,238	2,719,473	4,225,100	4,750,000	5,250,000
WHEEL TAX	2,804,272	254,903	3,100,000	2,800,000	2,800,000
TICKET FINES - PARKING	3,581,580	1,711,650	3,000,000	3,000,000	3,100,000
LIQUOR TAX	3,291,166	1,996,221	3,000,000	3,100,000	3,100,000
ELECTRIC UTILITY TAX	2,925,798	1,355,759	2,900,000	2,900,000	2,900,000
STATE USE TAX	3,165,654	1,447,841	2,650,000	3,200,000	3,200,000
PARKING TAX	2,952,826	1,444,216	2,600,000	2,900,000	2,900,000
PERSONAL PROPERTY REPLACEMENT TAX	5,516,675	1,913,508	2,855,000	4,000,000	4,305,000
GEMT SERVICE REVENUE	3,359,575	1,205,169	2,000,000	2,500,000	2,500,000
NATURAL GAS UTILITY TAX	1,987,378	1,297,064	1,400,000	1,850,000	1,850,000
MUNICIPAL HOTEL TAX	2,166,476	1,364,518	1,300,000	2,250,000	2,250,000
REAL ESTATE TRANSFER TAX*	5,496,306	-	750,000	350,000	750,000
PENSION PROPERTY TAXES	20,313,549	10,805,736	19,990,105	19,990,105	19,990,105
PROPERTY TAXES	8,759,074	5,135,869	9,057,297	9,057,297	9,057,297
ALL OTHER GENERAL FUND REVENUES	26,401,662	13,861,550	22,953,283	24,121,183	24,121,183
TOTAL	\$ 142,875,211	\$ 67,653,384	\$ 117,652,160	\$ 127,668,585	\$ 130,973,585
*2023 Actual is as of 8/11/23.			Difference	\$ 10,016,425	\$ 13,321,425

2023 Mid-Year Summary General Fund Expenses

Budgeted

Item	Cost
Use of Fund Balance to Balance 2023 General Fund	(\$10,085,454)

Approved Additional Spending

Item	Cost
Cover Overage on Animal Shelter Project	(\$1,500,000)
Cover Overage on Skate Park Project	(\$92,266)
Cover Overage on Oakton Corridor Project	(\$806,960)
Cover Overage due to Inflation on Main St Project	(\$865,000)
Cover Overage on 2023 Water Main Improvement	(\$137,792)
Cover Unbudgeted Ambulance Purchase	(\$237,001)
Higher than Budgeted Wage Increase (Fire)	(\$1,400,000)
Higher than Budgeted Wage Increase (Police)	(\$1,600,000)
	(\$6,639,019)

Likely

Item	Cost
Higher than Budgeted AFSCME Wage Increases (Note that a 4.5% increase was budgeted)	(~\$1,350,000)
Higher than Budgeted Non-Union Wage Increases	(~\$700,000)

2023 Mid-Year Summary General Fund Expenses

Potential

Item	Cost
Transfer to CIP Fund per Policy and/or Reduce/Delay GO Bonds	(\$5,000,000)
Reconsider Increasing GF Fund Reserve Policy to 20%	(\$4,000,000)
Transfer to Insurance Fund per Fund Balance Policy	(\$3,000,000)
Cover Overages due to Inflation on Future CIP Projects	(\$2,000,000)
Transfer to Parking Fund per Fund Balance Policy	(\$1,000,000)

Approved/Potential Uses of General Fund Reserves Impact on Fund Balance

	FY 2023 Budget	FY 2023 Low Projection	FY 2023 High Projection
Beginning Fund Balance	\$57,802,485	\$57,802,485	\$57,802,485
Revenues	\$117,652,160	\$127,668,585	\$130,973,585
Expenses	(\$127,737,614)	(\$127,737,614)	(\$127,737,614)
Approved Uses of GF Fund Balance	\$ -	(\$6,639,019)	(\$6,639,019)
Higher than Budgeted Wage Increases (AFSCME)	\$ -	(\$1,350,000)	(\$1,350,000)
Higher than Budgeted Wage Increases (Non-Union)	\$ -	(\$700,000)	(\$700,000)
Surplus/(Deficit)	(\$10,085,454)	(\$8,758,048)	(\$5,453,048)
Projected Ending Fund Balance	\$47,717,031	\$49,044,437	\$52,349,437
Required Fund Balance	\$21,204,444	\$22,646,821	\$22,646,821
Remaining Fund Balance Excess/(Shortfall)	\$26,512,587	\$26,397,616	\$29,702,616
Potential Uses of GF Fund Balance (Prev. Slide)	0	(\$15,000,000)	(\$15,000,000)
Projected Ending Fund Balance	\$47,717,031	\$34,044,437	\$37,349,437
Required Fund Balance	\$21,204,444	\$22,646,821	\$22,646,821
Remaining Fund Balance Excess/(Shortfall)	\$0	\$11,397,616	\$14,702,616
*Note the audited beginning fund balance is \$57,802,485, of which \$2,119,313 is assigned.			



General Fund Concerns Moving into FY 2024 Budget

- Revenues have likely peaked given current inflationary trends.
- Contractual and Non-Union Wage Increases
 - More than \$10 million in increases to salaries in 2024 compared to 2023 budget given approved collective bargaining contracts.
- Public Safety Pension Contributions
 - Under policy, \$6.6 million of additional contributions will come from sources identified in the policy including property tax levy, PPRT, and General Fund balance.
 - Volatility of PPRT and projected 29% reduction.
- Capital Improvement Plan
 - No bonds issued in 2022 or 2023 and continued use of General Fund reserves.
- Equipment Replacement Plan
 - ARPA funding not planned to cover costs of vehicle replacements (\$1.25 million).
 - Increase in electric vehicle purchases which come at a higher cost (\$750,000).
- Staffing
 - Closer to full staffing in most departments except Police.
 - Additional new position requests under consideration by CMO.

Fund Balances As of 6/30/2023

	Revenues	Expenses	Net	Fund Balance	Cash Balance	Required Fund Balance	Excess/ (Deficit)
HUMAN SERVICES FUND	1,705,576	1,262,195	443,381	3,507,443	3,507,443	N/A	N/A
SPECIAL REVENUE FUNDS							
American Rescue Plan*	663,514	2,580,166	(1,916,652)	(1,385,481)	29,328,724	N/A	N/A
General Assistance Fund	730,923	520,204	210,719	1,197,107	1,197,107	N/A	N/A
Reparations Fund	2,045,208	232,368	1,812,840	2,061,376	2,061,376	N/A	N/A
Sustainability Fund	341,989	159,254	182,735	567,327	567,327	N/A	N/A
Good Neighbor Fund	8,588	300,098	(291,510)	441,903	441,903	N/A	N/A
Motor Fuel Tax Fund	1,717,613	893,969	823,644	6,281,610	5,976,744	1,035,400	5,246,210
Emergency Telephone (E911) Fund	499,444	670,493	(171,049)	1,313,319	946,317	N/A	N/A
CDBG Fund	129,887	488,573	(358,686)	(299,364)	(299,364)	N/A	N/A
CDBG Loan Fund	54,151	45,002	9,149	388,399	388,399	N/A	N/A
Neighborhood Improvement Fund	308	4	304	22,599	22,599	N/A	N/A
HOME Fund	14,064	23,152	(9,088)	(2,235)	(2,235)	N/A	N/A
Affordable Housing Fund	162,887	269,561	(106,674)	2,495,689	2,643,922	N/A	N/A
	6,368,576	6,182,844	185,732	13,082,249	43,272,819		
LIBRARY FUNDS							
Library Fund	4,199,628	3,658,979	540,649	4,551,254	4,551,177	N/A	N/A
Library Debt Service Fund	253,956	116,092	137,865	140,647	140,647	N/A	N/A
Library Capital Improvement Fund	-	436,437	(436,437)	267,952	267,952	N/A	N/A
	4,453,584	4,211,508	242,076	4,959,853	4,959,775	N/A	N/A

