

Final Official Statement Dated August 10, 2020

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



\$27,960,000
CITY OF EVANSTON
Cook County, Illinois
General Obligation Corporate Purpose Bonds, Series 2020

Dated Date of Delivery

Book-Entry

Due December 1, as Detailed Herein

The \$27,960,000 General Obligation Corporate Purpose Bonds, Series 2020 (the “Bonds”) are being issued by the City of Evanston, Cook County, Illinois (the “City”). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS⁽¹⁾

| Principal Amount | Due Dec. 1 | Interest Rate | Yield | CUSIP Number ⁽¹⁾ | Principal Amount | Due Dec. 1 | Interest Rate | Yield | CUSIP Number ⁽¹⁾ |
|------------------|------------|---------------|--------|-----------------------------------|------------------|------------|---------------|--------|--|
| \$ 240,000 | 2022 | 5.000% | 0.300% | 299228 HU3 | \$2,195,000 | 2029* | 2.000% | 1.000% | 299228 JB3 |
| 1,410,000 | 2023 | 5.000% | 0.330% | 299228 HV1 | 1,835,000 | 2030* | 2.000% | 1.100% | 299228 JC1 |
| 1,640,000 | 2024 | 5.000% | 0.400% | 299228 HW9 | 1,875,000 | 2031* | 2.000% | 1.200% | 299228 JD9 |
| 1,730,000 | 2025 | 5.000% | 0.470% | 299228 HX7 | 745,000 | 2032* | 2.000% | 1.300% | 299228 JE7 |
| 1,815,000 | 2026 | 5.000% | 0.550% | 299228 HY5 | 795,000 | 2033* | 2.000% | 1.400% | 299228 JF4 |
| 1,905,000 | 2027 | 5.000% | 0.700% | 299228 HZ2 | 815,000 | 2034* | 2.000% | 1.500% | 299228 JG2 |
| 2,000,000 | 2028 | 5.000% | 0.820% | 299228 JA5 | 830,000 | 2035* | 2.000% | 1.600% | 299228 JH0 |
| \$3,110,000 | | 2.000% | | Term Bonds due December 1, 2037*; | Yield | 1.750% | | | CUSIP Number ⁽¹⁾ 299228 JK3 |
| \$5,020,000 | | 2.000% | | Term Bonds due December 1, 2040*; | Yield | 1.900% | | | CUSIP Number ⁽¹⁾ 299228 JN7 |

For further details see “MANDATORY REDEMPTION” herein

*These maturities have been priced to call.

OPTIONAL REDEMPTION

Bonds due December 1, 2022-2028, inclusive, are not subject to optional redemption. Bonds due December 1, 2029-2040, inclusive, are callable in whole or in part on any date on or after December 1, 2028, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See “OPTIONAL REDEMPTION” herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2020 in the City’s Capital Improvement Plan, as adopted by the City Council; (ii) refund certain maturities of the City’s outstanding General Obligation Bonds, Series 2010A, and General Obligation Corporate Purpose Bonds, Series 2011A; and (iii) pay the costs of issuing the Bonds. See “THE PROJECT” and “THE REFUNDING” herein.

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

The Bonds are offered at a public sale, subject to the approval of legality by Bond Counsel. Delivery of the Bonds through the facilities of DTC will be on or about September 3, 2020.

This Final Official Statement is dated August 10, 2020, and has been prepared under the authority of the City. An electronic copy of this Final Official Statement is available from the www.speerfinancial.com web site under “Debt Auction Center/Competitive Official Statement Sales Calendar”. Additional copies may be obtained from Mr. Hitesh D. Desai, CPA, Chief Financial Officer/Treasurer, City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201, or from the Municipal Advisors, Speer Financial, Inc., Chicago, Illinois, and Sycamore Advisors, LLC, Chicago, Illinois, to the City:



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

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

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

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| BOND ISSUE SUMMARY | 1 |
| CITY OF EVANSTON | 2 |
| INTRODUCTION | 2 |
| AUTHORIZATION, PURPOSE AND SECURITY | 3 |
| SOURCES AND USES | 3 |
| RISK FACTORS | 4 |
| Construction Risks | 4 |
| Finances of the State of Illinois | 4 |
| Potential Impact of the Novel Corona Virus 2019 | 5 |
| Future Pension Plan Funding Requirements | 6 |
| Cybersecurity | 7 |
| Local Economy | 7 |
| Loss or Change of Bond Ratings | 7 |
| Secondary Market for the Bonds | 7 |
| Continuing Disclosure | 8 |
| Suitability of Investment | 8 |
| Future Changes in Laws | 8 |
| Factors Relating to Tax Exemption | 8 |
| Bankruptcy | 9 |
| THE CITY | 9 |
| General Information | 9 |
| Northwestern University | 9 |
| Government | 10 |
| Administration | 10 |
| Development Activity and City Layout | 10 |
| Labor Relations | 11 |
| Transportation | 11 |
| SOCIOECONOMIC INFORMATION | 12 |
| Employment | 12 |
| Unemployment Rates | 14 |
| Building Permits | 14 |
| Housing | 14 |
| Education and Employment | 15 |
| Income | 16 |
| FINANCES | 18 |
| Budget Process, Accounting, and Financial Control Procedures | 18 |
| Financial Statements and Independent Audits | 19 |
| Cash Management | 19 |
| Revenues | 19 |
| Sales Taxes | 19 |
| Retail Activity | 20 |
| Personal Property Replacement Taxes | 20 |
| Utility Taxes | 20 |
| THE PROJECT | 21 |
| THE REFUNDING | 22 |
| DEFAULT RECORD | 23 |
| SHORT-TERM BORROWING | 23 |
| DEBT INFORMATION | 23 |
| PROPERTY ASSESSMENT AND TAX INFORMATION | 29 |
| Tax Increment Financing | 30 |
| Special Service Areas | 31 |
| Property Tax Rates | 32 |
| REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES | 33 |
| Summary of Property Assessment, Tax Levy and Collection Procedures | 33 |
| Real Property Assessment | 33 |
| Equalization | 35 |
| Exemptions | 36 |
| Tax Levy | 37 |
| Extensions | 38 |
| Collections | 38 |
| Truth in Taxation Law | 39 |
| FINANCIAL INFORMATION | 40 |
| Summary of Financial Information | 40 |
| No Consent or Updated Information Requested of the Auditor | 40 |
| Overview of Budget for Fiscal Years 2018, 2019 and 2020 | 45 |
| Insurance Coverage | 45 |
| PENSION AND RETIREMENT OBLIGATIONS | 46 |
| Illinois Municipal Retirement Fund | 46 |
| Police and Firefighters' Pension Plans | 48 |
| OTHER POSTEMPLOYMENT BENEFITS | 53 |
| REGISTRATION, TRANSFER AND EXCHANGE | 54 |
| TAX EXEMPTION | 54 |
| THE UNDERTAKING | 58 |
| Annual Financial Information Disclosure | 58 |
| Reportable Events Disclosure | 59 |
| Consequences of Failure of the City to Provide Information | 60 |
| Amendment; Waiver | 60 |
| Termination of Undertaking | 60 |
| Future Changes to the Rule | 60 |
| Additional Information | 61 |
| Dissemination of Information; Dissemination Agent | 61 |
| OPTIONAL REDEMPTION | 61 |
| LITIGATION | 63 |
| CERTAIN LEGAL MATTERS | 63 |
| FINAL OFFICIAL STATEMENT AUTHORIZATION | 63 |
| INVESTMENT RATINGS | 63 |
| DEFEASANCE | 64 |
| UNDERWRITING | 64 |
| MUNICIPAL ADVISORS | 64 |
| CERTIFICATION | 65 |
| APPENDIX A - FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS | |
| APPENDIX B - DESCRIBING BOOK-ENTRY-ONLY ISSUANCE | |
| APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL | |
| APPENDIX D - FORM OF CONTINUING DISCLOSURE UNDERTAKING | |

BOND ISSUE SUMMARY

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

| | |
|---|--|
| Issuer: | City of Evanston, Cook County, Illinois. |
| Issue: | \$27,960,000 General Obligation Corporate Purpose Bonds, Series 2020. |
| Dated Date: | Date of delivery, expected to be on or about September 3, 2020. |
| Interest Due: | Each June 1 and December 1, commencing June 1, 2021. |
| Principal Due: | December 1, commencing December 1, 2022 through 2035, 2037 and 2040, as detailed on the front page of this Final Official Statement. |
| Optional Redemption: | Bonds maturing on or after December 1, 2029, are callable at the option of the City on any date on or after December 1, 2028, at a price of par plus accrued interest. See “ OPTIONAL REDEMPTION ” herein. |
| Mandatory Redemption: | The Bonds maturing on December 1, 2037 and 2040 are subject to mandatory redemption. See “ MANDATORY REDEMPTION ” herein. |
| Authorization: | The Bonds are authorized pursuant to and in accordance with the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois, and a bond ordinance adopted by the City Council of the City (the “City Council”) on July 27, 2020 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”). |
| Security: | The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. |
| Credit Ratings: | The Bonds have been rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York, and “AA+/Stable” by Fitch Ratings, New York, New York. See “ INVESTMENT RATINGS ” herein. |
| Purpose: | The Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2020 in the City’s Capital Improvement Plan, as adopted by the City Council; (ii) refund certain maturities of the City’s outstanding General Obligation Bonds, Series 2010A, and General Obligation Corporate Purpose Bonds, Series 2011A; and (iii) pay the costs of issuing the Bonds. See “ THE PROJECT ” and “ THE REFUNDING ” herein. |
| Tax Exemption: | Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under “ TAX EXEMPTION ” in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. |
| Bank Qualification: | The Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. |
| Bond Registrar/Paying Agent/ Escrow Agent: | Zions Bancorporation, National Association, Chicago, Illinois. |
| Delivery: | The Bonds are expected to be delivered on or about September 3, 2020. |
| Book-Entry Form: | The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See APPENDIX B herein. |
| Denomination: | \$5,000 or integral multiples thereof. |
| Municipal Advisors: | Speer Financial, Inc., Chicago, Illinois, and Sycamore Advisors LLC, Chicago, Illinois. |
| Underwriter: | KeyBanc Capital Markets, Inc., Denver, Colorado. |

CITY OF EVANSTON
Cook County, Illinois

Stephen H. Hagerty
Mayor

Council Members

Judy Fiske
(1st Ward)

Donald N. Wilson
(4th Ward)

Eleanor Revelle
(7th Ward)

Peter Braithwaite
(2nd Ward)

Robin Rue Simmons
(5th Ward)

Ann Rainey
(8th Ward)

Melissa A. Wynne
(3rd Ward)

Thomas M. Suffredin
(6th Ward)

Cicely L. Fleming
(9th Ward)

Officials

Devon Reid
City Clerk

Erika Storlie
Interim City Manager

Hitesh Desai
Chief Financial Officer/Treasurer

Kelley Gandurski, Esq.
Corporation Counsel

INTRODUCTION

The purpose of this Final Official Statement is to set forth certain information concerning the City of Evanston, Cook County, Illinois (the “City”), in connection with the offering and sale of its \$27,960,000 General Obligation Corporate Purpose Bonds, Series 2020 (the “Bonds”).

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

AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are being issued pursuant to the home rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois (the “Illinois Constitution”) and an ordinance adopted by the City Council of the City (the “City Council”) on the 27th day of July, 2020 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”).

Bond proceeds will be used to (i) finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2020 in the City’s Capital Improvement Plan, as adopted by the City Council (the “Project”); (ii) refund certain maturities of the City’s outstanding General Obligation Bonds, Series 2010A, and General Obligation Corporate Purpose Bonds, Series 2011A; and (iii) pay the costs of issuing the Bonds.

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

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

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

SOURCES AND USES

The sources and uses of funds resulting from the Bonds and lawfully available funds of the City are shown below:

| | |
|---|------------------------|
| SOURCES: | |
| Principal Amount | \$27,960,000.00 |
| Original Issue Premium | 3,350,569.70 |
| Transfers from Prior Issue Debt Service Funds | <u>273,159.38</u> |
| Total Sources | <u>\$31,583,729.08</u> |
| USES: | |
| Deposit to Project Fund | \$16,488,277.00 |
| Deposit to Escrow Account | 14,709,339.53 |
| Costs of Issuance(1) | <u>386,112.55</u> |
| Total Uses | <u>\$31,583,729.08</u> |

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

RISK FACTORS

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

Construction Risks

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

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds carry the lowest ratings among states, such long-term ratings are at the lowest investment grade of rating level.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. In addition, the underfunding of the State's pension systems and a bill backlog of billions of dollars contributed to the State's poor financial health. On July 6, 2017, the General Assembly of the State (the "General Assembly") enacted a budget (the "Fiscal Year 2018 Budget") for the State fiscal year ending June 30, 2018 (the "State Fiscal Year 2018"), overriding the Governor's veto. On May 31, 2018, the General Assembly passed a budget (the "Fiscal Year 2019 Budget") for the State for fiscal year ending June 30, 2019 (the "State Fiscal Year 2019"), and on June 4, 2018, the Governor approved the same. On June 1, 2019, the General Assembly passed a budget (the "Fiscal Year 2020 Budget") for the State for fiscal year ending June 30, 2020 (the "State Fiscal Year 2020"), and on June 5, 2019, the Governor approved the same.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019 and State Fiscal Year 2020. The City cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the City.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems, including those caused by the continued spread of the Novel Corona Virus 2019 ("COVID-19") or the various governmental or private actions in reaction thereto, may have on the City's future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State's long-term general obligation bonds to negative from stable. See "**Potential Impact of the Novel Corona Virus 2019**" below.

Potential Impact of the Novel Corona Virus 2019

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

In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 27, 2020, President Trump signed the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). Because of the number of residents in the City, the City is ineligible to directly receive any of these CARES Act moneys.

Illinois Governor J.B. Pritzker has declared all counties in the State as disaster areas because of the spread of COVID-19. The Governor has also signed various executive orders to prevent the further spread of COVID-19 that have (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers, (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 people or more. Such restrictions extend through May 30, 2020. All public and private schools serving pre-kindergarten through 12th grade students were closed for on-site learning through the 2019-2020 school year, with remote learning having been mandated by the Illinois State Board of Education for school days beginning March 31, 2020. Additionally, the State delayed the due dates of certain of its tax payments (including income and sales taxes) in response to the COVID-19 pandemic.

Despite moneys the State is expected to receive from the federal government, including from the CARES Act, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant negative impact on the State's economy, which could affect the revenues received by the City from the State.

The State is continuing to monitor and update the severity of the economic impact of the COVID-19 pandemic on the State's fiscal condition. On April 15, 2020, the Governor's Office of Management and Budget ("GOMB") issued a statement revising the fiscal 2020 General Funds revenue as \$3.7 billion below the February estimate of \$36.9 million, and fiscal year 2021 revenues to be approximately \$4.6 billion below the initial state revenue base estimate of \$38.5 billion. This revenue shortfall, combined with an expected short-term borrowing of approximately \$1.2 billion for fiscal 2020, (which must be repaid out of the State's general revenues during fiscal year 2021), will be subject to the outcome of the November ballot referendum PA 101-0008 implementing a graduated income tax structure. The State is now projecting a budget gap of \$6.2 billion if PA 101-0008 takes effect in fiscal 2021 and an estimated budget gap of \$7.4 billion for fiscal 2021 if PA 101-0008 fails to go into effect.⁽¹⁾

⁽¹⁾ Source: April 2020 Revenue Forecast Revision, issued by GOMB on April 15, 2020.

The adverse impact on the State's finances may, in turn, adversely affect the City's finances due to delays or reductions in the amount received by the City from the State. Likewise, the City's finances may be adversely affected in manners separate and apart from the impact on the State. The City, however, cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income, gaming and utility taxes and real estate tax collections. If there is a negative impact on the receipt of such taxes and/or extension and collection of real estate taxes, the City may have difficulty paying debt service on the Bonds. However, the City, as a home-rule unit, expects to pay the debt service on the Bonds.

The City has implemented social distancing and other protective actions to slow the spread of Covid-19, to ensure the demand of the medical system is balanced over time. The Mayor of the City announced that all senior classes, programs and activities at the Levy Senior Center have been cancelled until further notice in order to limit the spread of the virus. The City will continue to postpone or cancel large non-essential events, implement social distancing measures and protective actions to limit the spread of the virus. In addition, the Mayor will continue to evaluate how and when to proceed and communicate substantive updates to residents as the situation evolves.

Future Pension Plan Funding Requirements

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

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

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

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

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

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

Cybersecurity

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

Local Economy

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

Loss or Change of Bond Ratings

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

Secondary Market for the Bonds

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

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

Continuing Disclosure

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

Suitability of Investment

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

Future Changes in Laws

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

Factors Relating to Tax Exemption

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

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

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

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE CITY

General Information

In 1863, the Village of Evanston was incorporated as a town, and, after several annexations, the town became a city in 1892. The City's southern boundary was established with the City of Chicago and the present City limits, encompassing an area of approximately 8.0 square miles, have been essentially the same ever since. The City has four miles of shoreline along Lake Michigan immediately north of Chicago, Illinois.

The City has a population of 75,157 as of the U.S. Census Bureau's 2014-2018 American Community Survey ("ACS") 5-year estimate. The City includes neighborhoods and parks and a major revitalized central business area of shops, restaurants, theaters, offices and corporate headquarters, neighborhood shopping areas, hospitals and universities.

The City consists of many communities, perspectives, and qualities: it is a suburb, an urban center, a college town, and lakefront community; it has leafy neighborhoods and lakefront mansions; apartment, condominium, and student housing; its residents are commuters and locally employed workers; the downtown is prospering, but neighborhood commercial centers are also strong and developing. It is a part of the Chicagoland economy and has a vigorous commercial and professional economy of its own. Its population is diverse by race, religion, age, education, economics, and occupation. With approximately 9,500 people per square mile, The City has double the population density of the average North and Northwest suburb, and approximately half the density of the City of Chicago. The City has over 260 acres in 75 parks and five beaches.