*Per Treasury accounting rules, ARPA cash balance is not recognized as part of fund balance until cash is expended.

Fund Balances As of 6/30/2023

	Revenues	Expenses	Net	Fund Balance	Cash Balance	Notes
DEBT SERVICE FUNDS						
Debt Service Fund	8,183,520	2,588,188	5,595,332	7,738,210	8,294,920	15,000,000 in principal and interest payments in 2023
Howard-Ridge TIF Fund	702,813	382,815	319,997	2,425,093	2,416,346	4,661,350 outstanding principal and interest
West Evanston TIF Fund	866,167	621,118	245,049	2,709,046	2,709,046	3,660,000 in capital projects in 2023
Dempster-Dodge TIF Fund	130,842	95,002	35,839	408,852	408,852	2,216,573 outstanding principal and interest
Chicago-Main TIF	694,519	235,234	459,286	2,152,964	2,152,964	3,217,145 outstanding principal and interest
Five Fifths TIF	-	278,460	(278,460)	(414,362)	(414,362)	
Special Service Area (SSA) #6	127,525	362	127,163	131,719	353,581	
Special Service Area (SSA) #7	78,477	77,112	1,365	13,801	13,801	
Special Service Area (SSA) #8	34,239	31,505	2,734	7,262	7,262	
Special Service Area (SSA) #9	533,245	316,021	217,223	17,236	17,236	
	11,351,347	4,625,818	6,725,529	15,189,822	15,959,645	

Fund Balances As of 6/30/2023

	Revenues	Expenses	Net	Fund Balance	Cash Balance	Required Fund Balance	Excess/ (Deficit)
CAPITAL PROJECT FUNDS							
Capital Improvements Fund	3,768,072	2,196,032	1,572,040	3,538,933	9,489,497	5,623,125	(2,084,192)
Crown Construction Fund	107,413	489,079	(381,666)	4,923,665	4,923,665	N/A	N/A
Crown Community Center Maintenance	87,498	-	87,498	577,543	577,543	N/A	N/A
Special Assessment Fund	127,986	241,295	(113,309)	1,329,543	1,329,543	N/A	N/A
	4,090,970	2,926,406	1,164,564	10,369,684	16,320,248		
ENTERPRISE FUNDS							
Parking System Fund	5,390,875	4,677,081	713,794	780,391	1,537,193	1,873,222	(1,092,831)
Sewer Fund	4,360,559	3,256,754	1,103,804	7,029,525	6,525,663	1,867,827	5,161,698
Solid Waste Fund	3,019,454	2,501,743	517,711	1,319,830	1,754,294	1,070,455	249,375
Water Fund	13,894,358	11,444,719	2,449,639	6,729,518	5,777,628	5,810,000	919,518
	26,665,245	21,880,297	4,784,948	15,859,264	15,594,778		
INTERNAL SERVICE FUNDS							
Fleet Services Fund	1,625,994	1,955,040	(329,046)	14,908	(1,526,136)	N/A	N/A
Equipment Replacement Fund	463,942	1,014,949	(551,007)	2,159,394	403,345	N/A	N/A
Insurance Fund	10,668,735	9,549,996	1,118,740	(1,028,458)	(1,209,179)	1,875,000	(2,903,458)
	12,758,672	12,519,985	238,686	1,145,844	(2,331,970)		

**General Fund Forecast
FY 2022 - FY 2025**

	2022 Actual	2023 Budget	2023 Projection	2024 Forecast	2025 Forecast
Revenues	\$ 142,846,452	\$ 117,652,160	\$ 127,668,585	\$ 129,068,785	\$ 130,983,113
Other Tax	72,628,530	56,570,000	62,850,000	65,555,000	66,780,000
Prop Tax	29,072,623	29,047,402	29,047,402	29,047,402	29,047,402
Charges for Serv	10,968,272	8,785,075	10,713,700	10,732,700	10,947,354
Transfers	8,775,706	7,733,949	7,733,949	7,733,949	7,888,628
Lic, Permit, Fee	9,776,681	7,543,450	8,095,350	7,569,450	7,720,839
Fines & Forfeits	4,059,443	3,632,500	3,632,500	3,625,000	3,697,500
Intergovernment	5,690,842	3,116,184	3,553,184	3,463,184	3,532,448
Other Rev	1,227,227	1,168,600	1,192,500	1,192,100	1,215,942
Interest Income	647,128	55,000	850,000	150,000	153,000
Expenses	\$ 116,484,137	\$ 127,737,614	\$ 136,426,633	\$ 145,435,400	\$ 151,081,145
Police	26,464,985	29,214,097	30,814,097	31,025,683	31,956,453
Fire	16,666,228	18,689,924	20,089,924	21,985,414	22,644,976
Public Safety Pensions	21,112,793	25,089,436	25,089,436	26,614,633	28,695,755
Public Works	14,320,045	13,708,631	13,708,631	13,715,569	14,127,036
Parks and Recreation	11,526,700	12,751,313	12,751,313	13,322,524	13,722,200
Admin Services	11,897,108	12,537,670	12,537,670	14,318,894	14,748,461
City Managers Office	7,410,398	8,143,075	8,143,075	8,151,806	8,396,360
Community Development	3,062,158	4,183,421	4,183,421	3,891,506	4,008,251
Health	2,218,537	1,413,058	1,413,058	1,464,949	1,508,897
Law	848,616	988,558	988,558	1,093,490	1,126,295
City Council	647,845	658,324	658,324	539,835	556,030
City Clerk	308,725	360,108	360,108	411,097	423,430
One-Time Transfers for CIP Overages	-	-	3,639,019	-	-
AFSCME & Non-Union Wage Increases	-	-	2,050,000	4,400,000	4,532,000
Vehicles previously paid by ARPA	-	-	-	1,500,000	1,545,000
New Position Requests	-	-	-	3,000,000	3,090,000
Current Year Surplus/(Deficit)	\$ 26,362,314	\$ (10,085,454)	\$ (8,758,048)	\$ (16,366,615)	\$ (20,098,032)
Beginning Fund Balance	\$ 31,411,410	\$ 57,802,485	\$ 57,802,485	\$ 49,044,437	\$ 32,677,822
Current Year Surplus/(Deficit)	\$ 26,362,314	\$ (10,085,454)	\$ (8,758,048)	\$ (16,366,615)	\$ (20,098,032)
Ending Fund Balance	\$ 57,802,485	\$ 47,717,031	\$ 49,044,437	\$ 32,677,822	\$ 12,579,789
Fund Balance Policy (16.66%)	16.66%	16.66%	16.66%	16.66%	16.66%
Required Fund Balance	\$ 19,406,257	\$ 21,281,087	\$ 22,728,677	\$ 24,229,538	\$ 25,170,119
Required Fund Balance Excess/ (Shortfall)	\$ 38,396,228	\$ 26,435,944	\$ 26,315,760	\$ 8,448,284	\$ (12,590,329)
Actual Fund Balance in Reserve (%)	49.62%	37.36%	35.95%	22.47%	8.33%



Memorandum

To: Members of the Finance and Budget Committee
From: Darrell King, Water Production Bureau Chief
CC: Edgar Cano, Public Works Agency Director
Subject: Discussion of Water Fund Status
Date: August 29, 2023

Recommended Action:

Staff requests that the Finance and Budget Committee provide direction on next steps related to maintaining an appropriate fund balance in the Water Fund.

Committee Action:

For Discussion

Summary:

The Water Production Bureau of the Public Works Agency has been using a cost of service rate model to monitor the Water Fund and Sewer Fund since 2009. This model was developed by a consultant when they prepared the [Water & Sewer Cost of Service Rate and Fee Study Report dated April 2009](#). Since then employees in the Bureau have been updating the model with current information related to both revenues and expenditures and future capital improvement projects. The current financial goals of the water fund are to maintain a minimum cash balance of \$4,000,000 and to keep debt service expenses to less than twenty-five percent of the operating capital while maintaining the water treatment plant in good operating condition and to replace or rehabilitate one percent (1.5 miles) of the water distribution system annually.

Using this model, the Bureau was successful in maintaining a constant combined water/sewer rate between 2015 and 2021 to the Evanston retail customers. This was accomplished by reducing the sewer rate and increasing the water rate to make the combined water/sewer rate remain the same. In 2022 the retail water customers realized a 2% combined water/sewer rate increase, from \$6.13 to \$6.25 / 100CF. However, [Ordinance 114-O-21](#) that raised the water rate also created an affordable water rate for low income families with a combined water & sewer rate that was determined to be affordable for Evanston community members.

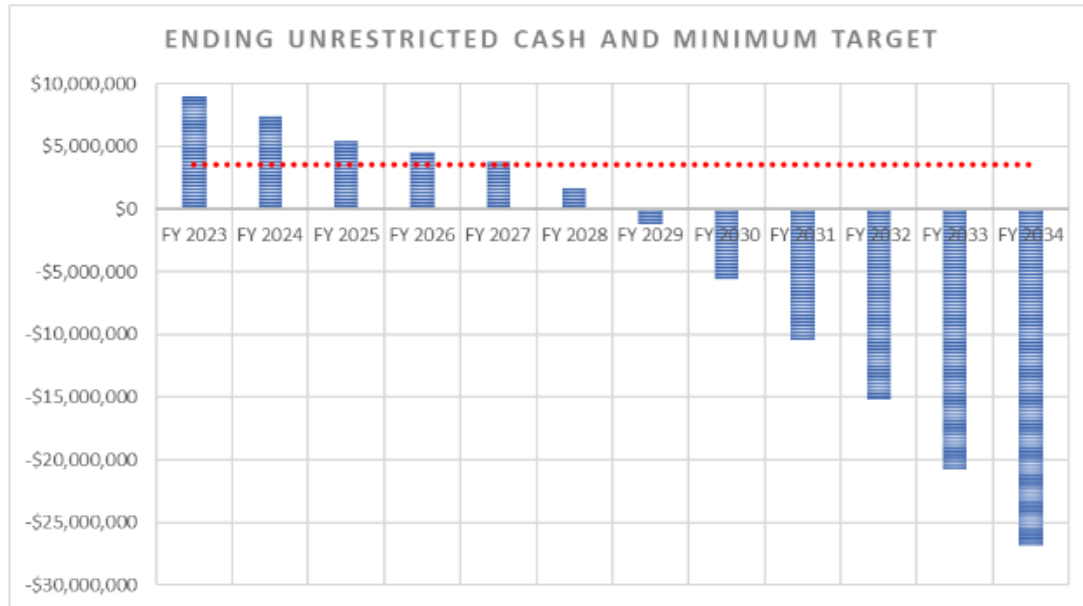
TABLE 1 - Historical Water & Sewer Rates (Cost per 100 cubic feet)

YEAR	WATER RATE	SEWER RATE	TOTAL RATE	AFFORDABLE WATER RATE	AFFORDABLE SEWER RATE	TOTAL RATE
2015	\$2.18	\$3.94	\$6.12			
2016	\$2.18	\$3.94	\$6.12			
2017	\$2.31	\$3.82	\$6.13			
2018	\$2.47	\$3.66	\$6.13			
2019	\$2.74	\$3.39	\$6.13			
2020	\$2.89	\$3.24	\$6.13			
2021	\$2.89	\$3.24	\$6.13			
2022	\$3.17	\$3.09	\$6.25	\$1.99	\$1.94	\$3.93
2023	\$3.33	\$3.08	\$6.41	\$2.09	\$1.94	\$4.03

ANALYSIS:

As staff continues to input data into the rate model, the model indicates that the water fund will be in serious financial trouble within a few years as depicted in the Chart 1 below.

CHART 1 - Water Fund, \$4.0M recommended minimum balance



To help analyze what is causing the financial situation, the model projection was split between water plant revenue / expenses and distribution system revenue / expenses to see how each portion of the projection impacts the water fund.

Water Plant Costs

As staff has been indicating, capital projects and operations at the water plant do not significantly impact the Evanston retail customer rate since the Evanston users only account for approximately 14% of the total water plant use. As such, the debt service associated with capital expenditures and the operating costs at the water plant are mostly borne by the wholesale water customers and no Evanston retail rate increases associated with water plant operations are needed in the foreseeable future. Chart 2 below shows the financial projection of the water fund needed for operation and capital projects at the water plant.