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

Northwestern University

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

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

Government

The City is a home-rule unit of government under the Illinois Constitution and, as such, has no general obligation debt limit, nor is it required to seek referendum approval for the issuance of general obligation indebtedness. However, pursuant to the City's budget policy adopted by the City Council on December 18, 2000, as amended by Resolution No. 42-R-18 adopted by the City Council on June 25, 2018, and as further amended by Resolution No. 44-R-19 adopted by the City Council on April 22, 2019, the City has instituted a self-imposed limit of \$155,000,000 in aggregate principal amount of general obligation debt which is expected and intended to be paid from a general real property tax levy. The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected for a four-year term. The Aldermen each represent one of nine wards and are elected to terms of four years. The City Council is organized into standing committees: Administration and Public Works, Human Services, Planning and Development, and Rules. The City Council has also established several special committees and commissions and advisory boards.

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

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

Public schools are provided by Evanston/Skokie School District 65 and Evanston Township High School District 202. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

Administration

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

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

Development Activity and City Layout

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

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

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

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

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

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

Labor Relations

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

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

Transportation

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

SOCIOECONOMIC INFORMATION

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

Employment

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

City Population Trends(I)

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

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

Following are lists of large employers located in the City.

Major City Employers(I)

| Name | Product/Service | Approximate Employment |
|--|-------------------------------|------------------------|
| Northwestern University | Education | 5,700 |
| Northshore Univerity Health System | Healthcare | 4,641 |
| Evanston School District 65 | Education | 1,482 |
| Presence Saint Francis Hospital | Hospital | 1,200 |
| City of Evanston | Municipality | 792 |
| School District 202 | Education | 615 |
| Rotary International | Humanitarian Service | 591 |
| West Minister Pl., McGaw Care Center | Retirement Center | 455 |
| C. E. Neifhoff & Co. | Automotive Manufacturer | 390 |
| Whole Foods | Supermarket | 328 |

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

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

Major Area Employers(I)

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

Note: (1) Source: 2020 Illinois Manufacturers Directory and 2020 Illinois Services Directory.

The following tables show employment by industry and by occupation for the City, the County, and the State as reported by the 2014-2018 ACS, the most current statistical information available.

Employment By Industry(I)

| Classification | The City | | The County | | The State | |
|--|----------|---------|------------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Agriculture, Forestry, Fishing and Hunting, and Mining | 41 | 0.1% | 4,403 | 0.2% | 66,259 | 1.1% |
| Construction | 833 | 2.3% | 119,212 | 4.7% | 328,620 | 5.3% |
| Manufacturing | 2,068 | 5.6% | 247,352 | 9.7% | 753,276 | 12.1% |
| Wholesale Trade | 926 | 2.5% | 72,063 | 2.8% | 188,536 | 3.0% |
| Retail Trade | 2,938 | 8.0% | 248,700 | 9.8% | 669,968 | 10.8% |
| Transportation and Warehousing, and Utilities | 976 | 2.7% | 180,343 | 7.1% | 394,511 | 6.3% |
| Information | 1,044 | 2.8% | 55,804 | 2.2% | 120,002 | 1.9% |
| Finance and Insurance, and Real Estate and Rental and Leasing | 3,022 | 8.2% | 205,038 | 8.0% | 453,391 | 7.3% |
| Professional, Scientific, and Management, and Administrative and Waste Management Services | 6,337 | 17.3% | 371,057 | 14.6% | 735,339 | 11.8% |
| Educational Services and Health Care and Social Assistance | 12,904 | 35.2% | 578,789 | 22.7% | 1,426,656 | 22.9% |
| Arts, Entertainment and Recreation and Accommodation and Food Services | 2,963 | 8.1% | 251,206 | 9.9% | 568,457 | 9.1% |
| Other Services, Except Public Administration | 1,996 | 5.4% | 125,739 | 4.9% | 294,078 | 4.7% |
| Public Administration | 603 | 1.6% | 89,290 | 3.5% | 226,871 | 3.6% |
| Total | 36,651 | 100.0% | 2,548,996 | 100.0% | 6,225,964 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

Employment By Occupation(I)

| Classification | The City | | The County | | The State | |
|--|----------|---------|------------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Management, Business, Science and Arts | 22,440 | 61.2% | 1,019,892 | 40.0% | 2,370,095 | 38.1% |
| Service | 4,718 | 12.9% | 455,103 | 17.9% | 1,072,423 | 17.2% |
| Sales and Office | 6,571 | 17.9% | 564,569 | 22.1% | 1,393,893 | 22.4% |
| Natural Resources, Construction, and Maintenance | 878 | 2.4% | 151,460 | 5.9% | 448,917 | 7.2% |
| Production, Transportation, and Material Moving | 2,044 | 5.6% | 357,972 | 14.0% | 940,636 | 15.1% |
| Total | 36,651 | 100.0% | 2,548,996 | 100.0% | 6,225,964 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

Unemployment Rates

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

Annual Average Unemployment Rates(1)

| Calendar Year | The City | The County | The State |
|-----------------|----------|------------|-----------|
| 2011 | 8.1% | 10.4% | 9.7% |
| 2012 | 7.6% | 9.6% | 9.0% |
| 2013 | 7.8% | 9.6% | 9.0% |
| 2014 | 6.1% | 7.5% | 7.1% |
| 2015 | 5.0% | 6.2% | 6.0% |
| 2016 | 4.8% | 6.0% | 5.8% |
| 2017 | 4.0% | 5.1% | 4.9% |
| 2018 | 3.3% | 4.1% | 4.3% |
| 2019 | 3.0% | 3.8% | 4.0% |
| 2020(2)(3)..... | 12.9% | 17.4% | 14.6% |

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of June 2020.
(3) Increase due to the COVID-19 pandemic.

Building Permits

Residential building permits have averaged \$350,959,058 over the last five years in the City, excluding the value of land.

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

| Calendar Year | Total Value |
|---------------|---------------|
| 2015 | \$321,578,749 |
| 2016 | 536,538,596 |
| 2017 | 306,352,806 |
| 2018 | 374,489,566 |
| 2019 | 215,835,573 |

Note: (1) Source: the City.

Housing

The U.S. Census Bureau reported that the median value of the City's owner-occupied homes was \$380,600. This compares to \$237,200 for the County and \$187,200 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2014-2018 ACS, the most current statistical information available.

Home Values(1)

| Value | The City | | The County | | The State | |
|------------------------------|----------|---------|------------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Under \$50,000 | 214 | 1.3% | 42,174 | 3.8% | 214,345 | 6.7% |
| \$50,000 to \$99,999 | 439 | 2.7% | 92,694 | 8.3% | 476,898 | 15.0% |
| \$100,000 to \$149,999 | 1,120 | 7.0% | 140,730 | 12.6% | 499,362 | 15.7% |
| \$150,000 to \$199,999 | 1,468 | 9.1% | 178,057 | 15.9% | 513,220 | 16.1% |
| \$200,000 to \$299,999 | 2,847 | 17.7% | 261,678 | 23.4% | 668,842 | 21.0% |
| \$300,000 to \$499,999 | 3,979 | 24.8% | 248,248 | 22.2% | 537,360 | 16.9% |
| \$500,000 to \$999,999 | 4,877 | 30.4% | 119,262 | 10.7% | 223,197 | 7.0% |
| \$1,000,000 or more | 1,108 | 6.9% | 33,916 | 3.0% | 55,811 | 1.8% |
| Total | 16,052 | 100.0% | 1,116,759 | 100.0% | 3,189,035 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

Mortgage Status(1)

| Value | The City | | The County | | The State | |
|---------------------------------------|--------------|--------------|----------------|--------------|------------------|--------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Housing Units with a Mortgage..... | 10,619 | 66.2% | 730,775 | 65.4% | 2,034,106 | 63.8% |
| Housing Units without a Mortgage..... | <u>5,433</u> | <u>33.8%</u> | <u>385,984</u> | <u>34.6%</u> | <u>1,154,929</u> | <u>36.2%</u> |
| Total..... | 16,052 | 100.0% | 1,116,759 | 100.0% | 3,189,035 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

Education and Employment

The 2014-2018 ACS reported that over 65.7% of adult residents of the City have four or more years of college (over 37% with graduate or professional degrees), compared to 31.5% nationally, and 93.4% have at least a high school education or higher.

Education Attainment – Population over 25(1)

| Education Level | Number | Percentage |
|--------------------------------------|--------------|--------------|
| Graduate or Professional Degree..... | 17,829 | 37.11% |
| Bachelor's Degree..... | 13,744 | 28.61% |
| Associate's Degree..... | 1,752 | 3.65% |
| Some College, No Degree..... | 5,575 | 11.60% |
| High School Graduate..... | 5,961 | 12.41% |
| 9th to 12th Grade, No Diploma..... | 1,498 | 3.12% |
| Less Than 9th Grade..... | <u>1,684</u> | <u>3.51%</u> |
| Total..... | 48,043 | 100.00% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014-2018 estimates.

The following table shows the proportion of the City residents holding certain job categories as reported by the 2014-2018 ACS. Consistent with the high average level of educational attainment, over 61.2% of job holders who are City residents work in professional or managerial jobs, as compared to 40.0% in the County and 38.1% in the State.

Select Occupation Categories(1)

| Type of Occupation | Number | Percentage |
|---|--------------|--------------|
| Management, Business, Science and Arts..... | 22,440 | 61.23% |
| Service Occupation..... | 4,718 | 12.87% |
| Sales and Office Occupation..... | 6,571 | 17.93% |
| Natural Resources, Construction and Maintenance.... | 878 | 2.40% |
| Production, Transportation, Material Moving..... | <u>2,044</u> | <u>5.58%</u> |
| Total..... | 36,651 | 100.00% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014-2018 estimates.

Income

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

| <u>Rank</u> | | <u>2014 to 2018</u> |
|-------------|--------------------------|---------------------|
| 1 | Lake County..... | \$44,287 |
| 2 | DuPage County | 43,982 |
| 3 | Monroe County | 39,988 |
| 4 | McHenry County..... | 38,047 |
| 5 | Cook County | 35,575 |
| 6 | Will County..... | 35,259 |
| 7 | Woodford County..... | 35,104 |
| 8 | Kane County | 34,924 |
| 9 | Sangamon County..... | 34,548 |
| 10 | Menard County | 34,495 |
| 11 | Kendall County | 34,423 |
| 12 | Putnam County..... | 34,144 |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

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

Ranking of Median Family Income(1)

| <u>County</u> | <u>Family Income</u> | <u>Rank</u> |
|--------------------------|--------------------------|-------------|
| DuPage County | \$108,865 | 1 |
| Lake County | 105,329 | 2 |
| Kendall County..... | 99,365 | 3 |
| McHenry County | 97,998 | 4 |
| Monroe County..... | 97,965 | 5 |
| Will County | 97,733 | 6 |
| Kane County | 90,558 | 7 |
| Cook County | 76,327 | 21 |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

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The U.S. Census Bureau reported that the City had a median family income of \$117,805. This compares to \$76,327 for the County and \$79,747 for the State. As shown below, 29% of the City's family income is \$200,000 or more. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2014-2018 ACS, the most current statistical information available.

Family Income(I)

| Income | The City | | The County | | The State | |
|------------------------------|--------------|--------------|----------------|--------------|----------------|--------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Under \$10,000 | 319 | 2.1% | 54,063 | 4.6% | 118,179 | 3.8% |
| \$10,000 to \$14,999 | 310 | 2.0% | 30,998 | 2.6% | 70,168 | 2.3% |
| \$15,000 to \$24,999 | 551 | 3.6% | 83,940 | 7.1% | 186,491 | 6.0% |
| \$25,000 to \$34,999 | 731 | 4.8% | 92,649 | 7.8% | 216,864 | 7.0% |
| \$35,000 to \$49,999 | 1,176 | 7.7% | 131,608 | 11.1% | 340,169 | 10.9% |
| \$50,000 to \$74,999 | 1,851 | 12.1% | 190,037 | 16.1% | 538,213 | 17.3% |
| \$75,000 to \$99,999 | 1,619 | 10.6% | 151,271 | 12.8% | 444,134 | 14.2% |
| \$100,000 to \$149,999 | 2,530 | 16.6% | 205,838 | 17.4% | 598,534 | 19.2% |
| \$150,000 to \$199,999 | 1,757 | 11.5% | 107,166 | 9.1% | 286,266 | 9.2% |
| \$200,000 or more | <u>4,424</u> | <u>29.0%</u> | <u>136,236</u> | <u>11.5%</u> | <u>318,315</u> | <u>10.2%</u> |
| Total | 15,268 | 100.0% | 1,183,806 | 100.0% | 3,117,333 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

The U.S. Census Bureau reported that the City had a median household income of \$77,848. This compares to \$62,088 for the County and \$63,575 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2014-2018 ACS, the most current statistical information available.

Household Income(I)

| Income | The City | | The County | | The State | |
|------------------------------|--------------|--------------|----------------|-------------|----------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Under \$10,000 | 2,172 | 7.6% | 150,136 | 7.6% | 314,802 | 6.5% |
| \$10,000 to \$14,999 | 1,125 | 3.9% | 82,860 | 4.2% | 194,284 | 4.0% |
| \$15,000 to \$24,999 | 1,916 | 6.7% | 185,110 | 9.4% | 431,405 | 8.9% |
| \$25,000 to \$34,999 | 2,268 | 8.0% | 169,860 | 8.7% | 415,960 | 8.6% |
| \$35,000 to \$49,999 | 2,502 | 8.8% | 227,406 | 11.6% | 577,213 | 12.0% |
| \$50,000 to \$74,999 | 3,903 | 13.7% | 318,622 | 16.2% | 828,597 | 17.2% |
| \$75,000 to \$99,999 | 3,076 | 10.8% | 234,678 | 12.0% | 613,917 | 12.7% |
| \$100,000 to \$149,999 | 4,226 | 14.8% | 289,976 | 14.8% | 751,099 | 15.6% |
| \$150,000 to \$199,999 | 2,284 | 8.0% | 136,558 | 7.0% | 335,066 | 6.9% |
| \$200,000 or more | <u>5,052</u> | <u>17.7%</u> | <u>167,864</u> | <u>8.6%</u> | <u>367,695</u> | <u>7.6%</u> |
| Total | 28,524 | 100.0% | 1,963,070 | 100.0% | 4,830,038 | 100.0% |

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, 2014 to 2018 estimates.

FINANCES

Budget Process, Accounting, and Financial Control Procedures

The City Manager submits to the City Council a proposed operating budget not less than 60 days prior to the start of each fiscal year. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds several public hearings and then may modify the budget prior to adoption.

The City Manager is authorized to transfer budgeted amounts between departments within any fund (such as the General Fund); however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgets are legally adopted on a basis consistent with generally accepted accounting principles (“GAAP”) except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the combined statement of revenues, expenditures, and changes in fund balances – budget and actual, GAAP revenue and expenditures have been adjusted to the budgetary basis. The budgets of the governmental type funds are prepared on a modified accrual basis. Obligations of the City are budgeted as expenditures, but revenue is recognized only when it has actually been received. The Comprehensive Annual Financial Report of the City (“CAFR”) presents expenditures and revenues on both a GAAP basis and a budget basis for comparison.

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is a separate, self-balancing accounting entity, and in the City there are three categories of funds: governmental, proprietary, and fiduciary. Governmental funds are used to account for all or most of the City’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund. Other major funds include Special Revenue Funds, Debt Service Funds, Enterprise Funds (water, sewer, and parking), and Pension Trust Funds.

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

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

The City’s expenditures are monitored on a regular basis by the Finance Department. Disbursements are made only if an expenditure is within the authorized budget.

The City annually presents its budget to the Government Finance Officers Association (“GFOA”) for review against that organization’s standards for government budgeting. The City received an Award for Distinguished Budget Presentation from the GFOA for the fiscal year 2019 budget and has previously received the award for over 19 successive years.

Financial Statements and Independent Audits

The City annually presents its CAFR to the GFOA for review against that organization's standards for governmental accounting and financial reporting. The City received a certificate of achievement for excellence in financial reporting from the GFOA for the fiscal year ended December 31, 2018.

The City's financial statements are audited annually as required by State law. Sikich LLP, Certified Public Accountants and Advisors, Naperville, Illinois ("Sikich LLP"), audited the financial statements for fiscal year ended December 31, 2019. Copies of the City's CAFR are available at the City's website. The CAFR for the fiscal year ended December 31, 2019, are included as **APPENDIX A** to this Final Official Statement. Sikich LLP, has neither reviewed nor approved this Final Official Statement or its appendices.

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

Cash Management

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

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

Revenues

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

Sales Taxes

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

Retail Activity

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

Retailers' Occupation, Service Occupation and Use Tax(I)

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

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

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

Personal Property Replacement Taxes

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

Personal Property Replacement Taxes(I)

| <u>Fiscal Year Ended</u> | <u>Amount</u> |
|--------------------------|---------------|
| 12/31/2015 | \$1,358,443 |
| 12/31/2016 | 1,425,178 |
| 12/31/2017 | 1,394,387 |
| 12/31/2018 | 1,350,173 |
| 12/31/2019 | 1,744,366 |

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

Utility Taxes

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

THE PROJECT

A portion of the Bond proceeds will be used to finance capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2020 in the City's Capital Improvement Plan, as adopted by the City Council (the "Capital Improvement Plan") and pay the costs of issuing the Bonds. The current Capital Improvement Plan contemplates the following projects:

- Chicago Avenue, Howard to Davis – Phase I Engineering Services
- ETHS/Church Street/Canal Park Bike Infrastructure – Phase I Engineering
- Howard Street Corridor, Target Access to Callan - Phase II Engineering Services
- Main Street, Maple to Hinman – Phase II Engineering Services
- WM – Dodge, Mulford to Howard
- Sewer – Lyons, Darrow to East End
- Central Street Bridge Replacement – Phase III Engineering Services
- Central Street Bridge Replacement – Right-of-Way Acquisition
- Central Street Bridge – Construction
- Bridge Inspection
- General Phase I Engineering
- Pavement Marking
- Street Patching Program
- Streetlight Replacement
- Traffic Calming, Bicycle and Pedestrian Improvements
- Harbert Park – Drainage Improvements
- Park Sign Replacements
- Parks Contingency
- ADA Transition Plan
- Beach House – Roofing and Tuckpointing (South Boulevard, Lighthouse Landing)
- Chandler – Masonry and Foundation Repairs
- Civic Center – Planning/Design Services
- Facilities Contingency
- Fire Station 1 – Emergency Generator Rehabilitation
- Fire Station 2 – Emergency Generator Rehabilitation
- Fleetwood-Jourdain – Gym Floor Replacement
- Lagoon Building – Door and Window Replacements
- Noyes – Chimney Repairs
- Service Center – D Building Structural Assessment
- Service Center – Service Yard Resurfacing
- Service Center – Tuckpointing
- Zero Emission Study
- IT – network Switch Reliability
- Fire Engine
- In-House Engineering Services

Water Projects:

- 2020 Water Main Replacement
- Lincolnwood Water Supply Connection
- Water Treatment Plant Intake Heater Cable Replacement
- Water Treatment Plant Laboratory Modernization

Sewer Project:

- Robert Crown – Construction

Parking Project:

- Robert Crown - Construction

THE REFUNDING

The remaining portion of the Bond proceeds (the “Refunding Proceeds”) will be used to fund an escrow to refund certain maturities of the City’s outstanding General Obligation Bonds, Series 2010A (the “Series 2010A Bonds”), and General Obligation Corporate Purpose Bonds, Series 2011A (the “Series 2011A Bonds”, and those Series 2010A Bonds and Series 2011A Bonds being refunded, the “Refunded Bonds”) as further described below (the “Refunding”).

The Refunded Bonds

Series 2010A Bonds

| <u>Maturities</u> | <u>Outstanding Amount</u> | <u>Amount Refunded</u> | <u>Redemption Price</u> | <u>Redemption Date</u> |
|-------------------|-------------------------------|----------------------------|-----------------------------|----------------------------|
| 12/1/2020 | \$ 345,000 | \$ 0 | N/A | N/A |
| 12/1/2021 | 355,000 | 355,000 | 100% | 10/15/2020 |
| 12/1/2022 | 370,000 | 370,000 | 100% | 10/15/2020 |
| 12/1/2023 | 380,000 | 380,000 | 100% | 10/15/2020 |
| 12/1/2024 | 395,000 | 395,000 | 100% | 10/15/2020 |
| 12/1/2025 | 410,000 | 410,000 | 100% | 10/15/2020 |
| 12/1/2026 | 425,000 | 425,000 | 100% | 10/15/2020 |
| 12/1/2027 | 440,000 | 440,000 | 100% | 10/15/2020 |
| 12/1/2028 | 460,000 | 460,000 | 100% | 10/15/2020 |
| 12/1/2029 | 480,000 | 480,000 | 100% | 10/15/2020 |
| Total | <u>\$4,060,000</u> | <u>\$3,715,000</u> | | |

Series 2011A Bonds

| <u>Maturities</u> | <u>Outstanding Amount</u> | <u>Amount Refunded</u> | <u>Redemption Price</u> | <u>Redemption Date</u> |
|-------------------|-------------------------------|----------------------------|-----------------------------|----------------------------|
| 12/1/2020 | \$ 790,000 | \$ 0 | N/A | N/A |
| 12/1/2021 | 810,000 | 810,000 | 100% | 12/01/2020 |
| 12/1/2022 | 835,000 | 835,000 | 100% | 12/01/2020 |
| 12/1/2023 | 865,000 | 865,000 | 100% | 12/01/2020 |
| 12/1/2024 | 895,000 | 895,000 | 100% | 12/01/2020 |
| 12/1/2025 | 930,000 | 930,000 | 100% | 12/01/2020 |
| 12/1/2026 | 965,000 | 965,000 | 100% | 12/01/2020 |
| 12/1/2027 | 1,005,000 | 1,005,000 | 100% | 12/01/2020 |
| 12/1/2028 | 1,040,000 | 1,040,000 | 100% | 12/01/2020 |
| 12/1/2029 | 1,085,000 | 1,085,000 | 100% | 12/01/2020 |
| 12/1/2030 | 1,130,000 | 1,130,000 | 100% | 12/01/2020 |
| 12/1/2031 | 1,180,000 | 1,180,000 | 100% | 12/01/2020 |
| Total | <u>\$11,530,000</u> | <u>\$10,740,000</u> | | |

The Refunding Proceeds, together with lawfully available funds of the City, will be used to purchase direct full faith and credit obligations of the United States of America (the “Government Securities”), the principal of which together with interest to be earned thereon will be sufficient to redeem the Refunded Bonds on the respective redemption dates.

The Government Securities will be held in an escrow account created pursuant to an escrow letter agreement (the “Escrow Agreement”) to be dated the date of issuance of the Bonds, between the City and Zions Bancorporation, National Association, Chicago, Illinois, as escrow agent.

DEFAULT RECORD

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

SHORT-TERM BORROWING

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

DEBT INFORMATION

After issuance of the Bonds and the Refunding, the City will have outstanding \$203,550,000 principal amount of general obligation debt. Approximately 25% of this indebtedness, \$51,233,173 (including the new money portion of the Bonds) is expected to be retired from sources other than City-wide general taxes. The City also has outstanding \$40,691,551 Illinois Environmental Protection Agency (“IEPA”) State Revolving Fund (“SRF”) loans with subsidized interest rates of 2.535% to 3.590% for 20 year maturity loans for clean water projects per the City’s audited financial statement for fiscal year ending December 31, 2019.

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

The City does not intend to issue any additional debt within the next twelve months.

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

| | |
|-------------------------------|---------------------|
| Series 2010A..... | \$ 4,060,000 |
| Series 2011A..... | 11,530,000 |
| Series 2012A..... | 8,515,000 |
| Series 2013A..... | 9,755,000 |
| Series 2013B..... | 9,180,000 |
| Series 2014..... | 9,775,000 |
| Series 2015A..... | 11,170,000 |
| Series 2015B..... | 5,225,000 |
| Series 2016A..... | 12,120,000 |
| Series 2016B..... | 5,555,000 |
| Series 2017A..... | 13,000,000 |
| Series 2017B..... | 7,210,000 |
| Series 2017C..... | 5,000,000 |
| Series 2018A..... | 24,385,000 |
| Series 2018B..... | 16,545,000 |
| Series 2018C..... | 7,915,000 |
| Series 2018D..... | 3,570,000 |
| Series 2019A..... | 12,750,000 |
| Series 2019B..... | 12,785,000 |
| The Bonds..... | 27,960,000 |
| Less: The Refunded Bonds..... | <u>(14,455,000)</u> |
| Total..... | \$203,550,000 |

Note: (1) Source: the City.

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

(Page 1 of 2)

| Calendar Year | Series 2010A | Series 2011A | Series 2012A | Series 2013A | Series 2013B | Series 2014 | Series 2015A | Series 2015B | Series 2016A | Series 2016B | Series 2017A | Series 2017B | Series 2017C |
|---------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 2020 | \$ 345,000 | \$ 790,000 | \$ 850,000 | \$ 585,000 | \$1,765,000 | \$ 510,000 | \$ 540,000 | \$1,750,000 | \$ 575,000 | \$ 730,000 | \$ 545,000 | \$ 830,000 | \$ 230,000 |
| 2021 | 355,000 | 810,000 | 910,000 | 610,000 | 1,815,000 | 530,000 | 560,000 | 1,750,000 | 600,000 | 745,000 | 580,000 | 845,000 | 235,000 |
| 2022 | 370,000 | 835,000 | 740,000 | 635,000 | 1,865,000 | 550,000 | 580,000 | 1,725,000 | 620,000 | 770,000 | 600,000 | 865,000 | 245,000 |
| 2023 | 380,000 | 865,000 | 765,000 | 660,000 | 1,920,000 | 575,000 | 600,000 | 0 | 645,000 | 790,000 | 625,000 | 880,000 | 260,000 |
| 2024 | 395,000 | 895,000 | 790,000 | 685,000 | 895,000 | 600,000 | 625,000 | 0 | 670,000 | 815,000 | 645,000 | 905,000 | 270,000 |
| 2025 | 410,000 | 930,000 | 810,000 | 710,000 | 920,000 | 590,000 | 645,000 | 0 | 685,000 | 840,000 | 670,000 | 935,000 | 280,000 |
| 2026 | 425,000 | 965,000 | 475,000 | 740,000 | 0 | 620,000 | 645,000 | 0 | 715,000 | 865,000 | 695,000 | 960,000 | 290,000 |
| 2027 | 440,000 | 1,005,000 | 490,000 | 645,000 | 0 | 650,000 | 675,000 | 0 | 690,000 | 0 | 720,000 | 990,000 | 305,000 |
| 2028 | 460,000 | 1,040,000 | 505,000 | 670,000 | 0 | 670,000 | 700,000 | 0 | 700,000 | 0 | 690,000 | 0 | 310,000 |
| 2029 | 480,000 | 1,085,000 | 520,000 | 700,000 | 0 | 690,000 | 730,000 | 0 | 715,000 | 0 | 715,000 | 0 | 325,000 |
| 2030 | 0 | 1,130,000 | 535,000 | 730,000 | 0 | 710,000 | 750,000 | 0 | 730,000 | 0 | 735,000 | 0 | 340,000 |
| 2031 | 0 | 1,180,000 | 555,000 | 760,000 | 0 | 735,000 | 775,000 | 0 | 745,000 | 0 | 755,000 | 0 | 355,000 |
| 2032 | 0 | 0 | 570,000 | 790,000 | 0 | 755,000 | 795,000 | 0 | 770,000 | 0 | 780,000 | 0 | 365,000 |
| 2033 | 0 | 0 | 0 | 835,000 | 0 | 780,000 | 820,000 | 0 | 785,000 | 0 | 800,000 | 0 | 380,000 |
| 2034 | 0 | 0 | 0 | 0 | 0 | 810,000 | 850,000 | 0 | 805,000 | 0 | 825,000 | 0 | 395,000 |
| 2035 | 0 | 0 | 0 | 0 | 0 | 0 | 880,000 | 0 | 825,000 | 0 | 845,000 | 0 | 415,000 |
| 2036 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 845,000 | 0 | 870,000 | 0 | 0 |
| 2037 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 905,000 | 0 | 0 |
| 2038 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2039 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2040 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2041 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2042 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2043 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$4,060,000 | \$11,530,000 | \$8,515,000 | \$9,755,000 | \$9,180,000 | \$9,775,000 | \$11,170,000 | \$5,225,000 | \$12,120,000 | \$5,555,000 | \$13,000,000 | \$7,210,000 | \$5,000,000 |

Note: (1) Source: the City.

(Continued on following page)

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

(Page 2 of 2)

| Calendar Year | Series 2018A | Series 2018B | Series 2018C | Series 2018D | Series 2019A | Series 2019B | The Bonds | Less: The Refunded Bonds | | Total Outstanding Debt | Cumulative Retirement | | |
|---------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------------|-----------------------|------------------------|-----------------------|---------|--|
| | | | | | | | | Series 2010A | Series 2011A | | Amount | Percent | |
| 2020 | \$ 0 | \$ 0 | \$1,070,000 | \$ 0 | \$ 0 | \$ 385,000 | \$ 0 | \$ 0 | \$ 0 | \$ 11,500,000 | \$ 11,500,000 | 5.65% | |
| 2021 | 0 | 0 | 1,105,000 | 0 | 0 | 405,000 | 0 | (355,000) | (810,000) | 10,690,000 | 22,190,000 | 10.90% | |
| 2022 | 570,000 | 180,000 | 710,000 | 180,000 | 330,000 | 425,000 | 240,000 | (370,000) | (835,000) | 11,830,000 | 34,020,000 | 16.71% | |
| 2023 | 595,000 | 185,000 | 745,000 | 185,000 | 350,000 | 450,000 | 1,410,000 | (380,000) | (865,000) | 11,640,000 | 45,660,000 | 22.43% | |
| 2024 | 750,000 | 770,000 | 780,000 | 160,000 | 365,000 | 470,000 | 1,640,000 | (395,000) | (895,000) | 11,835,000 | 57,495,000 | 28.25% | |
| 2025 | 785,000 | 810,000 | 820,000 | 165,000 | 385,000 | 495,000 | 1,730,000 | (410,000) | (930,000) | 12,275,000 | 69,770,000 | 34.28% | |
| 2026 | 825,000 | 850,000 | 860,000 | 175,000 | 400,000 | 520,000 | 1,815,000 | (425,000) | (965,000) | 11,450,000 | 81,220,000 | 39.90% | |
| 2027 | 865,000 | 895,000 | 895,000 | 180,000 | 420,000 | 545,000 | 1,905,000 | (440,000) | (1,005,000) | 10,870,000 | 92,090,000 | 45.24% | |
| 2028 | 910,000 | 940,000 | 930,000 | 190,000 | 445,000 | 570,000 | 2,000,000 | (460,000) | (1,040,000) | 10,230,000 | 102,320,000 | 50.27% | |
| 2029 | 955,000 | 985,000 | 0 | 195,000 | 465,000 | 600,000 | 2,195,000 | (480,000) | (1,085,000) | 9,790,000 | 112,110,000 | 55.08% | |
| 2030 | 1,005,000 | 1,035,000 | 0 | 205,000 | 490,000 | 630,000 | 1,835,000 | 0 | (1,130,000) | 9,730,000 | 121,840,000 | 59.86% | |
| 2031 | 1,055,000 | 1,085,000 | 0 | 210,000 | 515,000 | 660,000 | 1,875,000 | 0 | (1,180,000) | 10,080,000 | 131,920,000 | 64.81% | |
| 2032 | 1,105,000 | 1,140,000 | 0 | 220,000 | 540,000 | 695,000 | 745,000 | 0 | 0 | 9,270,000 | 141,190,000 | 69.36% | |
| 2033 | 1,140,000 | 1,175,000 | 0 | 225,000 | 565,000 | 730,000 | 795,000 | 0 | 0 | 9,030,000 | 150,220,000 | 73.80% | |
| 2034 | 1,175,000 | 1,215,000 | 0 | 235,000 | 595,000 | 765,000 | 815,000 | 0 | 0 | 8,485,000 | 158,705,000 | 77.97% | |
| 2035 | 1,215,000 | 1,255,000 | 0 | 245,000 | 625,000 | 805,000 | 830,000 | 0 | 0 | 7,940,000 | 166,645,000 | 81.87% | |
| 2036 | 1,260,000 | 1,295,000 | 0 | 255,000 | 655,000 | 845,000 | 1,540,000 | 0 | 0 | 7,565,000 | 174,210,000 | 85.59% | |
| 2037 | 1,300,000 | 1,340,000 | 0 | 265,000 | 690,000 | 885,000 | 1,570,000 | 0 | 0 | 6,955,000 | 181,165,000 | 89.00% | |
| 2038 | 1,350,000 | 1,390,000 | 0 | 280,000 | 725,000 | 930,000 | 1,625,000 | 0 | 0 | 6,300,000 | 187,465,000 | 92.10% | |
| 2039 | 1,395,000 | 0 | 0 | 0 | 760,000 | 975,000 | 1,655,000 | 0 | 0 | 4,785,000 | 192,250,000 | 94.45% | |
| 2040 | 1,445,000 | 0 | 0 | 0 | 795,000 | 0 | 1,740,000 | 0 | 0 | 3,980,000 | 196,230,000 | 96.40% | |
| 2041 | 1,500,000 | 0 | 0 | 0 | 835,000 | 0 | 0 | 0 | 0 | 2,335,000 | 198,565,000 | 97.55% | |
| 2042 | 1,560,000 | 0 | 0 | 0 | 880,000 | 0 | 0 | 0 | 0 | 2,440,000 | 201,005,000 | 98.75% | |
| 2043 | 1,625,000 | 0 | 0 | 0 | 920,000 | 0 | 0 | 0 | 0 | 2,545,000 | 203,550,000 | 100.00% | |
| Total | \$24,385,000 | \$16,545,000 | \$7,915,000 | \$3,570,000 | \$12,750,000 | \$12,785,000 | \$27,960,000 | \$(3,715,000) | \$(10,740,000) | \$203,550,000 | | | |

Note: (1) Source: the City.