CHART 2 - Water Plant Only, \$3.0 recommended minimum balance

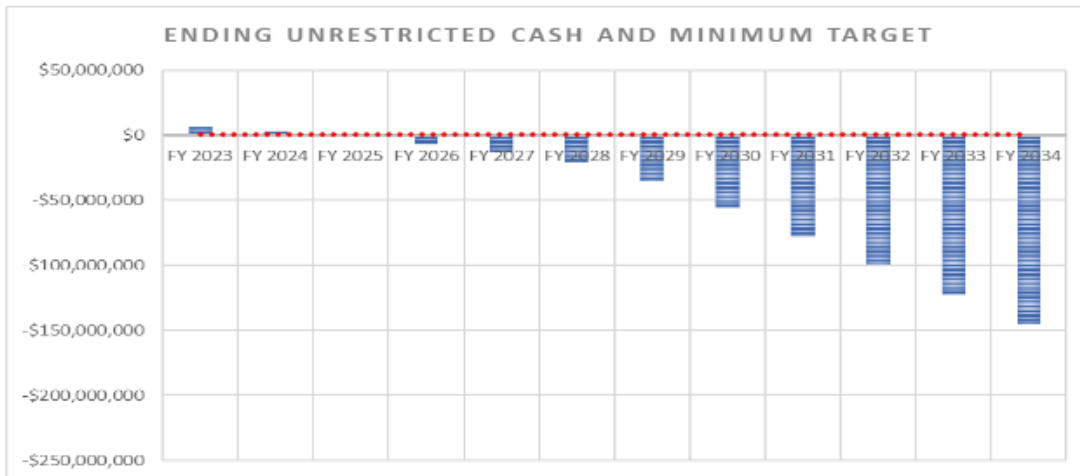


Distribution System Costs

Contrarily, the costs associated with capital expenditures for the City’s distribution system can not be shared with the wholesale water customers and must be funded by the Evanston retail customers. It is the costs of replacing the aging distribution system infrastructure and replacement of the lead service lines that is causing the financial trouble for the water fund as indicated in Chart 3 below.

CHART 3 - Distribution System Only, \$1M recommended balance

Assumes 1.5 miles of replacement per year



There are several factors that are placing the financial burden on the water fund, all of which are related to the distribution system:

- The cost of water main and lead service line replacement must be borne by the Evanston retail customers

- The need to replace the aging water mains
- The need to replace lead service lines as part of the water main projects
- The need to replace all 11,000+ lead service lines between 2027 and 2047
- The increase cost of water main construction

FINANCIAL RESPONSIBILITY OF WATER MAIN & LEAD SERVICE LINE REPLACEMENT

The distribution system consists of approximately 156 miles of water main of which 99% is 18” diameter and smaller and serves only the Evanston retail customers and all of the lead service lines are only used by Evanston retail customers. Therefore the cost of replacing this infrastructure must be borne by the Evanston retail customers and can not be charged to the wholesale water customers.

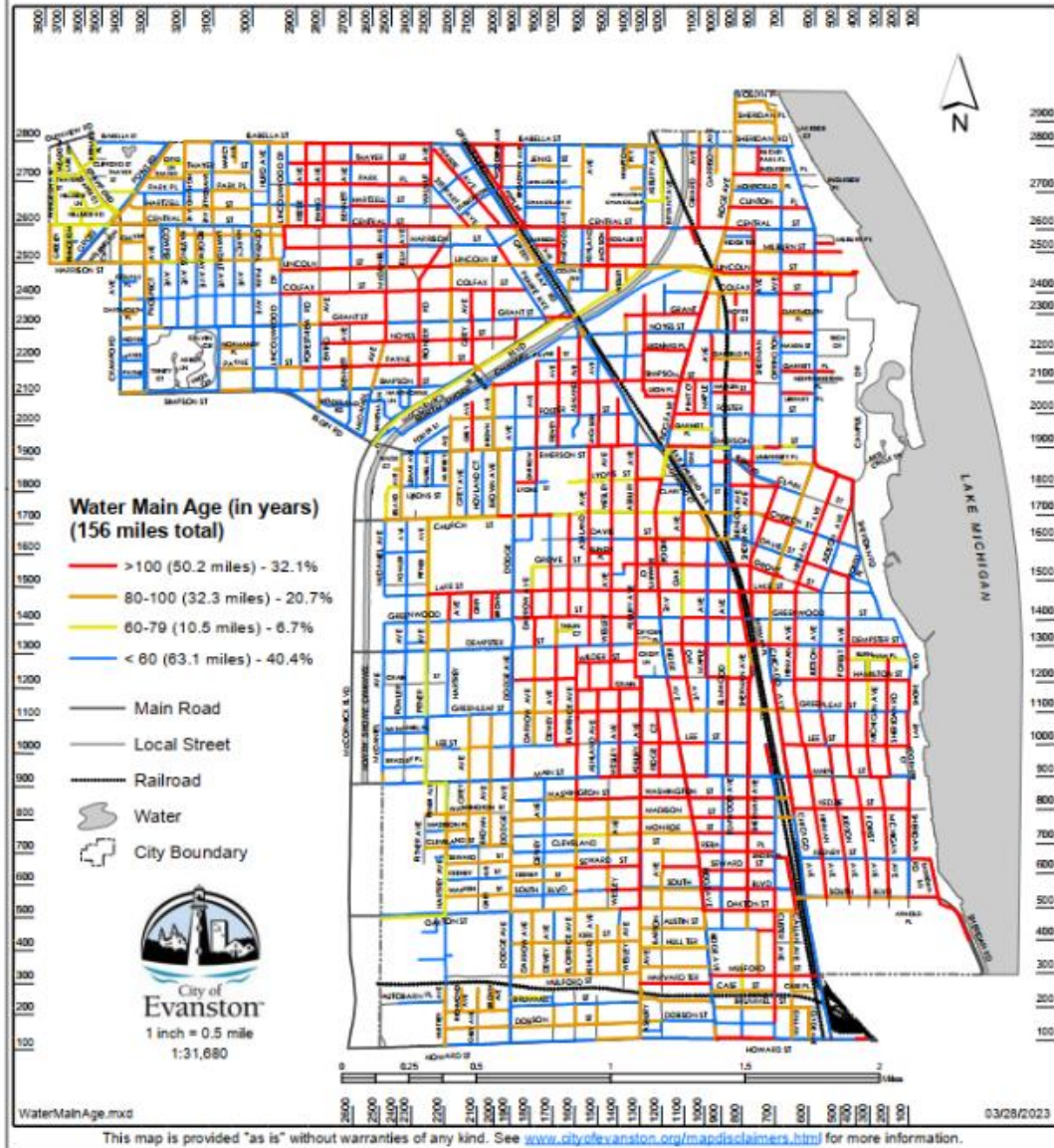
NEED FOR WATER MAIN REPLACEMENT

A significant portion of the Evanston water distribution system was in operation by 1907. These older water mains are generally constructed of heavy wall cast iron pipe and have a maximum life expectancy of 120 years. The newer water mains are constructed of ductile iron pipe and have an anticipated lifespan of 100 years. Table 2 below indicates the age of the distribution system at the end of 2022 and is graphically demonstrated in the following map.