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

General Obligation Bonds(1)
 (Principal and Interest)

| Calendar Year | Sub-Total Debt Service(2) | The Bonds | | Less: The Refunded Bonds | | Total Debt Service |
|------------------|------------------------------|--------------|-------------|--------------------------|----------------|-----------------------|
| | | Principal | Interest | Series 2010A | Series 2011A | |
| 12/1/2020 | \$ 18,713,819 | \$ 0 | \$ 0 | \$ (63,056) | \$ (210,103) | \$ 18,440,659 |
| 12/1/2021 | 18,709,066 | 0 | 1,096,853 | (481,113) | (1,230,206) | 18,094,601 |
| 12/1/2022 | 19,263,834 | 240,000 | 881,400 | (486,350) | (1,230,906) | 18,667,978 |
| 12/1/2023 | 17,487,733 | 1,410,000 | 869,400 | (485,250) | (1,234,813) | 18,047,070 |
| 12/1/2024 | 17,065,570 | 1,640,000 | 798,900 | (486,950) | (1,236,700) | 17,780,820 |
| 12/1/2025 | 17,019,665 | 1,730,000 | 716,900 | (488,125) | (1,240,375) | 17,738,065 |
| 12/1/2026 | 15,685,875 | 1,815,000 | 630,400 | (488,775) | (1,238,175) | 16,404,325 |
| 12/1/2027 | 14,626,040 | 1,905,000 | 539,650 | (488,900) | (1,239,575) | 15,342,215 |
| 12/1/2028 | 13,529,790 | 2,000,000 | 444,400 | (493,500) | (1,234,375) | 14,246,315 |
| 12/1/2029 | 12,576,790 | 2,195,000 | 344,400 | (497,400) | (1,237,775) | 13,381,015 |
| 12/1/2030 | 12,081,936 | 1,835,000 | 300,500 | 0 | (1,233,950) | 12,983,486 |
| 12/1/2031 | 12,081,553 | 1,875,000 | 263,800 | 0 | (1,233,100) | 12,987,253 |
| 12/1/2032 | 10,842,350 | 745,000 | 226,300 | 0 | 0 | 11,813,650 |
| 12/1/2033 | 10,251,008 | 795,000 | 211,400 | 0 | 0 | 11,257,408 |
| 12/1/2034 | 9,385,311 | 815,000 | 195,500 | 0 | 0 | 10,395,811 |
| 12/1/2035 | 8,550,141 | 830,000 | 179,200 | 0 | 0 | 9,559,341 |
| 12/1/2036 | 7,206,170 | 1,540,000 | 162,600 | 0 | 0 | 8,908,770 |
| 12/1/2037 | 6,339,650 | 1,570,000 | 131,800 | 0 | 0 | 8,041,450 |
| 12/1/2038 | 5,417,825 | 1,625,000 | 100,400 | 0 | 0 | 7,143,225 |
| 12/1/2039 | 3,682,275 | 1,655,000 | 67,900 | 0 | 0 | 5,405,175 |
| 12/1/2040 | 2,656,700 | 1,740,000 | 34,800 | 0 | 0 | 4,431,500 |
| 12/1/2041 | 2,654,150 | 0 | 0 | 0 | 0 | 2,654,150 |
| 12/1/2042 | 2,657,400 | 0 | 0 | 0 | 0 | 2,657,400 |
| 12/1/2043 | <u>2,656,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,656,000</u> |
| Total | \$261,140,650 | \$27,960,000 | \$8,196,503 | \$(4,459,419) | \$(13,800,053) | \$279,037,682 |

- Notes: (1) Source: the City.
 (2) Includes the City's outstanding general obligation bonds Series 2010A, Series 2011A, Series 2012A, Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2015B, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A and Series 2019B.

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

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

| Calendar Year | Outstanding G.O. Debt Service(2) | | Expected to be Paid from Other Debt Service Source(3) | | Net Debt Service | The Bonds | | Less: The Refunded Bonds | | Total Net Debt Service(4) |
|---------------|----------------------------------|--------------|---|--------------|------------------|--------------|-------------|--------------------------|----------------|---------------------------|
| | Principal | Interest | Principal | Interest | | Principal | Interest | Series 2010A | Series 2011A | |
| 12/1/2020 | \$ 11,500,000 | \$ 7,213,819 | \$ 2,069,142 | \$ 1,501,563 | \$ 15,143,113 | \$ 0 | \$ 0 | \$ (63,056) | \$ (210,103) | \$ 14,869,954 |
| 12/1/2021 | 11,855,000 | 6,854,066 | 2,150,801 | 1,714,682 | 14,843,584 | 0 | 1,096,853 | (481,113) | (1,230,206) | 14,229,118 |
| 12/1/2022 | 12,795,000 | 6,468,834 | 2,501,423 | 1,590,395 | 15,172,016 | 240,000 | 881,400 | (486,350) | (1,230,906) | 14,576,160 |
| 12/1/2023 | 11,475,000 | 6,012,733 | 2,660,123 | 1,503,552 | 13,324,058 | 1,410,000 | 869,400 | (485,250) | (1,234,813) | 13,883,395 |
| 12/1/2024 | 11,485,000 | 5,580,570 | 2,857,355 | 1,409,099 | 12,799,116 | 1,640,000 | 798,900 | (486,950) | (1,236,700) | 13,514,366 |
| 12/1/2025 | 11,885,000 | 5,134,665 | 2,921,839 | 1,306,770 | 12,791,056 | 1,730,000 | 716,900 | (488,125) | (1,240,375) | 13,509,456 |
| 12/1/2026 | 11,025,000 | 4,660,875 | 2,879,865 | 1,198,808 | 11,607,202 | 1,815,000 | 630,400 | (488,775) | (1,238,175) | 12,325,652 |
| 12/1/2027 | 10,410,000 | 4,216,040 | 2,883,700 | 1,090,480 | 10,651,860 | 1,905,000 | 539,650 | (488,900) | (1,239,575) | 11,368,035 |
| 12/1/2028 | 9,730,000 | 3,799,790 | 2,879,246 | 982,788 | 9,667,756 | 2,000,000 | 444,400 | (493,500) | (1,234,375) | 10,384,281 |
| 12/1/2029 | 9,160,000 | 3,416,790 | 2,851,138 | 876,224 | 8,849,428 | 2,195,000 | 344,400 | (497,400) | (1,237,775) | 9,653,653 |
| 12/1/2030 | 9,025,000 | 3,056,936 | 3,023,090 | 782,540 | 8,276,307 | 1,835,000 | 300,500 | 0 | (1,233,950) | 9,177,857 |
| 12/1/2031 | 9,385,000 | 2,696,553 | 3,131,781 | 682,817 | 8,266,954 | 1,875,000 | 263,800 | 0 | (1,233,100) | 9,172,654 |
| 12/1/2032 | 8,525,000 | 2,317,350 | 2,785,560 | 578,056 | 7,478,734 | 745,000 | 226,300 | 0 | 0 | 8,450,034 |
| 12/1/2033 | 8,235,000 | 2,016,008 | 2,587,237 | 487,111 | 7,176,660 | 795,000 | 211,400 | 0 | 0 | 8,183,060 |
| 12/1/2034 | 7,670,000 | 1,715,311 | 2,525,376 | 400,566 | 6,459,369 | 815,000 | 195,500 | 0 | 0 | 7,469,869 |
| 12/1/2035 | 7,110,000 | 1,440,141 | 2,415,150 | 317,243 | 5,817,748 | 830,000 | 179,200 | 0 | 0 | 6,826,948 |
| 12/1/2036 | 6,025,000 | 1,181,170 | 2,074,924 | 236,422 | 4,894,825 | 1,540,000 | 162,600 | 0 | 0 | 6,597,425 |
| 12/1/2037 | 5,385,000 | 954,650 | 1,896,160 | 173,061 | 4,270,430 | 1,570,000 | 131,800 | 0 | 0 | 5,972,230 |
| 12/1/2038 | 4,675,000 | 742,825 | 1,905,492 | 113,867 | 3,398,466 | 1,625,000 | 100,400 | 0 | 0 | 5,123,866 |
| 12/1/2039 | 3,130,000 | 552,275 | 1,243,772 | 54,239 | 2,384,264 | 1,655,000 | 67,900 | 0 | 0 | 4,107,164 |
| 12/1/2040 | 2,240,000 | 416,700 | 990,000 | 19,800 | 1,646,900 | 1,740,000 | 34,800 | 0 | 0 | 3,421,700 |
| 12/1/2041 | 2,335,000 | 319,150 | 0 | 0 | 2,654,150 | 0 | 0 | 0 | 0 | 2,654,150 |
| 12/1/2042 | 2,440,000 | 217,400 | 0 | 0 | 2,657,400 | 0 | 0 | 0 | 0 | 2,657,400 |
| 12/1/2043 | 2,545,000 | 111,000 | 0 | 0 | 2,656,000 | 0 | 0 | 0 | 0 | 2,656,000 |
| Total | \$190,045,000 | \$71,095,650 | \$51,233,173 | \$17,020,082 | \$192,887,396 | \$27,960,000 | \$8,196,503 | \$(4,459,419) | \$(13,800,053) | \$210,784,427 |

- Notes: (1) Source: the City.
 (2) Includes the City's outstanding general obligation bonds Series 2010A, Series 2011A, Series 2012A, Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2015B, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A and Series 2019B.
 (3) Does not include Series 2010A, Series 2015B, Series 2016B, Series 2018A and Series 2019A.
 (4) Includes abatements for the new money portion of the Bonds.

Detailed Overlapping Bonded Debt(1)

| | Outstanding Debt(2) | Applicable to the City | |
|--|------------------------|------------------------|----------------------|
| | | Percent(3) | Amount |
| Schools: | | | |
| School District Number 65 | \$ 68,456,167 | 90.44% | \$ 61,908,528 |
| High School District Number 202 | 25,160,000 | 90.44% | 22,753,517 |
| Community College District Number 535 | 30,000,000 | 12.19% | <u>3,656,852</u> |
| Total Schools | | | \$ 88,318,897 |
| Others: | | | |
| Cook County | \$2,803,851,750 | 1.71% | \$ 48,071,121 |
| Cook County Forest Preserve District | 131,815,000 | 1.71% | 2,259,925 |
| Metropolitan Water Reclamation District | 2,274,859,669 | 1.75% | 39,701,712 |
| Lighthouse Park District of Evanston | 0 | 100.00% | 0 |
| Skokie Park District | 21,201,557 | 0.63% | 133,430 |
| Ridgeville Park District | 0 | 99.87% | <u>0</u> |
| Total Others | | | \$ <u>90,166,188</u> |
| Total Schools and Others Overlapping Bonded Debt | | | \$178,485,085 |

- Notes: (1) Source: Cook County Clerk and the MSRB's Electronic Municipal Market Access system ("EMMA").
(2) As of April 24, 2020.
(3) Percentages based on 2018 EAVs, the latest available.

Statement of Bonded Indebtedness(1)

| | Amount Applicable | Ratio To | | Per Capita (2014-2018 ACS) Pop. 75,157 |
|---|-----------------------|-----------------------|---------------------|--|
| | | Equalized Assessed | Estimated Actual | |
| City EAV of Taxable Property, 2019 | \$ 3,432,148,547 | 100.00% | 33.33% | \$ 45,666.39 |
| Estimated Actual Value, 2019 | 10,296,445,641 | 300.00% | 100.00% | 136,999.16 |
| Direct Bonded Debt | \$ 203,550,000 | 5.93% | 1.98% | \$ 2,708.33 |
| Less: Direct Debt (Supporting by Other Sources)(2) | <u>(51,233,173)</u> | <u>(1.49%)</u> | <u>(0.50%)</u> | <u>(681.68)</u> |
| Direct Debt (Property Tax Supported) (2) | \$ 152,316,827 | 4.44% | 1.48% | \$ 2,026.65 |
| Self-Imposed Direct Limit (Property Tax Supported)(3) | \$ 155,000,000 | 4.52% | 1.51% | \$ 2,062.35 |
| Overlapping Bonded Debt(4): | | | | |
| Schools | \$ 88,318,897 | 2.57% | 0.86% | \$ 1,175.13 |
| All Others | <u>90,166,188</u> | <u>2.63%</u> | <u>0.88%</u> | <u>1,199.70</u> |
| Total Overlapping Bonded Debt | \$ <u>178,485,085</u> | <u>5.20%</u> | <u>1.73%</u> | \$ <u>2,374.83</u> |
| Total Net Direct & Overlapping Bonded Debt (2)(4) | \$ 330,801,912 | 9.64% | 3.21% | \$ 4,401.48 |

- Notes: (1) Source: the City and Cook County Clerk.
(2) Includes the Bonds, excludes the Refunded Bonds.
(3) See "Debt Information" above for a discussion of the City's self-imposed debt limit. Direct Debt (Supported by Other Sources) is not subject to the self-imposed debt limit.
(4) As of April 24, 2020 for overlapping bonded debt.

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

General Obligation Debt Trends(1)

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

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

PROPERTY ASSESSMENT AND TAX INFORMATION

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

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

Historical EAV(1)

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

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

For the 2018 levy year, the City's EAV was comprised of 79.03% residential, 1.14% industrial, 19.77% commercial, and less than 1% farm and railroad property valuations. The 2019 EAV by property class is currently unavailable.

EAV by Classification of Property (1)

| Property Class | Levy Years | | | | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2016(2) | 2017 | 2018 | 2019(2) |
| Residential..... | \$1,751,252,888 | \$2,151,672,082 | \$2,178,182,897 | \$2,150,065,734 | |
| Farm..... | 15,467 | 15,467 | 15,467 | 15,467 | Detail |
| Commercial..... | 410,670,248 | 483,830,858 | 527,589,667 | 537,739,734 | Not |
| Industrial..... | 32,549,681 | 33,333,491 | 32,680,857 | 31,050,996 | Available |
| Railroad..... | 1,533,241 | 1,559,871 | 1,591,232 | 1,708,983 | |
| Total..... | \$2,196,021,525 | \$2,670,411,769 | \$2,740,060,120 | \$2,720,580,914 | \$3,432,148,547 |
| Percent Change +(-)..... | (2.16%)(3) | 21.60% | 2.61% | (0.71%) | 26.15% |

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

Tax Increment Financing

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

As of tax year 2018, the City has designated four TIF districts as listed below. The total incremental EAV of these districts for this tax year totaled \$14,165,065. The EAV for these districts at the time the districts were so designated (the base or “frozen” value) was \$65,761,846.

Increment Financing Districts(1)

| Location/Name of TIF | Year Established | Year Expires | Base EAV | 2018 EAV | Incremental EAV |
|----------------------|------------------|--------------|--------------|--------------|-----------------|
| Area 5..... | 2002 | 2025 | \$ 5,978,279 | \$12,778,689 | \$ 6,800,410 |
| Area 6..... | 2004 | 2027 | 37,477,570 | 38,354,085 | 876,515 |
| Chicago/Main..... | 2012 | 2035 | 11,489,118 | 16,672,570 | 5,183,452 |
| Dempster/Dodge..... | 2011 | 2034 | 10,816,879 | 12,121,567 | 1,304,688 |
| Total..... | | | \$65,761,846 | \$79,926,911 | \$14,165,065 |

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

EAV of Tax Increment Financing Districts(1)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Frozen Value..... | \$ 99,927,882 | \$ 99,927,882 | \$ 91,489,225 | \$ 91,489,225 | \$65,761,846 |
| Incremental Value..... | <u>67,584,148</u> | <u>64,362,312</u> | <u>68,721,151</u> | <u>77,954,625</u> | <u>14,165,065</u> |
| Total EAV(1)..... | \$157,025,794 | \$154,808,491 | \$158,901,401 | \$168,878,659 | \$79,926,911 |

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

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

Special Service Areas

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

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

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Property Tax Rates

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

Representative Tax Rates(1) (Per \$100 EAV)

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

- Notes: (1) Source: Cook County Clerk.
 (2) Representative tax rates for other government units are from Evanston Township tax code 17001, which represents the largest portion of the City's 2019 EAV, the most current available.

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

Tax Extensions and Collections(1)

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

Note: (1) Source: the City.

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

Principal Taxpayers(1)

| <u>Taxpayer Name</u> | <u>Business/Service</u> | <u>2018 EAV(2)</u> |
|---|---|--------------------|
| Orrington TT LLC Golub | Commercial Buildings and Public Parking Garage..... | \$ 29,159,650 |
| McCaffery Interests..... | Real Property..... | 23,632,591 |
| Rotary International..... | Non-Profit Organization..... | 22,264,299 |
| FSP 909 Davis Street | Real Property..... | 18,635,861 |
| MB Sherman Highlands | Real Property..... | 16,804,620 |
| Omni Orrington Hotel..... | Hotel..... | 14,025,048 |
| Northshore University Health..... | Healthcare..... | 13,925,303 |
| TIAA PK Evanston Inc. | Apartment Building, Super Maker, Retail Store..... | 12,853,995 |
| 1890 Maple LLC..... | Apartments..... | 12,744,427 |
| Evanston LLC | Real Property..... | <u>12,644,289</u> |
| Total..... | | \$176,690,083 |
| Ten Largest Taxpayers as a Percent of the City's 2018 EAV (\$2,720,580,914) | | 6.49% |

- Notes: (1) Source: Cook County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2018 EAV is the most current available for this purpose.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

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

Real Property Assessment

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

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

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

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

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

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

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

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

Equalization

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

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

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

Exemptions

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

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

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

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

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

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

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

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

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

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

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

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

Tax Levy

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

Extensions

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

Collections

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

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

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

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

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

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

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

Truth in Taxation Law

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

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FINANCIAL INFORMATION

Summary of Financial Information

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

The following summary of financial information is taken from the CAFR of the City for fiscal years ended December 31, 2015 through December 31, 2019. This summary does not purport to be complete, copies of which are available upon request. Reference should be made to the CAFR for fiscal year ended December 31, 2019 included as **APPENDIX A** of this Final Official Statement. Sikich LLP has neither reviewed nor approved this summary.

No Consent or Updated Information Requested of the Auditor

The tables contained in this "**FINANCIAL INFORMATION**" section (the "Excerpted Financial Information") are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2019 (the "2019 Audit"), which was approved by formal action of the City Council and attached to this Final Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2019 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2019 Audit in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information and 2019 Audit has not been updated since the date of the 2019 Audit. The inclusion of the Excerpted Financial Information and 2019 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2019 Audit. Questions or inquiries relating to financial information of the City since the date of the 2019 Audit should be directed to the City.

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Statement of Net Position(I)

| | Audited as of December 31 | | | | |
|---|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2016 | 2017 | 2017 | 2018 | 2019 |
| ASSETS: | | | | | |
| Cash and Equivalents | \$ 33,670,978 | \$ 18,901,196 | \$ 15,457,547 | \$ 22,062,904 | \$ 15,356,403 |
| Investments | | 20,845,279 | 22,197,493 | 30,529,881 | 39,997,847 |
| Receivables, Net of Allowance for Uncollectibles: | | | | | |
| Property Taxes | 39,341,669 | 40,496,906 | 40,970,189 | 42,535,188 | 46,888,583 |
| Utility Taxes | 695,078 | 810,741 | 773,993 | 691,680 | 694,112 |
| Notes | 8,826,272 | 8,143,355 | 8,435,420 | 300,000 | 400,000 |
| Loans | | 0 | 0 | 8,287,151 | 7,932,682 |
| Special Assessments | 303,578 | 236,596 | 616,153 | 505,950 | 482,723 |
| Other | 1,086,214 | 2,019,471 | 1,890,739 | 2,242,069 | 974,586 |
| Due from Other Governments | 8,849,902 | 8,099,813 | 6,897,928 | 7,594,341 | 9,131,085 |
| Due from Component Unit | 505,111 | 843,954 | 0 | 184,855 | |
| Due from Fiduciary Funds | 0 | 5,000 | 10,000 | 0 | |
| Internal Balances | 1,464,686 | 217,508 | 142,598 | (20,676) | (816,877) |
| Inventories | 892,809 | 881,649 | 963,433 | 1,257,595 | 1,407,988 |
| Prepaid Items | 1,897,919 | 2,437,950 | 1,505,795 | 543,658 | 2,231,472 |
| Other Assets | 0 | 0 | 0 | 0 | 0 |
| Net Pension Asset - IMRF | 0 | 0 | 0 | 8,569,417 | 0 |
| Restricted Assets: | | | | | |
| Cash and Equivalents and Investments | 0 | 0 | 0 | 0 | 0 |
| Capital Assets: | | | | | |
| Capital Assets Not Being Depreciated | 26,201,405 | 26,043,940 | 37,236,311 | 53,638,172 | 87,412,008 |
| Capital Assets Being Depreciated, Net | <u>139,908,905</u> | <u>141,634,859</u> | <u>136,489,442</u> | <u>132,969,350</u> | <u>131,245,836</u> |
| Total Assets | <u>\$263,644,526</u> | <u>\$271,618,217</u> | <u>\$273,587,041</u> | <u>\$311,891,535</u> | <u>\$343,338,448</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | | | | |
| Pension Items - Police | \$ 8,804,263 | \$ 13,132,006 | \$ 17,597,313 | \$ 18,486,534 | \$ 22,189,652 |
| Pension Items - Fire | 7,048,312 | 8,498,842 | 13,605,333 | 12,660,843 | 15,614,276 |
| OPEB Items | 0 | 0 | 0 | 0 | 2,466,349 |
| Pension Items - IMRF | <u>15,016,137</u> | <u>18,078,641</u> | <u>12,906,817</u> | <u>2,816,383</u> | <u>17,493,657</u> |
| Total Deferred Outflows of Resources | <u>\$ 30,868,712</u> | <u>\$ 39,709,489</u> | <u>\$ 44,109,463</u> | <u>\$ 33,963,760</u> | <u>\$ 57,763,934</u> |
| Total Assets and Deferred Outflows of Resources | <u>\$294,513,238</u> | <u>\$311,327,706</u> | <u>\$317,696,504</u> | <u>\$345,855,295</u> | <u>\$401,102,382</u> |
| LIABILITIES: | | | | | |
| Vouchers Payable | \$ 5,603,173 | \$ 6,966,964 | \$ 9,540,454 | \$ 9,305,731 | \$ 16,577,344 |
| Accrued Payroll | 600,834 | 839,121 | 1,110,921 | 1,164,967 | 2,261,457 |
| Accrued Interest | 374,114 | 340,667 | 378,652 | 416,505 | 487,754 |
| Other Payables | 0 | 0 | 0 | 0 | |
| Due to Other Governments | 213,634 | 442,788 | 94,969 | 98,654 | 128,501 |
| Pension Contribution Payable | 0 | 0 | 0 | 0 | |
| Due to Component Unit | 0 | 309,962 | 12,794 | 0 | 324,908 |
| Due to Fiduciary Fund | 47,302 | 60,757 | 60,020 | 71,534 | 33,398 |
| Unearned Revenue | 328,675 | 1,246,032 | 1,092,133 | 1,062,423 | 1,075,374 |
| Noncurrent Liabilities: | | | | | |
| Due Within One Year | 19,790,021 | 21,946,797 | 16,556,417 | 17,560,617 | 16,025,178 |
| Due in More Than One Year | <u>297,787,184</u> | <u>337,312,768</u> | <u>341,857,594</u> | <u>380,901,001</u> | <u>410,052,020</u> |
| Total Liabilities | <u>\$324,744,937</u> | <u>\$369,465,856</u> | <u>\$370,703,954</u> | <u>\$410,581,432</u> | <u>\$446,965,934</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Pension Items - Police Pension | \$ 2,032,166 | \$ 1,524,126 | \$ 2,678,500 | \$ 7,430,082 | \$ 7,823,290 |
| Pension Items - Fire Pension | 0 | 0 | 2,699,350 | 2,645,470 | 6,779,910 |
| Pension Items - IMRF | 0 | 0 | 1,693,721 | 14,763,695 | 3,770,156 |
| OPEB Items | 0 | 0 | 0 | 1,090,158 | 986,277 |
| Property Taxes Levied for Future Periods | <u>39,380,879</u> | <u>40,496,906</u> | <u>40,970,189</u> | <u>42,535,188</u> | <u>46,888,583</u> |
| Total Deferred Inflows of Resources | <u>\$ 41,413,045</u> | <u>\$ 42,021,032</u> | <u>\$ 48,041,760</u> | <u>\$ 68,464,593</u> | <u>\$ 66,248,216</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>\$366,157,982</u> | <u>\$411,486,888</u> | <u>\$418,745,714</u> | <u>\$479,046,025</u> | <u>\$513,214,150</u> |
| NET POSITION: | | | | | |
| Net Investment in Capital Assets | \$ 47,952,870 | \$ 51,587,637 | \$ 51,574,591 | \$ 52,536,443 | \$ 53,783,908 |
| Restricted | 16,408,973 | 18,523,340 | 11,990,220 | 8,708,515 | 15,555,267 |
| Unrestricted | <u>(136,006,587)</u> | <u>(170,270,160)</u> | <u>(164,614,021)</u> | <u>(194,435,688)</u> | <u>(181,450,943)</u> |
| Total Net Position | <u>\$ (71,644,744)</u> | <u>\$ (100,159,183)</u> | <u>\$ (101,049,210)</u> | <u>\$ (133,190,730)</u> | <u>\$ (112,111,768)</u> |

Note: (1) Source: the City's audited financial statements for years ending December 31, 2015-2019.

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

| | For the Fiscal Year Ended December 31 | | | | |
|---|---------------------------------------|---------------------------|-------------------------|---------------------------|------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| GOVERNMENTAL ACTIVITIES: | | | | | |
| General Management and Support..... | \$ (3,860,429) | \$ (8,062,835) | \$ (12,716,564) | \$ (11,011,284) | \$ (10,634,147) |
| Public Safety | (54,200,206) | (51,929,456) | (57,355,765) | (76,193,234) | (51,408,088) |
| Public Works | (16,352,919) | (8,990,122) | (21,699,349) | (19,838,572) | (17,792,490) |
| Health and Human Resource Development | (1,634,434) | (2,200,993) | (2,211,601) | (2,389,876) | (1,839,648) |
| Recreational and Cultural Opportunities | (4,759,492) | (8,401,069) | (8,621,626) | (7,732,640) | (4,700,095) |
| Housing and Economic Development..... | (6,097,016) | (8,064,132) | 3,392,458 | (665,896) | 2,915,784 |
| Interest | (3,756,570) | (3,778,833) | (3,354,290) | (4,683,429) | (5,453,818) |
| Total Governmental Activities | <u>\$ (90,661,066)</u> | <u>\$ (91,427,440)</u> | <u>\$ (102,566,737)</u> | <u>\$ (122,514,931)</u> | <u>\$ (88,912,502)</u> |
| GENERAL REVENUES: | | | | | |
| Taxes: | | | | | |
| Property Tax | \$ 45,840,494 | \$ 45,610,041 | \$ 46,563,227 | \$ 47,101,540 | \$ 44,162,966 |
| Other Taxes | 4,144,317 | 4,558,031 | 7,034,356 | 8,322,498 | 9,257,763 |
| Personal Property Replacement Taxes | 1,312,384 | 1,421,037 | 1,394,387 | 1,350,173 | 1,744,366 |
| Sales and Home Rule Tax | 17,758,320 | 17,932,528 | 16,070,630 | 16,962,657 | 16,905,373 |
| Utility Tax | 7,081,574 | 6,661,934 | 6,607,719 | 6,667,199 | 6,372,647 |
| Liquor Tax | 2,531,974 | 2,647,321 | 3,009,899 | 3,211,772 | 3,367,406 |
| Parking Tax..... | 2,614,820 | 2,616,846 | 2,965,327 | 2,983,168 | 3,271,175 |
| Real Estate Transfer Tax | 3,485,534 | 3,527,714 | 3,888,522 | 3,805,801 | 2,671,279 |
| Income Tax | 8,266,906 | 7,155,930 | 6,767,021 | 7,185,203 | 7,991,868 |
| Investment Income..... | 29,574 | 118,340 | 234,780 | 778,276 | 1,669,433 |
| Miscellaneous | 1,512,793 | 4,628,123 | 3,343,422 | 5,260,067 | 4,373,920 |
| Transfers | 631,410 | 433,484 | 3,797,420 | 1,480,488 | 8,203,268 |
| Total General Revenues | <u>\$ 95,210,100</u> | <u>\$ 97,311,329</u> | <u>\$ 101,676,710</u> | <u>\$ 105,108,842</u> | <u>\$ 109,991,464</u> |
| Change in Net Position | \$ 4,549,034 | \$ 5,883,889 | \$ (890,027) | \$ (17,406,089) | \$ 21,078,962 |
| Net Position - Beginning of Year..... | <u>\$(76,193,778)(2)</u> | <u>\$(106,043,072)(2)</u> | <u>\$(100,159,183)</u> | <u>\$(115,784,641)(2)</u> | <u>\$(133,190,730)</u> |
| Net Position - End of Year | <u>\$(71,644,744)</u> | <u>\$(100,159,183)</u> | <u>\$(101,049,210)</u> | <u>\$(133,190,730)</u> | <u>\$(112,111,768)</u> |

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2015-2019.
 (2) As restated.

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**General Fund(1)
 Balance Sheet**

| | Audited as of December 31 | | | | |
|---|---------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| ASSETS: | | | | | |
| Cash and Equivalents..... | \$ 2,168,922 | \$ 1,230,734 | \$ 4,036,411 | \$ 3,061,672 | \$ 7,227,257 |
| Investments..... | 0 | 5,093,668 | 1,731,308 | 1,046,721 | 1,508,466 |
| Receivables: | | | | | |
| Property Taxes..... | 27,177,454 | 28,177,453 | 28,599,196 | 30,009,195 | 32,472,987 |
| Utility..... | 695,078 | 810,741 | 773,993 | 691,680 | 694,112 |
| Notes..... | 263,600 | 200,000 | 300,000 | 300,000 | 400,000 |
| Other..... | 263,366 | 1,548,313 | 1,861,808 | 2,237,788 | 929,505 |
| Due from Other Governments..... | 8,567,535 | 7,066,670 | 6,120,698 | 6,878,584 | 7,805,551 |
| Due from Component Unit..... | 0 | 193,159 | 0 | 184,855 | |
| Due from Other Funds..... | 2,497,033 | 3,430,218 | 3,846,698 | 5,598,151 | 7,318,558 |
| Prepaid Items..... | 32,500 | 0 | 0 | 0 | |
| Advances to Fiduciary Funds..... | 0 | 5,000 | 10,000 | 0 | |
| Advances to Other Funds..... | 0 | 122,663 | 0 | 0 | |
| Inventories..... | 85,933 | 0 | 0 | 9,966 | 15,394 |
| Total Assets..... | <u>\$41,751,421</u> | <u>\$47,878,619</u> | <u>\$47,280,112</u> | <u>\$50,018,612</u> | <u>\$58,371,830</u> |
| LIABILITIES: | | | | | |
| Vouchers Payable..... | \$ 2,187,056 | \$ 3,042,151 | \$ 3,569,393 | \$ 2,997,845 | \$ 3,194,607 |
| Accrued Payroll..... | 600,834 | 839,121 | 1,110,921 | 1,164,967 | 2,261,457 |
| Due to Other Funds..... | 420,934 | 3,368,372 | 23,967 | 0 | 0 |
| Due to Component Unit..... | 0 | 0 | 0 | 0 | 324,908 |
| Due to Fiduciary Funds..... | 0 | 60,757 | 60,020 | 71,534 | 33,398 |
| Advances from Other Funds..... | 596,000 | 476,800 | 476,800 | 1,857,600 | 4,119,200 |
| Unearned Revenue..... | 25,097 | 246,032 | 92,133 | 62,423 | 75,374 |
| Total Liabilities..... | <u>\$ 3,829,921</u> | <u>\$ 8,033,233</u> | <u>\$ 5,333,234</u> | <u>\$ 6,154,369</u> | <u>\$10,008,944</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| Property Taxes Levied for Future Periods..... | <u>\$27,216,664</u> | <u>\$28,177,453</u> | <u>\$28,599,196</u> | <u>\$30,009,195</u> | <u>\$32,472,987</u> |
| Total Deferred Inflows of Resources..... | <u>\$27,216,664</u> | <u>\$28,177,453</u> | <u>\$28,599,196</u> | <u>\$30,009,195</u> | <u>\$32,472,987</u> |
| Total Liabilities and Deferred Inflows of Resources..... | <u>\$31,046,585</u> | <u>\$36,210,686</u> | <u>\$33,932,430</u> | <u>\$36,163,564</u> | <u>\$42,481,931</u> |
| FUND BALANCES: | | | | | |
| Nonspendable..... | \$ 118,433 | \$ 0 | \$ 300,000 | \$ 309,966 | \$ 415,394 |
| Assigned..... | 5,671,992 | 5,045,638 | 4,179,617 | 4,303,220 | 4,329,586 |
| Unassigned..... | 4,914,411 | 6,622,295 | 8,868,065 | 9,241,862 | 11,144,919 |
| Total Fund Balances..... | <u>\$10,704,836</u> | <u>\$11,667,933</u> | <u>\$13,347,682</u> | <u>\$13,855,048</u> | <u>\$15,889,899</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances... | <u>\$41,751,421</u> | <u>\$47,878,619</u> | <u>\$47,280,112</u> | <u>\$50,018,612</u> | <u>\$58,371,830</u> |

Note: (1) Source: the City's audited financial statements for years ending December 31, 2015-2019.

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

| | For the Fiscal Year Ended December 31 | | | | |
|---|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| REVENUES: | | | | | |
| Taxes | \$ 52,628,569 | \$ 54,336,773 | \$ 58,812,954 | \$ 60,830,670 | \$ 62,839,205 |
| Licenses and Permits..... | 12,184,303 | 17,933,413 | 13,357,610 | 11,663,823 | 10,011,661 |
| Intergovernmental | 18,998,689 | 18,445,108 | 18,024,694 | 19,045,016 | 19,855,436 |
| Charges for Service | 8,224,155 | 8,694,803 | 8,679,945 | 9,993,411 | 8,840,673 |
| Fines and Forfeits | 3,554,188 | 3,611,901 | 3,467,693 | 3,765,058 | 5,108,237 |
| Investment Income..... | 6,573 | 30,285 | 38,558 | 94,929 | 210,357 |
| Miscellaneous | 950,964 | 1,338,381 | 1,858,107 | 2,536,638 | 1,777,486 |
| Total Revenues..... | <u>\$ 96,547,441</u> | <u>\$104,390,664</u> | <u>\$104,239,561</u> | <u>\$107,929,545</u> | <u>\$108,643,055</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General Management and Support..... | \$ 11,753,081 | \$ 15,929,441 | \$ 16,839,903 | \$ 16,101,597 | \$ 16,725,107 |
| Public Safety | 58,461,316 | 60,939,168 | 63,444,262 | 64,252,245 | 64,372,499 |
| Public Works | 16,866,953 | 13,240,692 | 13,032,463 | 12,616,790 | 12,881,405 |
| Health and Human Resource Development | 3,140,999 | 3,021,327 | 3,110,698 | 3,141,991 | 2,989,435 |
| Recreational and Cultural Opportunities | 11,079,855 | 11,893,837 | 12,371,359 | 12,789,472 | 12,246,544 |
| Housing and Economic Development..... | 2,359,753 | 2,455,754 | 2,536,144 | 3,260,808 | 2,902,161 |
| Total Expenditures | <u>\$103,661,957</u> | <u>\$107,480,219</u> | <u>\$111,334,829</u> | <u>\$112,162,903</u> | <u>\$112,117,151</u> |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (7,114,516) | \$ (3,089,555) | \$ (7,095,268) | \$ (4,233,358) | \$ (3,474,096) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | \$ 7,769,334 | \$ 8,099,626 | \$ 12,446,096 | \$ 8,133,142 | \$ 8,817,013 |
| Transfers Out | <u>(3,169,989)</u> | <u>(4,046,974)</u> | <u>(3,671,079)</u> | <u>(3,392,418)</u> | <u>(3,308,066)</u> |
| Total Other Financing Sources (Uses)..... | \$ 4,599,345 | \$ 4,052,652 | \$ 8,775,017 | \$ 4,740,724 | \$ 5,508,947 |
| Net Change in Fund Balances | \$ (2,515,171) | \$ 963,097 | \$ 1,679,749 | \$ 507,366 | \$ 2,034,851 |
| Fund Balances - Beginning of Year | \$ 13,220,007(2) | \$ 10,704,836 | \$ 11,667,933 | \$ 13,347,682 | \$ 13,855,048 |
| Fund Balances - End of Year | <u>\$ 10,704,836</u> | <u>\$ 11,667,933</u> | <u>\$ 13,347,682</u> | <u>\$ 13,855,048</u> | <u>\$ 15,889,899</u> |

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2015-2019.
 (2) As restated.