TABLE 2 - Age of distribution system

Age of water main pipe	miles	Percent of total system
121 years and older	1.1	0.7
101 to 120 years	49.6	31.8
81 to 100 years	34.6	22.2
61 to 80 years	10.6	6.8
60 years or less	60.1	38.5

City of Evanston Water Distribution Mains (as of December 31, 2022)



NEED TO REPLACE LEAD SERVICE LINES

The Lead Service Line Replacement and Notification Act adopted by the State of Illinois went into effect on January 1, 2022. This act had an immediate impact on the Water Fund by requiring the replacement of any damaged lead service lines and the full replacement of lead service lines during the installation of new water mains. The act will also have a significant

long term impact to the water fund as well because it requires the replacement of all 11,000+ lead service lines throughout the City over a twenty year period beginning in 2027.

As a result of the immediate impact, staff requested the implementation of a lead service line workforce development program. The City Council adopted [Resolution 35-R-22](#) approving the proposed plan which included a proposed 9% water rate increase. City Council adopted Ordinance 121-O-22 that raised the water rate in 2023 by 5% and staff will be requesting a 4% water rate increase to begin in 2024. The impact of the 5% water rate increase in 2023 is reflected in Table 1 above.

INCREASED COST OF REPLACING WATER MAINS

Table 3 provides information regarding the cost to replace water main over the past several years. There was a gradual, expected increase between 2019 and 2021. In 2022 there was a significant increase in cost associated with adding the cost to replace lead service lines on water mains being replaced to the scope of contracted work. In 2023 there was another significant increase in cost due to inflation costs for materials and labor. Table 4 indicates that there was a 41% cost increase for installing water mains between 2019 to 2023.

TABLE 3 - 2019 to 2023 Water Main per lineal foot (LF) Cost Increases

Total Cost Per LF - All In (Water Main, Resurfacing, and Services)			
Year	Total Project Cost	Total Cost Per LF	% Increase in Cost/LF from Previous Year
2019	\$3,563,890	\$635	–
2020	\$2,562,946	\$658	4%
2021	\$3,749,818	\$651	-1%
2022	\$5,835,816	\$835	28%
2023	\$6,551,795	\$988	18%

TABLE 4 - 2019 to 2023 Water Main per lineal foot (LF) Cost Increases

Average Cost Per LF Prior to LSLR Program (2019 to 2021)	\$648
Average Cost Per LF Since LSLR Program (2022 To 2023)	\$912
Average Percent Increase in Cost Since 2022	41%

NEED TO INVEST IN MORE WATER MAIN REPLACEMENT

Staff use the following criteria when selecting which sections of water mains to replace each year with the available funding.

1. Water main break history and maintenance calls: *How frequently is maintenance staff*

- called out to address water main breaks or other maintenance issues?*
2. Age: *Has the water main reached the end of its expected lifetime?*
 3. Planned street infrastructure improvements: *Is street resurfacing necessary or are there planned corridor improvements above a water main that has reached the end of its expected lifetime?*
 4. Fire flow requirements: *Will improvements on the main bring deficient fire flow areas up to standard?*
 5. Racial Equity: *Has the water main in wards of low income and communities of color been considered during the selection process so that an equitable share of infrastructure improvements are being made throughout the City?*

As indicated above, the top two criteria for selecting which sections of water main to replace are water main break history and age of the water main.

Ideally, there should be no sections of water main with more than 3 historical breaks. In past years, staff was generally able to meet this goal. However, currently there are 20 sections of water main with 4 or more water main breaks as listed in Table 5.

TABLE 5 - Water Main Sections with 4 or more water main breaks

Water Mains With 4 or More Breaks							
Street	From	To	Age-Material	Feet	Previous Breaks	Services	Street Condition
Brown	Simpson	Foster	1924	635	8	16	Good
Seward	Dodge	Hartrey	1925	1263	7	43	Poor
Darrow	Dempster	Crain	1925	639	7	23	Poor
Lyons	Darrow	Dodge	1907	331	6	15	Good
Leonard	Asbury	Ridge	1907	869	6	11	Fair
Garrison	Isabella	Dead-End	1923	529	6	25	Good
Custer	Mulford	Oakton	1907	2201	5	38	Fair
Washington	Brown	Grey	1925	425	5	6	Fair
Mulford	Custer	Sherman	1907	320	4	5	Fair
Lee	Grey	Pitner	1957	382	4	1	Fair
Church	McDaniel	Leland	1926	291	4	7	Good
McDaniel	Church	Lyons	1960	640	4	18	Good
Harrison	Bennett	McDaniel	1907	676	4	22	Good
Colfax	Ewing	Forestview	1914	384	4	9	Good
Simpson	Elgin	Forestview	1980	225	4	0	Good
Crawford	Hillside	Thayer	1954	693	4	21	Good
Hartzell	Lawndale	Central Park	1923	779	4	24	Fair
Jenks	Broadway	Eastwood	1925	395	4	4	Fair
Isabella	Broadway	Woodbine	1922	420	4	0	Fair
Ashland	Central	Isabella	1935	1,539	4	4	Good

Table 6 below indicates the current age of the distribution system, but also provides different scenarios how the distribution system will age depending on the amount of water main replaced annually.

Table 6 - Miles of Pipe in Each Age Category (By Year 2042)

Scenario	Miles of Pipe in Each Age Category				
	60 and Younger	61 to 80	81 to 100	101 to 120	121 and Older
2022	60.1	10.6	34.6	49.6	1.1
2042, No Annual Replacements	47.8	12.3	10.6	34.6	50.7
2042, 1.5 Miles Annual Replacements	77.8	12.3	7.6	31.6	26.7
2042, 2.0 Miles Annual Replacements	87.8	12.3	6.6	30.6	18.7
2042, 3.2 Miles Annual Replacements	111.8	12.3	4.2	27.7	0.0
2042, 4.8 Miles Annual Replacements	143.8	12.3	0.0	0.0	0.0
2042, 5.5 Miles Annual Replacements	156.0	0.0	0.0	0.0	0.0

As the table indicates, in 2022 there is only 1.1 miles of water main that is over 120 years in age. However, if the City continues to replace only 1.5 miles of water main annually, by 2042 there would be 26.7 miles of water main over 120 years in age. To prevent having so many miles of water main that are older than the industry expected life of cast / ductile iron water main, staff highly recommends changing the goal of annual water main replacement from 1.5 miles to 3.2 miles.

Staff is also concerned about the replacement of lead service lines that are connected to water mains that are 100+ years old and how this work may cause undesirable water main failures. Experience has indicated that a water main that is disturbed by excavation is far more likely to break than when it is left undisturbed. Excavating 100+ year old water mains to replace the lead service lines will likely cause frequent water main failures.

FUNDING WATER MAIN REPLACEMENT

There is only one source of dedicated federal funding available for Lead Service Line Replacement (LSLR): the 2021 Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act. This law appropriated \$15 billion for LSLR nationwide, as well as \$11.7 billion in General Supplemental funding to Drinking Water State Revolving Fund (DWSRF), which can be used for LSLR as well as other eligible projects, through Fiscal Year (FY) 2026. These supplemental funds are appropriated on top of the base funding that Congress appropriates to the DWSRF annually. The funds are allocated and distributed by USEPA to states according to assessed needs. Congress required 49% of both DWSRF general supplemental funding and the LSLR funding to be provided as grants and forgivable loans to communities that meet a state’s disadvantaged community definition, consistent with the Safe Drinking Water Act (SDWA). In Illinois, a Disadvantaged Community is a public water supply owned by a local government unit or not-for-profit water corporation that qualifies for either the Small Community Rate or Hardship Rate as defined in Title 35 Illinois Administrative Code Section 662.210.