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Overview of Budget for Fiscal Years 2018, 2019 and 2020

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

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

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

General Fund(I) Budget Financial Information

| | Budget Twelve Months Ending <u>12/31/2020</u> | Projected Budget Twelve Months Ending <u>12/31/2021</u> |
|---|--|---|
| REVENUES: | | |
| Property Taxes | \$ 29,362,987 | \$ 30,386,622 |
| Other Taxes | 55,240,000 | 55,040,000 |
| Other Revenue | 1,655,000 | 1,055,000 |
| Licenses, Permits and Fees | 7,663,550 | 7,663,550 |
| Charges for Services | 10,187,350 | 10,187,350 |
| Interfund Transfers | 8,979,103 | 8,599,103 |
| Fines and Forfeitures | 4,670,500 | 4,670,500 |
| Intergovernmental Revenue | 1,006,967 | 1,006,967 |
| Interest Income | <u>55,100</u> | <u>55,100</u> |
| Total Revenues | \$118,820,557 | \$118,664,192 |
| EXPENDITURES: | | |
| General Government | \$ 19,946,334 | \$ 19,810,305 |
| Community Development | 4,134,004 | 4,226,659 |
| Police | 41,131,727 | 42,585,548 |
| Fire Management and Support | 25,985,716 | 26,850,760 |
| Health | 1,374,177 | 1,397,250 |
| Parks, Recreation and Community Service | 11,661,451 | 11,821,200 |
| Public Works Agency | <u>12,967,082</u> | <u>12,630,021</u> |
| Total Expenditures | \$117,200,492 | \$119,321,743 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | \$ 1,620,065 | \$ (657,551) |

Note: (1) Source: the City.

Insurance Coverage

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

PENSION AND RETIREMENT OBLIGATIONS⁽¹⁾

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (“IMRF”), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in the State (other than those covered by the Police or Firefighters' Pension Plan). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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

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

Plan Membership. At December 31, 2018, IMRF membership consisted of the following¹:

| | |
|--|------------|
| Inactive employees or their beneficiaries currently receiving benefits | 681 |
| Inactive employees entitled to but not yet receiving benefits | 376 |
| Active employees | <u>532</u> |
| Total | 1,589 |

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

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

Contributions. Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by State statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2019 was 6.2% of covered payroll, down from 9.4% in 2018 and 9.9% in 2017.

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

¹ p. 56, 2019 CAFR, Note 13

Actuarial Assumptions. The City’s net pension liability for IMRF was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

| Actuarial Valuation Date | 12/31/2018 |
|--|------------------------------|
| Actuarial Cost Method | Entry-age Normal |
| Asset Valuation Method | Fair Value |
| Amortization Method | Level Percent of Pay, Closed |
| Amortization Period | 25 years |
| Inflation Rate | 2.50% |
| Salary Increases | 3.39% - 14.25% |
| Interest Rate | 7.25% |
| Cost of Living Adjustments, Compounded Annually | 3.00% |

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---------|------------------------|----------------------------------|------------------------|
| City | \$47,799,263 | \$21,001,738 | \$(1,147,714) |
| Library | 5,140,446 | 2,258,576 | (123,428) |
| Total | \$52,939,709 | \$23,260,314 | \$(1,271,142) |

Illinois Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios²

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
|---|-----------------------------------|---------------------------------------|---|
| Balances at January 1, 2018 | \$234,141,501 | \$245,990,805 | \$(11,849,304) |
| Changes for the period | | | |
| Service Cost | 3,671,434 | - | 3,671,434 |
| Interest | 17,185,510 | - | 17,185,510 |
| Difference between expected and actual experience | 2,992,302 | - | 2,992,302 |
| Changes in assumptions | 6,567,349 | - | 6,567,349 |
| Employer contributions | - | 3,634,209 | (3,634,209) |
| Employee contributions | - | 1,847,906 | (1,847,906) |
| Net investment income | - | (14,090,715) | 14,090,715 |
| Benefit payments and refunds | (13,674,160) | (13,674,160) | - |
| Administrative expense | - | - | - |
| Other (net transfer) | - | 3,915,577 | 3,915,577 |
| Net changes | 16,742,435 | (18,367,183) | 35,109,618 |
| Balances at December 31, 2018 | \$250,883,936 | \$227,623,622 | \$23,260,314 |

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the net pension liability (asset) at January 1, 2018, the employer contributions, and the net pension liability (asset) at December 31, 2018 was \$(10,748,504), \$3,281,327, and \$21,001,738, respectively. The Library's proportionate share of the net pension liability (asset) at January 1, 2018, the employer contributions and the net pension liability (asset) at December 31, 2018 was \$(1,100,800), \$352,882, and \$2,258,576, respectively.

Police and Firefighters' Pension Plans⁽¹⁾

Plan Administration. The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each fund. All sworn City police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

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

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

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

² P. 82, 2019 CAFR, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund

For employer contributions, the City's budget policy is to fund pension plans at the funding level recommended annually by the actuary. The General Fund is used to liquidate the net pension liability.

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by state statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2019 was 6.22% of covered payroll.

Police Pension Plan

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

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the consumer price index ("CPI"), whichever is less.

Firefighters' Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension state date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership. At January 1, 2019, plan membership consisted of the following³:

| | Police | Firefighters' |
|---|------------|---------------|
| Inactive plan members or their beneficiaries currently receiving benefits | 183 | 144 |
| Inactive plan members entitled to but not yet receiving benefits | 20 | 2 |
| Active plan members | <u>158</u> | <u>99</u> |
| Total | 361 | 245 |

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2019, the City's contribution was 65.7% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2019, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2019, the City's contribution was 79.9% of covered payroll.

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³ P. 61, 2019 CAFR, City of Evanston, IL, Note 13

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

| | Police | Firefighters' |
|----------------------------|------------------|------------------|
| Actuarial Valuation Date | 12/31/2019 | 12/31/2019 |
| Actuarial Cost Method | Entry-age Normal | Entry-age Normal |
| Asset Valuation Method | Fair Value | Fair Value |
| Inflation Rate | 2.50% | 2.50% |
| Salary Increases | 7.36% - 3.62% | 7.36% - 3.62% |
| Interest Rate | 6.50% | 6.50% |
| Cost of Living Adjustments | 3.00% - 1.25% | 3.00% - 1.25% |

Mortality rates were based on the RP-2000 Combined Healthy Mortality table with a Blue Collar Adjustment; disabled mortality rate is based on RP-2000 Disabled Retiree Mortality table.

Discount Rate. The discount rate used to measure both the total police pension liability and the total firefighters' pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, both the Police Pension Plan's and the Firefighter's Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

| | 1% Decrease (5.50%) | Current Discount Rate ⁴ (6.50%) | 1% Increase (7.50%) |
|---------------|---------------------|---|---------------------|
| Police | \$144,043,342 | \$109,646,586 | \$81,422,570 |
| Firefighters' | 122,410,362 | 97,187,735 | 76,473,617 |
| Total | \$266,453,704 | \$206,834,321 | \$157,896,187 |

Schedule of Changes in Net Pension Liability and Related Ratios⁵

Total Pension Liability – Calendar Year Ending December 31, 2019

| | Police | Firefighters' |
|---|---------------------|--------------------|
| Service Cost | \$ 3,980,758 | \$ 2,763,258 |
| Interest | 15,128,398 | 11,061,538 |
| Changes in Benefit Terms | 853,365 | 799,936 |
| Difference Between Expected and Actual Experience | 4,364,013 | 5,218,449 |
| Changes of Assumptions | 4,127,403 | 4,549,731 |
| Benefit Payments, including Refunds of Employee Contributions | <u>(12,522,660)</u> | <u>(9,624,766)</u> |
| Net Change in Total Pension Liability | 15,931,277 | 14,768,146 |
| Total Pension Liability – Beginning of Year | <u>235,025,150</u> | <u>172,226,630</u> |
| Total Pension Liability – End of Year | \$250,956,427 | \$186,994,776 |

⁴ P. 68, 2019 CAFR, Note 13

⁵ pp. 83-84, 2019 CAFR, Schedule of Changes in the Employers Net Pension Liabilities and Related Ratios

Plan Fiduciary Net Position – Calendar Year Ending December 31, 2019

| | Police | Firefighters' |
|---|----------------------|----------------------|
| Contributions – Employer | \$ 10,502,308 | \$ 8,266,584 |
| Contributions – Employee | 1,583,631 | 954,112 |
| Net investment income | 25,043,593 | 14,527,581 |
| Benefit payments, including Refunds of Member Contributions | (12,522,660) | (9,624,766) |
| Administrative Expense | <u>(52,088)</u> | <u>(97,588)</u> |
| Net Change in Plan Fiduciary Net Position | 24,554,784 | 14,025,923 |
| Plan Fiduciary Net Position – Beginning | <u>\$116,755,057</u> | <u>\$ 75,781,118</u> |
| Plan Fiduciary Net Position – Ending | \$141,309,841 | \$ 89,807,041 |
| Employer Net Pension Liability | \$109,646,586 | \$ 97,187,735 |
| Plan Fiduciary Net Position as a Percent of Total Pension Liability | 56.31% | 48.03% |

Schedule of Employer Contributions⁶

Police Pension Plan

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

Firefighters' Pension Plan

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

⁶ pp. 80-81, 2019 CAFR, Required Supplemental Information

OTHER POSTEMPLOYMENT BENEFITS⁽¹⁾

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

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

Contribution requirements are established through State laws. The City and 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 \$540 for single coverage to \$1,984 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents, and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$493 for single coverage to \$1,984 for family coverage. For the year ended December 31, 2019, the City and Library's estimated contribution to the plan is \$860,932. The City's and the Library's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Plan Membership. At December 31, 2019, membership consisted of the following:

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 62 |
| Terminated employees entitled to but not yet receiving benefits | 14 |
| Active employees | <u>710</u> |
| Total | 786 |

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

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REGISTRATION, TRANSFER AND EXCHANGE

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

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

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

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

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

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

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

TAX EXEMPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONTINUING DISCLOSURE

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

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

The City failed to file its Annual Report for fiscal year 2015 and failed to file its annual financial information for fiscal year 2017 within the required timeframe pursuant to the Prior Undertakings for certain of its prior bonds. Notices of such failures have since been filed on EMMA for the City’s outstanding prior bonds.

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

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

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

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THE UNDERTAKING

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

Annual Financial Information Disclosure

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

"Annual Financial Information" means:

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

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

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Reportable Events Disclosure

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

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

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

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

Consequences of Failure of the City to Provide Information

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

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

Amendment; Waiver

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

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

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

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Future Changes to the Rule

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

Additional Information

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

Dissemination of Information; Dissemination Agent

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

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

OPTIONAL REDEMPTION

The Bonds due December 1, 2022-2028, inclusive, are not subject to optional redemption. The Bonds due December 1, 2029-2040, inclusive, are callable in whole or in part on any date on or after December 1, 2028, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

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

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

MANDATORY REDEMPTION

The Bonds maturing on December 1, of the years 2037 and 2040, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as set forth below:

For the Bonds maturing on December 1, 2037:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2036..... | \$1,540,000 |

The final principal amount of the Bonds maturing on December 1, 2037, is \$1,570,000.

For the Bonds maturing on December 1, 2040:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2038..... | \$1,625,000 |
| 2039..... | 1,655,000 |

The final principal amount of the Bonds maturing on December 1, 2040, is \$1,740,000.

All of the Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The Bond Registrar is authorized and directed to mail notice of mandatory sinking fund redemption of the Bonds in the manner provided in the Bond Ordinance.

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

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

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LITIGATION

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

CERTAIN LEGAL MATTERS

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

FINAL OFFICIAL STATEMENT AUTHORIZATION

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

INVESTMENT RATINGS

The Bonds have been rated “AA/Stable” by S&P Global Ratings and “AA+/Stable” by Fitch Ratings. The City has supplied certain information and material concerning the Bonds and the City to the rating services shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for investment ratings on the Bonds. Ratings reflect only the views of the rating agencies assigning such ratings and an explanation of the significance of such ratings may be obtained from such rating agencies. Generally, such rating services base their ratings on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such ratings will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating services if, in their judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described under the heading “**CONTINUING DISCLOSURE**”, the form of which is attached hereto as **EXHIBIT D**, neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment ratings may be obtained from the rating agencies: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000 and Fitch Ratings, One State Street Plaza, New York, New York 10004, telephone 800-753-4824. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

DEFEASANCE

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

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on August 10, 2020. The best bid submitted at the sale was submitted by KeyBanc Capital Markets, Inc., Denver, Colorado (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$31,058,929.70, (reflecting the par amount of \$27,960,000, plus a reoffering premium of \$3,350,569.70, and less an Underwriter’s discount of \$251,640.00). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields set forth in this Final Official Statement.

MUNICIPAL ADVISORS

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

CERTIFICATION

We have examined this Final Official Statement dated August 10, 2020, for the \$27,960,000 General Obligation Corporate Purpose Bonds, Series 2020, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

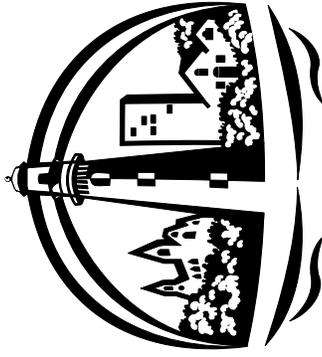
/s/ **STEPHEN H. HAGERTY**
Mayor
City of Evanston
Cook County, Illinois

APPENDIX A

**CITY OF EVANSTON
COOK COUNTY, ILLINOIS**

FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

City of Evanston, Illinois



City of
Evanston™

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2019

*Comprehensive Annual Financial Report
For the Year Ended December 31, 2019*

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

CITY OF EVANSTON, ILLINOIS
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|--|----------------|
| INTRODUCTORY SECTION | |
| Principal Officials | i |
| Organization Chart | ii |
| Certificate of Achievement for Excellence in Financial Reporting | iii |
| Letter of Transmittal | iv-xii |
| FINANCIAL SECTION | |
| INDEPENDENT AUDITOR'S REPORT | 1-3 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management's Discussion and Analysis | MD&A 1-8 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 4-5 |
| Statement of Activities | 6-7 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet | 8-9 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position | 10 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 11 |
| Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities | 12 |

CITY OF EVANSTON, ILLINOIS
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL SECTION (Continued) | |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued) | |
| Basic Financial Statements (Continued) | |
| Fund Financial Statements (Continued) | |
| Proprietary Funds | |
| Statement of Net Position | 13-14 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position | 15 |
| Statement of Cash Flows | 16-17 |
| Fiduciary Funds | |
| Statement of Fiduciary Net Position | 18 |
| Statement of Changes in Fiduciary Net Position | 19 |
| Notes to Financial Statements | 20-77 |
| Required Supplementary Information | |
| Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios | |
| Other Postemployment Benefits Plan | 78 |
| Schedule of Employer Contribution | |
| Illinois Municipal Retirement Fund | |
| Police Pension Fund | 79 |
| Firefighters' Pension Fund | 80 |
| Schedule of Changes in the Employer's Net Pension Liability and Related Ratios | |
| Illinois Municipal Retirement Fund | |
| Police Pension Fund | 82 |
| Firefighters' Pension Fund | 83 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 84 |
| | 85 |

CITY OF EVANSTON, ILLINOIS
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|---|----------------|
| FINANCIAL SECTION (Continued) | |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued) | |
| Required Supplementary Information (Continued) | |
| Schedule of Investment Returns | |
| Police Pension Fund | 86 |
| Firefighters' Pension Fund | 87 |
| Notes to Required Supplementary Information | 88 |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES | |
| MAJOR GOVERNMENTAL FUNDS | |
| Schedule of Revenues - Budget and Actual - General Fund | 89-92 |
| Schedule of Expenditures - Budget and Actual - General Fund | 93 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual | |
| Crown Capital Fund | 94 |
| General Obligation Debt Fund | 95 |
| NONMAJOR GOVERNMENTAL FUNDS | |
| Combining Balance Sheet | 96-99 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 100-103 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | |
| Motor Fuel Tax Fund | 104 |
| Emergency Telephone System Fund | 105 |
| Neighborhood Improvement Fund | 106 |
| Affordable Housing Fund | 107 |
| HOME Fund | 108 |
| Community Development Block Grant | 109 |
| Schedule of Expenditures - Budget and Actual (Budgetary Basis) | |
| Community Development Block Grant Fund | 110-111 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | |
| Community Development Loan Fund | 112 |
| Special Service District No. 4 Fund | 113 |

CITY OF EVANSTON, ILLINOIS
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL SECTION (Continued) | |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued) | |
| NONMAJOR GOVERNMENTAL FUNDS (Continued) | |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | |
| Good Neighbor Fund | 114 |
| General Assistance Fund | 115 |
| Capital Improvements Fund | 116 |
| Special Assessment Capital Projects Fund | 117 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Debt Service Funds | |
| | 118-119 |
| ENTERPRISE FUNDS | |
| Water Fund | |
| Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual | 120 |
| Water Fund - Operation and Maintenance Account Schedule of Operating Revenues - Budget and Actual | 121 |
| INTERNAL SERVICE FUNDS | |
| Combining Statement of Net Position | 122 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | 123 |
| Combining Statement of Cash Flows | 124 |
| COMPONENT UNIT - PUBLIC LIBRARY | |
| All Governmental Funds | |
| Combining Balance Sheet/Statement of Net Position | 125-126 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities | 127-128 |