- A Small Community Rate is a public water supply (PWS) with a service population less than 25,000 that also meets any of the following 3 criteria: Median Household Income (MHI) less than state MHI; unemployment rate higher than state rate; or annual user charge is greater than 1% of community MHI.
- A Hardship Rate is a PWS with a service area of less than 10,000 that meets any of the following 3 criteria: MHI below 70% of state MHI; unemployment rate is at least 3%

greater than state rate; or PWS annual user charge is greater than 1.5% of community MHI.

Each state administers a state revolving fund program through its own agencies. The Illinois' DWSRF program is called the Public Water Supply Loan Program. IEPA received \$107 million for LSLR in FY 2022, and is anticipated to receive \$230.2 million in FY 2023. The IEPA anticipates receiving a total of \$1.03 billion in supplemental LSLR funding over five years. Again, this is in addition to DWSRF base funding and BIL general supplemental DWSRF funding.

The BIL LSLR funding is presently anticipated to account for less than 20% of the more than \$5.8 billion needed for LSLR statewide. The effectiveness of this funding is further limited by the stipulations within BIL, which require that only 49% of this funding (\$503.6 million) be provided as grants and forgivable loans to communities that meet the state's "disadvantaged communities" definition; the remainder will be available for technical assistance or as traditional loans. Forgivable loans operate much like grants, and do not require a Community Water Supplies (CWS) to generate revenue for repayment. Traditional loans, on the other hand, still require CWS to raise revenue to repay principal and accrued interest.

Evanston has submitted project plans to the IEPA to seek funding for the water main and lead service line replacement. These plans request approximately \$5M a year for 5 years, or a total of \$25M. The IEPA has not determined how funding for any lead service line replacement throughout the state will be offered. They have indicated that they hope to release a plan in August 2023.

REVISED WATER FUND GOALS

Staff recommends that the future financial goals of the water fund be modified to:

1. maintain a minimum cash balance of \$3,000,000 for plant capital projects / operations and \$1,000,000 for distribution capital projects / operations
2. keep debt service expenses associated with the distribution system to less than twenty-five percent of the operating capital
3. maintain the water treatment plant in good operating condition
4. replace or rehabilitate approximately two percent (3.2 miles) of the water distribution system annually.

Using the rate model staff analyzed several different scenarios of adjusting the water rate to meet these goals. However, because the needed rate increase is so great, the only practical recommendation was to suggest a 13% water rate increase each year for the next six years followed by annual rate increases of 3%. This recommendation generates the anticipated revenue for the water main and lead service line replacements, while bringing the percentage of debt to operating capital down from 50% to 25% and maintaining a recommended \$1M fund balance.

FINANCIAL IMPACT TO RETAIL CUSTOMERS

Table 7 illustrates the proposed rate increases, as well as the resulting debt to revenue percentage and the water fund reserve amount allocated for the distribution system.

Table 7 - Proposed Rate Increases for Distribution Improvements

Year	Water Rate Increase	Previously Scheduled Rate Increases	Total Rate Increase	% Debt to Revenue	Reserves
2023	--	5.0% ¹	5.0%	49.5%	\$6.25M
2024	13.1%	4.0% ¹	17.1%	47.3%	\$4.51M
2025	13.1%	9.8% ²	22.9%	40.1%	\$3.52M
2026	13.1%	0.0%	13.1%	38.1%	\$1.02M
2027	13.1%	0.0%	13.1%	35.6%	\$1.05M
2028	13.1%	0.0%	13.1%	32.2%	\$1.05M
2029	13.1%	0.0%	13.1%	27.9%	\$1.08M
2030	2.9%	0.0%	2.9%	27.5%	\$0.96M
2031	2.9%	0.0%	2.9%	26.1%	\$1.00M
2032	2.9%	0.0%	2.9%	25.4%	\$1.03M
2033	2.9%	0.0%	2.9%	23.7%	\$1.01M
2034	2.9%	0.0%	2.9%	22.3%	\$1.02M

NOTES:

1. Rate increase was previously approved for LSLR WorkForce Development
2. Part of this rate increase (9.8%) is offset by an equivalent decrease of the sewer rate resulting in zero impact to the overall utility bill for this portion of the water rate increase. The impact of the proposed water rate increases to the average retail custom is shown in Table 8 below.

Table 8 - Utility Cost Impact of Rate Increases

Year	Total Rate Increase	Water Rate (cost / CCF) (cost / kgal)	Sewer Rate (cost / CCF) (cost / kgal)	Combined Rate (cost / CCF) (cost / kgal)	Annual Utility Cost (Water and Sewer) ¹	Cost Per Bi-Monthly Utility Bill ²	Annual Increase
2023	5.0%	\$3.33 \$4.45	\$3.08 \$4.12	\$6.41 \$8.57	\$769.20	\$128.20	
2024	17.1%	\$3.90 \$5.21	\$3.08 \$4.12	\$6.98 \$9.33	\$837.48	\$139.58	\$68.28
2025	22.9%	\$4.79 \$6.40	\$2.77 \$3.70	\$7.56 \$10.11	\$907.46	\$151.24	\$69.98
2026	13.1%	\$5.42 \$7.25	\$2.77 \$3.70	\$8.19 \$10.95	\$982.72	\$163.79	\$75.26
2027	13.1%	\$6.13 \$8.20	\$2.77 \$3.70	\$8.90 \$11.90	\$1,067.83	\$177.97	\$85.11
2028	13.1%	\$6.93 \$9.26	\$2.77 \$3.70	\$9.70 \$12.97	\$1,164.07	\$194.01	\$96.25
2029	13.1%	\$7.84 \$10.48	\$2.77 \$3.70	\$10.61 \$14.18	\$1,272.92	\$212.15	\$108.84
2030	2.9%	\$8.06 \$10.78	\$2.77 \$3.70	\$10.83 \$14.48	\$1,300.12	\$216.69	\$27.21
2031	2.9%	\$8.30 \$11.10	\$2.77 \$3.70	\$11.07 \$14.80	\$1,328.12	\$221.35	\$27.99
2032	2.9%	\$8.54 \$11.42	\$2.77 \$3.70	\$11.31 \$15.12	\$1,356.92	\$226.15	\$28.80
2033	2.9%	\$8.78 \$11.74	\$2.77 \$3.70	\$11.55 \$15.44	\$1,386.56	\$231.09	\$29.64
2034	2.9%	\$9.04 \$12.09	\$2.77 \$3.07	\$11.81 \$15.79	\$1,417.05	\$236.18	\$30.49

CCF= 100 Cubic Feet, kgal = 1,000 Gallons

Notes:

1. Calculated based on an average annual residential metered usage of 120 CCF (89,760 gallons) of water with the shown water and sewer rates applied to all usage.
2. Based on six bills per year (bi-monthly billing)

This data indicates that the average retail customer will experience a 66% increase in their annual water/sewer bill from 2023 to 2029 when the last 13% proposed rate increase is implemented. The bi-monthly bill will increase from \$128.20 to \$212.15 and the annual payment will increase from \$769.20 to \$1,272.92.

Community members that qualify for the affordable water and sewer rate will not be impacted by the proposed utility rate increases summarized above. The affordable rate will be reviewed every three years to ensure that the rate remains affordable.



Memorandum

To: Members of the Finance and Budget Committee
From: Lara Biggs, Capital Planning & Engineering Bureau Chief
Subject: Proposed 2022 and 2023 General Obligation Bond Issuance
Date: August 29, 2023

Recommended Action:

Staff requests guidance related to the timing of the issuance and the amount of bonds to be issued to fund proposed 2022 and 2023 General Obligation Bonds funded projects.

Committee Action:

For Discussion

Summary:

On January 10, 2022, the City Council approved Resolution 4-R-22 authorizing \$10,928,000 in 2022 GO Bond funded CIP projects. On March 27, 2023, City Council approved Resolution 19-R-23 authorizing \$13,258,000 in 2023 G.O. Bond funded CIP projects. Resolution 19-R-23 also included \$950,000 in Library Fund projects and \$3,498,000 in Water Fund projects. The resolutions allowed the City to spend funding from future G.O. Bond Issues and were intended as a temporary measure to allow the City to time the bond market and get a good interest rate.

These bonds have not yet been issued. On July 11, 2023, the Finance and Budget Committee directed staff to develop a recommendation for issuing bonds later in 2023. Staff has developed a recommendation for a bond issue, which is attached as Exhibit 1 (2022 G.O. Bonds) and Exhibit 2 (2023 G.O. Bonds). The funding recommendation is based on funds that have already been committed to capital projects or are expected to be committed by December 31, 2023. In cases where capital projects have been delayed, bond funds will be shown in the proposed 2024 budget.

Library Fund

Over the last two years, Finance staff worked with the Library Department to pay for capital projects out of the Library Fund reserves. There are currently no bonds proposed to pay for 2022 and 2023 capital projects related to library assets.

Water Fund

A bond issue is needed to offset costs for projects funded by the Water Fund. At this time, staff is still determining the appropriate amount for the bond issuance. These bonds are not abated by property tax but instead are abated by revenues received into the Water Fund.

Next Steps

Based on feedback from the Finance and Budget Committee, staff will work with the City's bond counsel to prepare a bond issuance.

Legislative History:

On January 10, 2022, the City Council approved Resolution 4-R-22 authorizing \$10,928,000 in 2022 GO Bond funded CIP projects.

On March 27, 2023, City Council approved Resolution 19-R-23 authorizing \$13,258,000 in 2023 GO Bond funded CIP projects.

Attachments:

[Exhibit 1 - 2022 GO Bond List](#)

[Exhibit 2 - 2023 GO Bond List](#)

Exhibit 1					
2022 General Obligation Bond Issue					
Proposed Project List					
		2022 Adopted Budget	Recommended Bond Issue	Difference	NOTES
Street Resurfacing, Water Main, and Sewer					
1	Church St Corridor Improvement, Ph II Engr	\$300,000	\$0	-\$300,000	
2	Green Bay Road, McCormick to Isabella, Ph II Engr	\$490,000	\$0	-\$490,000	
3	Main Street, Hartrey to Asbury, Ph II Engr	\$200,000	\$0	-\$200,000	
4	Street Resurfacing - Poplar, South End (S. of Colfax) to Livingston	\$50,000	\$50,000	\$0	
Total Street Resurfacing, Water Main, and Sewer Pro		\$1,040,000	\$50,000	-\$990,000	
Other Transportation					
5	Bridge Inspection	\$40,000	\$40,000	\$0	
6	Bus Stop ADA Improvements	\$30,000	\$0	-\$30,000	Move to 2024
7	Central Street Bridge Construction	\$500,000	\$0	-\$500,000	Not Needed
8	Fiber Optic System Upgrades	\$500,000	\$0	-\$500,000	Move to 2024
9	Lake Street Viaduct Lighting	\$40,000	\$40,000	\$0	
10	Ridge Avenue Intersection Improvements - Const	\$168,000	\$168,000	\$0	
11	General Phase I Engineering	\$30,000	\$30,000	\$0	
12	Pavement Marking	\$160,000	\$0	-\$160,000	Maintenance - paid from General Fund
13	Streetlight Pole and Fixture Replacement	\$125,000	\$141,000	\$16,000	
14	Street Patching Program	\$700,000	\$0	-\$700,000	Maintenance - paid from General Fund
15	Street Rejuvenation	\$30,000	\$0	-\$30,000	Maintenance - paid from General Fund
16	Sidewalk Improvement Program	\$350,000	\$350,000	\$0	
17	Traffic Calming, Bicycle & Ped Improvements	\$200,000	\$225,000	\$25,000	Additional Funding Needed
Total Other Transportation Projects		\$2,873,000	\$994,000	-\$1,879,000	
Parks					
18	Beck Park Expansion/Shore School - Consulting Svcs	\$120,000	\$76,000	-\$44,000	Move to 2024
19	Tennis Court Resurfacing - James, Crown, Bent, Burnham Shores	\$500,000	\$450,000	-\$50,000	Not Needed
20	Chandler Tot Lot - Playground	\$150,000	\$0	-\$150,000	Move to 2024
21	Fence Replacement - Various Parks	\$100,000	\$100,000	\$0	
22	Larimer Park Improvements - Consulting Services	\$25,000	\$25,000	\$0	
23	Fountain Square - Panel Update	\$25,000	\$0	-\$25,000	Not Needed
24	Independence Park - Consulting Svcs	\$90,000	\$90,000	\$0	
25	James Park - Fencing	\$100,000	\$0	-\$100,000	Move to 2024
26	Parks Contingency	\$100,000	\$100,000	\$0	
27	Parks Strategic Master Plan - Consulting Svcs	\$130,000	\$130,000	\$0	
28	Skate Park	\$1,250,000	\$1,250,000	\$0	
29	Tallmadge Park - Athletic Field Renovations - Consulting Svcs	\$35,000	\$0	-\$35,000	Not Needed
Total Parks Projects		\$2,625,000	\$2,221,000	-\$404,000	
Facilities					
30	Citywide Roof Repairs (locations to be determined)	\$300,000	\$0	-\$300,000	Defer to FY 2023
31	Civic Center - Consulting Services	\$100,000	\$100,000	\$0	
32	Ecology Center Improvements	\$400,000	\$400,000	\$0	