CITY OF EVANSTON, ILLINOIS
TABLE OF CONTENTS (Continued)

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL SECTION (Continued) | |
| COMBINING AND INDIVIDUAL FUND | |
| FINANCIAL STATEMENTS AND SCHEDULES (Continued) | |
| COMPONENT UNIT - PUBLIC LIBRARY (Continued) | |
| Major Governmental Funds | |
| Library Operating Fund | |
| Schedule of Revenues, Expenditures, and Changes in | |
| Fund Balance - Budget and Actual..... | 129 |
| SUPPLEMENTAL DATA | |
| Consolidated Year-End Financial Report..... | 130 |
| STATISTICAL SECTION | |
| Net Position by Component..... | 131-132 |
| Changes in Net Position..... | 133-136 |
| Fund Balances, Governmental Funds..... | 137-138 |
| Changes in Fund Balances, Governmental Funds..... | 139-140 |
| Equalized Assessed Value and Actual Value of Taxable Property..... | 141 |
| Principal Property Taxpayers..... | 142 |
| Property Tax Levies and Collections..... | 143 |
| Ratios of General Bonded Debt Outstanding..... | 144 |
| Ratios of Outstanding Debt by Type..... | 145 |
| Direct and Overlapping Governmental Activities Debt..... | 146 |
| Legal Debt Margin..... | 147 |
| Pledged-Revenue Coverage..... | 148 |
| Demographic and Economic Statistics..... | 149 |
| Principal Employers..... | 150 |
| Full-Time Equivalent City Government Employees by Function..... | 151 |
| Property Tax Rates per \$100 - Direct and Overlapping Governments..... | 152 |
| Water Sold by Type of Customer (in 100 cubic feet)..... | 153 |
| Water Sold by Major Customers..... | 154 |
| Operating Indicators by Function/Program..... | 155 |
| Capital Assets Statistics by Function..... | 156 |
| COMPLIANCE SECTION | |
| INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE | |
| WITH STATE OF ILLINOIS PUBLIC ACT 85-1142..... | 157 |

INTRODUCTORY SECTION

CITY OF EVANSTON
Principal Officials
December 31, 2019

LEGISLATIVE

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

EXECUTIVE

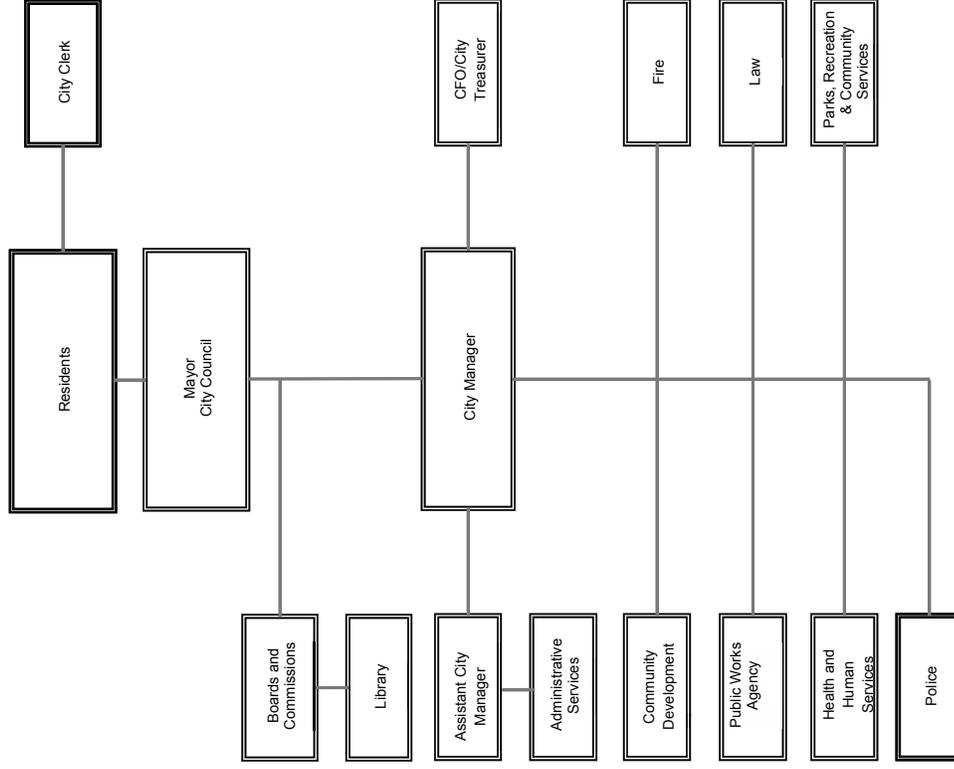
Erika Storlie, Interim City Manager
 Kimberly Richardson, Deputy City Manager
 Hitesh Desai, CFO / Treasurer

ADMINISTRATIVE

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



City of Evanston
Organizational Chart





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Evanston
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

City Manager's Office
2100 Ridge Avenue
Evanston, Illinois 60201-2798
T 847.866.2936
TTY 847.448.8064
www.cityofevanston.org



July 14, 2020

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

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) of the City of Evanston (City) for the fiscal year ended December 31, 2019 is hereby submitted. The CAFR 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, 2019 to December 31, 2019. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City of Evanston's financial statements in conformity with Generally Accepted Accounting Principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

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

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

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

The City's financial statements have been audited by Sikich, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Evanston for the fiscal year ended December 31, 2019, 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, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF EVANSTON

The City: The City of Evanston constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront. Evanston has apartments, condominiums, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, and neighborhood commercial centers are also stable. It is a part of the Chicago-land economy and has a vigorous commercial and professional economy of its own. A population of approximately 75,000 is diverse by race, religion, age, education,

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

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

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

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

The Government: The City is a home rule municipality under the Illinois Constitution. As such, it has no tax rate or debt limits imposed by Illinois statute, nor is it required to conduct a referendum to authorize the increase of debt or the imposition of real estate property taxes.

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

The City Manager is the Chief Executive Officer of the City and is responsible for the management of all City operations under the direction of the City Council. The City Manager appoints and supervises the directors of the City's 10 departments.

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

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

Budget Process: The City's fiscal year 2020 began on January 1, 2020. The City Manager submitted to the City Council a proposed operating budget in October 2019 for the fiscal year 2020 commencing the following January 1. The City budget team started the budget process for fiscal year 2020 in late summer followed by meeting with all departments for their individual budgets. The Council adopted the 2020 budget in November 2019. The City operates under the Illinois Budget Act, adopting a budget by Resolution. All Funds are included in the Resolution.

The City is committed to long-term financial planning. The City Council resolved during the 2020 budget process to adopt budgets in 2020 and 2021 with a General Fund surplus in order to meet the Council adopted fund balance target for the General Fund. The City is adopting a two-year budget for 2020 and 2021 in order to implement multi-year solutions. The 2020-2021 budget documents will include five-year financial projections for all funds. The City closely monitors factors that contribute to long-term financial stability, including, bond ratings, debt ratios, and equalized assessed valuation. The City is also pursuing strategies to expand the City's revenue base and diversify revenue sources.

The City Manager is authorized to transfer budgeted amounts between departments within any fund (such as the General Fund). However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. For purposes of preparing the General Fund schedule of revenues (budget and actual), GAAP revenue and expenditures have been adjusted to the budgetary basis. The budgets of the governmental type funds are prepared on a cash basis. The Comprehensive Annual Financial Report (CAFR) of the City presents expenditures and revenues on both a GAAP basis and a budgetary basis for comparison.

Fund Accounting: The City uses funds to report on both its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain City functions or activities. Each fund is a separate, self-balancing accounting entity. In the City, there are three categories of funds: governmental, proprietary and fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2020, the City projects that 36.5% (\$117.2 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, General Obligation Debt, Parking, Water, and Sewer Funds.

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

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

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

MAJOR INITIATIVES – FISCAL YEAR 2020

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

The Law Department will: Work with City Council and staff to secure new economic and community development opportunities. Continue to work with City Council and staff to standardize and improve uniformity amongst City Boards and Commissions and their respective City Code Sections. Continue to litigate a substantial majority of cases in-house and seek to prevail at summary disposition or trial in litigation. Analyze and evaluate the City's purchasing contracts for all types of contracts.

The Administrative Services Department will: Focus on the timing of purchases/costs across all divisions to further increase operational efficiency and reduce the potential for delays and poor resource allocation. Continue citywide implementation and roll-out of Google Apps. Expand vehicle GPS program to include Fire and Police vehicles.

Continue to analyze internal service and operational data through an equity lens. Continued decrease of paper HR processes. Continued use of online software systems for learning management, performance management and timekeeping. Continue to use an alternative sustainable fuel source for City vehicles. Request for proposal for parking review (citations, fees and general areas that need improvement)

The Community Development Department will: Promoting neighborhood revitalization, ensuring a safe built environment and affordable housing and providing first-last mile transportation connections will continue to be major priorities of the Community Development Department. Improve procedures for processing building permits,

plan review process and contractor registrations. Continue to review and propose amendments to the Zoning Ordinance. Promote neighborhood revitalization, ensuring a safe built environment and affordable housing and providing first-last mile transportation connections

The Economic Development division which was part of the Community Development Department is now part of the City Manager's Office. They will: Encourage women- and minority-owned startups through Entrepreneurship Support Grant. Increase marketing and leasing efforts in every merchant district to support the vitality of Evanston's business community, including marketing city-owned space on Howard Street and implement SSA on Central Street. Lead efforts for business retention and new development of properties in the West Evanston TIF district including City-owned property at Church and Darrow.

The Police Department will: Complete the body-worn camera program in conjunction with Northwestern University. Implement and distribute STARCOM radios from the current UHF T-Band frequency. Install National Incident-Based Reporting System (NIBRS) that will become federally mandated in 2020. Continue implementation of the accepted recommendations from Hillard Heintze staffing study. Manage mandated training required by State law, Illinois Police Training Board, and Illinois Attorney General. Develop fleet plan to reduce the cost of Police vehicle purchases

The Fire Department will: Conduct a promotional exam for the position of Fire Apparatus Operator. In cooperation with Human Resources, the Department will conduct a promotional exam for the position of Fire Captain and Fire Shift Chief.

Work with City Departments and the business community on enhanced emergency preparedness and continuity of operations as well as expanding our community outreach of the City's EvanstonAlerts Emergency Notification System. Offer the opportunity to complete Pediatric Advanced Life Support (PALS) certification. Work with Oakton Community College on implementing an apprenticeship program aimed at preparing Evanston residents for a career in the fire service. Offer community engagement programs. Continue the ECHO (Evanston Community Health Outreach) program with AMITA St. Francis Hospital.

The Health and Human Services Department will: Increase awareness of lead poisoning in children by providing education, prevention tools, lead hazard mitigation and provision of resources. Partner with Community Action Advocates to increase visibility of social services support to vulnerable populations. Increase outreach and participants for We're Out Walking (WOW) and the Rethink Your Drink programs. Implement the application of suitable software for the FDA inspections. Create a clearinghouse of data to better measure health equity achievements. Create a community cohort of Seeking Educational Equity and Diversity (SEED) members. Commence the process for the City's Project for Local Assessment of Needs,

EPLAN for the State's recertification of the Health and Human Services Department.

The Public Works Agency will: Begin construction on the Howard Street Corridor Improvements project. Begin construction on the Central Street Bridge Replacement Project. Complete the construction of the new Robert Crown Community Center, Library and Ice Complex project (including both the building and the site improvements).

Replace approximately 35 light fixtures in street light poles with new LED fixtures in conformance with the Street Light Master Plan. Receive proposals and award a contract for the Commercial, Business, Institutional and Multi-Family Residential Buildings Solid Waste Franchise Services.

The Parks, Recreation and Community Services will: Create a new City wide special event for the community to enjoy. Increase the overall number of participants in tennis and pickle ball. Maintain and encourage additional partnerships with other recreational groups or individuals to further enhance and diversify the programs available to residents at the Robert Crown Community Center. Offer a new full day and half day Creative Play Preschool program at the Robert Crown Community Center. Execute and implement cooperative agreements to offer visual arts programming and to offer a concessionaire at the Robert Crown Community Center. Install a floating dock system inside the Church Street Boat launch area for both PRCS boats and EFD jet skis to be kept throughout the season and make these resources more readily available in the event of an emergency. Create more partnerships with community organizations to bring more programming into the Levy Center.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: During 2019, the City realized that some of the major revenues in the General Fund would vary from their budgeted numbers. Some of the revenues which performed better than budget are:

- State Income Tax and Use Tax
- Transportation Network Provider Tax

- Building Permits
- Athletic Tax

Some of the revenues which were lower than budget estimates are as follows:

- Wheel Tax
- Real Estate Transfer Tax
- Utility Taxes
- Local Motor Fuel tax

Based on this forecast, the city staff continually reviewed revenues and expenses for any major negative impact. The Budget Team periodically met with departments to go over and identify any discrepancies early on in the year. All departments were requested to avoid incurring non-essential expenses during the latter part of the year.

The City ended FY2019 for General Fund with operating surplus of little over \$2.0 million compared to a budgeted surplus of \$1.7 million. Total actual revenues are reported at \$117.2 million compared to a budgeted number of \$115.8 million. Actual expenditures are reported at \$115.1 million against the budgeted expenditure of \$114.1 million.

Overall, General Fund expenditures are at 101% of budgeted expenditures with Community Development and Health Department reporting less than 100% expenditures for FY 2019. Police and Fire departments are reporting slightly higher than their budgeted numbers.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2018. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2019 budget. In order to qualify for the Distinguished Budget

Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. The City has already applied for the GFOA Award for its annual 2020 budget.

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

Respectfully submitted,

Erika Storlie

Erika Storlie
Interim City Manager

Hitesh Desai

Hitesh Desai
Chief Financial Officer/Treasurer



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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Evanston Public Library were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2019, 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. 84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 14, 2020 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.

Sieich LLP

Naperville, Illinois
July 14, 2020



**MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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

FINANCIAL HIGHLIGHTS

- A. The City's net position increased by \$24,108,172 from the prior fiscal year. The governmental net position increased by \$21,078,962 or 15.8% from the prior period and the business-type activities net position increased by \$3,030,711 or 1.0% from the prior period.
- B. The governmental activities revenue increased by \$6,359,434 or 4.7% from the prior period principally due to increase in capital grants and contributions. The expenses decreased by \$25,402,837 or 16.4% principally due to a decrease in public safety related expenses.
- C. The business-type activities revenue increased by \$6,373,802 or 16.4% principally due to increase in charges for services. The expenses increased by \$178,159 or 0.5% from the prior period.
- D. The total cost of all City programs decreased by \$25,224,678 or 13.4%. This decrease was mainly attributable to a decrease in public safety related expenses.
- E. Total assets of the City increased by \$42,881,437 mainly due to increase in capital assets; while total liabilities went up by \$51,144,531 due to bond issuance.
- F. Deferred outflows and inflows resources of the City had a net deferred outflows increase of \$32,371,266 principally due to increase in IMRF pension items.

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.

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

The government-wide financial statements are presented on pages 4 - 7 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

(Unaudited)
MD&A 2

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 8 - 12 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 13 - 17 of this report.

Fiduciary funds such as the Police and Firefighter's pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. These financial statements report similarly to proprietary funds.

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

Notes to the financial statements

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

(Unaudited)
MD&A 3

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 79 – 88 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 90. Additional information on capital assets and long-term debt can be found on page 37 and 45, respectively.

Financial Analysis of the City as a Whole

The City's combined net position increased by \$24,108,172 from \$162,685,934 to \$186,794,104

STATEMENT OF POSITION

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--|-------------------------|------------------|--------------------------|----------------|--------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and Other Assets | \$ 124,689,604 | \$ 125,294,013 | \$ 18,507,294 | \$ 21,354,336 | \$ 143,196,898 | \$ 146,648,349 |
| Capital Assets | 238,652,844 | 186,607,522 | 360,206,585 | 346,088,019 | 598,859,429 | 532,692,341 |
| Total Assets | 363,342,448 | 311,901,535 | 548,403,879 | 572,222,327 | 912,002,327 | 679,340,690 |
| Deferred Outflows | 57,763,934 | 33,963,760 | 4,843,293 | 7,164,551 | 62,607,227 | 34,680,311 |
| Total Liabilities | 401,106,382 | 345,865,295 | 383,227,172 | 568,166,806 | 784,827,554 | 714,021,101 |
| Long-Term Liabilities | 428,079,108 | 308,665,618 | 377,648,659 | 63,830,397 | 505,525,797 | 462,299,915 |
| Other Liabilities | 20,887,736 | 12,118,142 | 4,744,806 | 6,853,927 | 25,632,540 | 16,545,924 |
| Total Liabilities | 448,966,844 | 320,783,760 | 382,393,465 | 67,684,324 | 729,389,337 | 478,244,806 |
| Deferred Inflows | 662,248,216 | 684,664,503 | 2,319,898 | 4,625,768 | 684,644,111 | 63,838,825 |
| Total Liabilities and Deferred Inflows | 1,111,215,060 | 1,005,448,263 | 614,713,363 | 72,280,122 | 1,086,933,446 | 542,083,631 |
| Net Investment in Capital Assets | 53,783,908 | 52,536,443 | 289,022,749 | 283,980,522 | 342,806,657 | 336,516,965 |
| Restricted | 15,555,267 | 8,650,574 | - | - | 15,555,267 | 8,650,574 |
| Unrestricted (Deficit) | (181,459,243) | (104,337,727) | 9,884,626 | (11,896,142) | (171,566,317) | (182,481,605) |
| Total Net Position | \$ (112,111,269) | \$ (133,190,720) | \$ 208,607,225 | \$ 295,836,664 | \$ 186,794,607 | \$ 162,685,934 |

The City's increase in Net Position is principally due to increased capital grants and contributions combined with a decrease in cost in public safety.