33	Facilities Contingency	\$600,000	\$600,000	\$0	
34	Fire 1 and 3 - Locker Room and Restroom Improvements	\$300,000	\$0	-\$300,000	Move to 2024
35	Levy Center - HVAC Fan Box Replacements	\$200,000	\$0	-\$200,000	Funded from FY 2021 budget
36	Park Fieldhouses Interior/Restroom Impr (Ackerman, Baker, Bent, Lagoon, Leahy, Lovelace)	\$300,000	\$600,000	\$300,000	Scope of work has increased over 2021 plan, incl addl ADA compliance
37	Service Center - Fuel System Replacement	\$1,500,000	\$1,500,000	\$0	
Total Facilities Projects		\$3,700,000	\$3,200,000	-\$500,000	
Miscellaneous					
38	Greenspace Management Plan - Consulting Svcs	\$75,000	\$75,000	\$0	
39	Capital Fund Financial Model - Consulting Svcs	\$50,000	\$0	-\$50,000	Not Needed
40	Public Art	\$30,000	\$30,000	\$0	
41	Lighting Modernization at City Facilities and Parks	\$50,000	\$50,000	\$0	
Total Miscellaneous Projects		\$205,000	\$155,000	-\$50,000	
Library					
42	HVAC Upgrades	\$485,000	\$0	-\$485,000	Paid by Library Fund
Total Library Projects		\$485,000	\$0	-\$485,000	
Summary					
	Street Resurfacing, Water Main, Sewer	\$1,040,000	\$50,000	-\$990,000	
	Other Transportation	\$2,873,000	\$994,000	-\$1,879,000	
	Parks	\$2,625,000	\$2,221,000	-\$404,000	
	Facilities	\$3,700,000	\$3,200,000	-\$500,000	
	Miscellaneous	\$205,000	\$155,000	-\$50,000	
	Library	\$485,000	\$0	-\$485,000	
	Total	\$10,928,000	\$6,620,000	-\$4,308,000	

Exhibit 2					
2023 General Obligation Bond Issue					
Proposed Project List					
		2023 Adopted Budget	Recommended Bond Issue	Difference	Notes
Street Resurfacing, Water Main, and Sewer					
Major Projects					
1	Chicago Ave, Howard to Davis	\$450,000	\$450,000	\$0	
2	Oakton Corridor Traffic Calming Improvements	\$3,150,000	\$3,150,000	\$0	
Total Street Resurfacing, Water Main, and Sewer Pro		\$3,600,000	\$3,600,000	\$0	
Other Transportation					
Major Projects					
3	Bus Stop ADA Improvements	\$75,000	\$60,000	-\$15,000	Move to 2024
4	Lincoln Street Bridge	\$70,000	\$70,000	\$0	
5	Ridge Avenue Signal Retiming	\$70,000	\$70,000	\$0	
6	Traffic Signal, Central and Central Park	\$50,000	\$50,000	\$0	
Annual Projects					
7	Alley Paving - Special Assessment - N. of Chancellor, E. of Asbury	\$375,000	\$0	-\$375,000	Paid by Special Assessment Fund
8	Bridge Inspection	\$10,000	\$0	-\$10,000	Not Needed
9	General Phase I Engineering	\$30,000	\$30,000	\$0	
10	Streetlight Pole and Fixture Replacement	\$120,000	\$120,000	\$0	
11	Traffic Calming, Bicycle & Ped Improvements	\$225,000	\$225,000	\$0	
Sidewalk Projects					
12	Sidewalk Gap Infill	\$300,000	\$300,000	\$0	
13	Sidewalk Improvement Program	\$300,000	\$300,000	\$0	
14	Sidewalk - Safe Routes to School	\$50,000	\$50,000	\$0	
Total Other Transportation Projects		\$1,675,000	\$1,275,000	-\$400,000	
Parks					
15	Arrington Lagoon - Retaining Wall	\$200,000	\$150,000	-\$50,000	Not Needed
16	Beck Park Expansion/Shore School	\$160,000	\$160,000	\$0	
17	Cartwright Park Drainage Improvements	\$100,000	\$0	-\$100,000	Move to 2024
18	Fitzsimons Park Renovations	\$125,000	\$0	-\$125,000	Move to 2024
19	James Park - Athletic Lighting North Fields	\$1,033,000	\$1,033,000	\$0	
20	James Park - Pathway Lighting	\$50,000	\$50,000	\$0	
21	James Park - Pathway Reconstruction	\$300,000	\$300,000	\$0	
22	Larimer Park	\$0	\$15,000	\$15,000	Increase in Design Cost
23	Independence Park	\$0	\$15,000	\$15,000	Increase in Design Cost
24	Mulford Viaduct Art Park	\$100,000	\$100,000	\$0	Move to 2024
25	Parks Contingency	\$100,000	\$100,000	\$0	
26	Public Canoe Launch (incl. Eco Cntr Parking Lot) - Phase II Consulting Svcs	\$40,000	\$40,000	\$0	
Total Parks Projects		\$2,208,000	\$1,963,000	-\$245,000	
Facilities					
27	Animal Shelter Renovations	\$2,360,000	\$2,360,000	\$0	
28	Ecology Center - Renovation	\$1,195,000	\$1,195,000	\$0	
29	Facilities Contingency	\$600,000	\$600,000	\$0	
30	Police Fire HQ Elevator Modernization	\$120,000	\$120,000	\$0	
31	Roof Replacement (Ackerman, Baker, Dempster, Fire 5, Police Station)	\$350,000	\$350,000	\$0	
32	Service Center - North Island Fuel System Replace	\$200,000	\$200,000	\$0	
33	Service Center - Renovations	\$200,000	\$140,000	-\$60,000	Move to 2024

Total Facilities Projects		\$5,025,000	\$4,965,000	-\$60,000	
Miscellaneous					
34	ADA Improvements	\$300,000	\$300,000	\$0	
Total Miscellaneous Projects		\$300,000	\$300,000	\$0	
Sustainability					
35	Lighting Modernization at City Facilities and Parks	\$50,000	\$50,000	\$0	
36	City Fleet Charging Infrastructure	\$100,000	\$100,000	\$0	
37	Public Vehicle Charging Stations	\$100,000	\$100,000	\$0	
38	City Solar Infrastructure	\$200,000	\$200,000	\$0	
Total Sustainability Projects		\$450,000	\$450,000	\$0	
Library					
39	Boiler Replacement	\$700,000	\$0	-\$700,000	Paid by Library Fund
40	Building LED Lighting Upgrade	\$250,000	\$0	-\$250,000	Paid by Library Fund
Total Library Projects		\$950,000	\$0	-\$950,000	
SUMMARY					
Street Resurfacing, Water Main, and Sewer		\$3,600,000	\$3,600,000	\$0	
Other Transportation		\$1,675,000	\$1,275,000	-\$400,000	
Parks		\$2,208,000	\$1,963,000	-\$245,000	
Facilities		\$5,025,000	\$4,965,000	-\$60,000	
Miscellaneous		\$300,000	\$300,000	\$0	
Sustainability		\$450,000	\$450,000	\$0	
Library		\$950,000	\$0	-\$950,000	
TOTAL		\$14,208,000	\$12,553,000	-\$1,655,000	