The City's total revenues increased by \$12,617,615 or 7.2%. The City's total expenses for all programs decreased by \$25,338,798 or 13.5%. Business-type activity revenues increased by \$6,258,181 in the current fiscal period mainly due to increase in charges for services. Business-type activity expenses increased by \$64,039, while Governmental activity expenses experienced a decrease of \$25,402,837 due to lower cost in public safety. The list of expenses can be found in the table below.

The governmental activities experienced an increase of \$21,078,962 in the net position balance. This is principally due to decreased cost in public safety.

The business-type activities experienced an increase of \$3,029,210 in the net position balance primarily due to the net operating surplus in the Sewer Fund in the amount of \$2,753,411.

(Unaudited)
MD&A 4

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 | |
|--|-------------------------|------------------|--------------------------|----------------|--------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenue | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 25,803,631 | \$ 26,967,262 | \$ 43,877,956 | \$ 38,662,058 | \$ 69,681,587 | \$ 65,629,320 |
| Operating grants and contributions | 5,775,144 | 5,243,789 | - | - | 5,775,144 | 5,243,789 |
| Capital grants and contributions | 8,630,229 | 125,000 | - | - | 8,630,229 | 125,000 |
| General Revenues: | | | | | | |
| Sales taxes | 16,905,373 | 16,962,657 | - | - | 16,905,373 | 16,962,657 |
| Property taxes | 44,162,966 | 47,101,540 | 820,000 | - | 44,982,966 | 47,101,540 |
| Utility taxes | 6,372,647 | 6,667,199 | - | - | 6,372,647 | 6,667,199 |
| Income taxes | 7,991,868 | 7,185,203 | - | - | 7,991,868 | 7,185,203 |
| Other | 24,685,909 | 24,606,840 | 7,412 | - | 24,693,321 | 24,606,840 |
| Investment income | 1,669,433 | 778,276 | 564,561 | 234,069 | 2,233,994 | 1,012,545 |
| Total Revenue | 141,997,200 | 135,637,766 | 45,269,929 | 38,896,127 | 187,267,129 | 174,533,893 |
| Expenses | | | | | | |
| General management and support | 19,444,079 | 20,015,842 | - | - | 19,444,079 | 20,015,842 |
| Public works | 56,755,452 | 80,461,868 | - | - | 56,755,452 | 80,461,868 |
| Health and human resources development | 26,584,419 | 22,717,732 | - | - | 26,584,419 | 22,717,732 |
| Recreation and cultural opportunities | 2,895,010 | 3,455,215 | - | - | 2,895,010 | 3,455,215 |
| Housing and economic development | 11,081,641 | 14,060,670 | - | - | 11,081,641 | 14,060,670 |
| Interest | 6,907,087 | 9,129,587 | - | - | 6,907,087 | 9,129,587 |
| Water | 5,453,918 | 4,683,429 | - | - | 5,453,918 | 4,683,429 |
| Sewer | - | - | 12,879,721 | 12,965,491 | 12,879,721 | 12,965,491 |
| Solid Waste | - | - | 6,492,039 | 6,721,489 | 6,492,039 | 6,721,489 |
| Motor vehicle parking system | - | - | 5,078,507 | 4,851,568 | 5,078,507 | 4,851,568 |
| Total Expense | 129,121,506 | 154,524,343 | 34,035,950 | 33,857,791 | 163,157,456 | 188,382,134 |
| Increase (decrease) in net position before transfers | 12,875,694 | (18,886,577) | 11,233,979 | 5,038,336 | 24,109,673 | (13,848,241) |
| Transfers | 8,203,268 | 1,480,488 | (8,203,268) | (1,480,488) | - | - |
| Increase (Decrease) in Net Position | 21,078,962 | (17,406,089) | 3,030,711 | 3,557,848 | 24,109,673 | (13,848,241) |
| Net Position - Beginning | (133,190,720) | (115,784,641) | 295,876,664 | 292,318,816 | 162,685,934 | 176,534,175 |
| Net Position - Ending | \$ (112,111,269) | \$ (133,190,720) | \$ 298,907,375 | \$ 295,876,664 | \$ 186,795,607 | \$ 162,685,934 |

(Unaudited)
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 \$51,903,065 as of December 31, 2019 which includes \$415,394 non-spendable, \$15,932,963 restricted, \$24,635,982 assigned and \$10,918,726 unassigned fund balance. The restricted fund balance consists of amounts required to be set aside by external authorities.

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

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund reported an increase of \$2,034,851 with actual revenue of \$108,643,055 and expenses of \$112,117,151. The City generated better than expected taxes for the year.

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 a decrease of \$550 from \$417,981 to \$417,431.

The Crown Capital Fund which was previously reported as part of the Nonmajor Governmental Funds, had a decrease in fund balance of \$9,879,385 from \$17,525,535 to \$7,646,150. The decrease is attributable to expenditures of \$32,838,985 offset by the combined revenue and bond issuance of \$22,959,600.

Combined Nonmajor Governmental Funds

Combined nonmajor fund balances totaled \$27,949,585, an increase of \$3,403,775 from prior period of \$24,545,810 (after reclassification of Crown Capital Fund). Non-major funds with surpluses for the fiscal year include Motor Fuel, Affordable Housing, Home Fund, Emergency Telephone System, Neighborhood Improvement, Good Neighbor, Reparatons, Chicago Main TIF, SSD #6, Dempster Dodge TIF, West Evanston TIF, Community Development Loan, SSD #4 and Special Assessment Capital Projects. Nonmajor funds with deficits for the period include Community Development Block Grant, General Assistance, Howard Ridge TIF and Capital Improvements.

(Unaudited)
MD&A 6

Proprietary Funds

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

The proprietary funds operated by the City are the Water, Sewer, Solid Waste and Parking Funds. These funds have a combined net increase of \$3,029,210 in the net position. The Sewer Fund reported the highest increase in the amount of \$2,753,411. This increase is mainly due to the operating surplus and reduced debt service expense. The Solid Waste Fund added \$559,718 to the net position during the year. The Water Fund reported an increase of \$1,298,203, while Parking Fund reported a decrease of \$1,582,122. 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 decreased by \$3,096,747 from a deficit of \$331,192, as of January 1, 2019 to a net deficit balance of \$3,427,939 as of December 31, 2019. Fleet Fund and Equipment Replacement reported a combined net decrease in net position of \$297,496. The net deficit in the Insurance Fund increased by \$2,799,251 mainly due to claim settlements and legal fees.

General Fund Budgetary Highlights

Total budgetary basis revenues for the General Fund were \$108,643,055 while total expenditures were \$112,117,151. Overall General Fund revenue came in higher than budget by \$1,903,288. Total expenditures in the General Fund were higher than budgeted amounts by \$1,111,323. The actual net deficiency of \$3,474,096 was offset by \$5,508,947 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, 2019, were \$578,954,429. The governmental funds capital assets had a net increase of \$32,050,322, while business type capital assets increased by \$14,211,566. Overall, capital assets increased by 8.7% for the City as a whole. The net increase in governmental funds 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, 2019, the City had outstanding total general obligation bonded debt of \$183,563,417 of which \$28,608,753 was for business type activities to be paid for by the City's Water, Solid Waste and Sewer Funds. Overall debt represents a \$13,022,560 increase from 2018. The City's general obligation debt service principal payments for 2019 totaled \$10,677,440. During the current year, the City issued \$23,700,000 in general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should refer to Note 8 in the Notes to the Financial Statements.

(Unaudited)
MD&A 7

Bond Ratings

The City's general obligation bonds are rated Aa2 by Moody's Investor Rating Service 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. In general, economically sensitive revenues such as Income Tax, Use Tax, and Real Estate Transfer Tax came in higher than budgeted revenues while Utility Taxes, Cable franchise fees and Municipal Hotel Taxes were below budget. The city received \$4,617,598 in building permits reflective of strong construction activity in Evanston. The City's new transportation network provider tax performed lot better bringing in revenue of \$1,000,030.

The unemployment rate in Evanston has stayed slightly below/same level as many other cities in the State due in part to the stable economy that includes Northwestern University. The City continues to maintain its lower unemployment rate compared to state and federal unemployment levels. The primary employers in the City include Northwestern University, two hospitals, the local high school, and elementary school district, Rotary International, several not-for-profit organizations, and numerous retail businesses and restaurants. The City's equalized assessed value for real property for 2019 reported an increase of 26.2% from \$2,720,580,914 to \$3,432,148,547.

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continued to spread rapidly. The economic impact of the State of Illinois' Executive Order imposing "stay at home" restrictions could be widespread and last for extended period. As a result, the City of Evanston has already been working on estimating the decline in revenues and increase in COVID-19 related expenditures that will impact the city in 2020 and beyond. Staff believes that the strong 2019 fiscal year financials of the city could help lessen the disastrous impact in 2020. City staff continues to carefully monitor the COVID-19 situation, its impact on revenues, and updates the council every month with revised financial numbers. City has already made a variety of adjustments including reduced CIP projects, hiring freeze, furlough days, contracts restructuring etc. to generate savings to offset the revenue losses.

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 847-866-2934, or access the website at www.cityofevanston.org.

BASIC FINANCIAL STATEMENTS

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2019

| | Primary Government | | Component Unit Evanston Public Library |
|--|----------------------------|-----------------------------|--|
| | Governmental Activities | Business-Type Activities | |
| ASSETS | | | |
| Cash and equivalents | \$ 15,356,403 | \$ 10,399,329 | \$ 7,713,405 |
| Investments | 39,997,847 | - | - |
| Receivables (net, where applicable, of allowances for uncollectibles) | - | - | - |
| Property taxes | 46,888,583 | 1,332,500 | 7,732,145 |
| Utility taxes | 694,112 | - | 694,112 |
| Accounts | - | 4,000,891 | - |
| Notes | 400,000 | 204,000 | 604,000 |
| Loans | 7,932,682 | - | 7,932,682 |
| Special assessments | 482,723 | - | 482,723 |
| Accrued interest | - | - | - |
| Other | 974,586 | 833,207 | 1,807,793 |
| Due from other governments | 9,131,085 | - | 9,131,085 |
| Due from primary government | - | - | 324,908 |
| Internal balances | (816,877) | 816,877 | - |
| Inventories | 1,407,988 | 828,180 | 2,236,168 |
| Prepaid items | 2,231,472 | 172,310 | 2,403,782 |
| Capital assets | | | |
| Capital assets not being depreciated | 87,412,008 | 22,697,207 | 110,109,215 |
| Capital assets being depreciated, net | 131,245,836 | 337,599,378 | 468,845,214 |
| Total Assets | 343,338,448 | 378,883,879 | 722,222,327 |
| | | | 28,009,587 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension items - Police | 22,189,652 | - | 22,189,652 |
| Pension items - Fire | 15,614,276 | - | 15,614,276 |
| Pension items - IMRF | 17,493,657 | 4,721,565 | 22,215,222 |
| OPEB items | 2,466,349 | 119,728 | 2,586,077 |
| Total Deferred Outflows of Resources | 57,763,934 | 4,841,293 | 62,605,227 |
| | | | 2,428,561 |
| Total Assets and Deferred Outflows of Resources | 401,102,382 | 383,725,172 | 784,827,554 |
| | | | 30,438,148 |

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position

December 31, 2019

| | Primary Government | | Component Unit Evanston Public Library |
|--|----------------------------|-----------------------------|--|
| | Governmental Activities | Business-Type Activities | |
| LIABILITIES | | | |
| Vouchers payable | \$ 16,577,344 | \$ 3,073,529 | \$ 19,650,873 |
| Retainage payable | - | 1,558,172 | 1,558,172 |
| Deposits payable | - | 1,737 | 1,737 |
| Accrued payroll | 2,261,457 | - | 2,261,457 |
| Accrued interest | 487,754 | 241,366 | 729,120 |
| Due to other governments | 128,501 | - | 128,501 |
| Due to component unit | 324,908 | - | 324,908 |
| Due to fiduciary fund | 33,398 | - | 33,398 |
| Unearned revenue | 1,075,374 | - | 1,075,374 |
| Noncurrent liabilities | | | |
| Due within one year | 16,025,178 | 6,537,095 | 22,562,273 |
| Due in more than one year | 410,052,020 | 71,011,504 | 481,063,524 |
| Total Liabilities | 446,965,934 | 82,423,403 | 529,389,337 |
| | | | 10,161,993 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension items - Police Pension | 7,823,290 | - | 7,823,290 |
| Pension items - Fire Pension | 6,779,910 | - | 6,779,910 |
| Pension items - IMRF | 3,770,156 | 1,017,572 | 4,787,728 |
| OPEB items | 986,277 | 45,823 | 1,032,100 |
| Property taxes levied for future periods | 46,888,583 | 1,332,500 | 48,221,083 |
| Total Deferred Inflows of Resources | 66,248,216 | 2,395,895 | 68,644,111 |
| | | | 8,262,786 |
| Total Liabilities and Deferred Inflows of Resources | 513,214,150 | 84,819,298 | 598,033,448 |
| | | | 18,424,779 |
| NET POSITION | | | |
| Net investment in capital assets | 53,783,908 | 289,022,749 | 342,806,657 |
| Restricted for | | | |
| Highway maintenance | 2,669,032 | - | 2,669,032 |
| Emergency telephone system | 1,270,960 | - | 1,270,960 |
| HUD approved projects | 298,207 | - | 298,207 |
| Neighborhood improvements | 6,652,919 | - | 6,652,919 |
| Repairs | 1,335 | - | 1,335 |
| Capital improvements | 252,545 | - | 252,545 |
| Debt service | 4,047,228 | - | 4,047,228 |
| General assistance | 363,041 | - | 363,041 |
| Endowment | - | - | - |
| Unrestricted | (181,450,943) | 9,883,125 | (171,567,818) |
| Total Net Position | \$ (112,111,768) | \$ 298,905,874 | \$ 186,794,106 |
| | | | 12,013,369 |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2019

| FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT | Program Revenues | | |
|--|------------------|----------------------|------------------------------------|
| | Expenses | Changes for Services | Operating Grants and Contributions |
| Governmental Activities | | | Capital Grants and Contributions |
| General management and support | \$ 19,444,079 | \$ 8,768,397 | \$ 41,535 |
| Public safety | 56,755,452 | 4,948,393 | 398,971 |
| Public works | 26,584,419 | 449,478 | 2,448,235 |
| Health and human resource development | 2,895,010 | 638,770 | 416,592 |
| Recreational and cultural opportunities | 11,081,641 | 6,118,608 | 262,938 |
| Housing and economic development | 6,907,087 | 4,879,985 | 2,306,873 |
| Interest | 5,453,818 | - | - |
| Total Governmental Activities | 129,121,506 | 25,803,631 | 5,775,144 |
| Business-Type Activities | | | |
| Water | 12,879,721 | 17,798,361 | - |
| Sewer | 6,602,039 | 10,790,345 | - |
| Solid waste | 5,078,507 | 4,669,225 | - |
| Motor vehicles parking system | 9,385,683 | 10,639,524 | - |
| Total Business-Type Activities | 34,035,950 | 43,876,455 | - |
| Total Primary Government | \$ 163,157,456 | \$ 69,680,086 | \$ 5,775,144 |
| Evanston Public Library | \$ 9,155,411 | \$ 155,163 | \$ 587,854 |
| Community services | 175,973 | - | - |
| Total Evanston Public Library | \$ 9,331,384 | \$ 155,163 | \$ 587,854 |

| FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT | Net (Expense) Revenue and Change in Net Position | | |
|--|--|--------------------------|--------------------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government |
| Governmental Activities | \$ (10,634,147) | \$ - | \$ (10,634,147) |
| Public safety | (51,408,088) | - | (51,408,088) |
| Public works | (17,792,490) | - | (17,792,490) |
| Health and human resource development | (1,839,648) | - | (1,839,648) |
| Recreational and cultural opportunities | (4,700,095) | - | (4,700,095) |
| Housing and economic development | 2,915,784 | - | 2,915,784 |
| Interest | (5,453,818) | - | (5,453,818) |
| Total Governmental Activities | (88,912,502) | - | (88,912,502) |
| Business-Type Activities | | | |
| Water | - | 4,908,640 | 4,908,640 |
| Sewer | - | 4,288,306 | 4,288,306 |
| Solid waste | - | (410,282) | (410,282) |
| Motor vehicles parking system | - | 1,053,841 | 1,053,841 |
| Total Business-Type Activities | - | 9,840,505 | 9,840,505 |
| Total Primary Government | (88,912,502) | 9,840,505 | (79,071,997) |
| Evanston Public Library | - | - | (8,412,394) |
| Community services | - | - | (175,973) |
| Total Evanston Public Library | - | - | (8,588,367) |

| General Revenues | Taxes | |
|-------------------------------------|------------------|----------------|
| | Property tax | Other taxes |
| Property tax | 44,162,966 | 820,000 |
| Other taxes | 9,257,763 | - |
| Personal property replacement taxes | 1,744,366 | - |
| Sales and home rule tax | 16,905,373 | - |
| Utility tax | 6,372,647 | - |
| Liquor tax | 3,367,406 | - |
| Parking tax | 3,271,175 | - |
| Real estate transfer tax | 2,671,279 | - |
| Income tax | 7,991,868 | - |
| Investment income | 1,669,433 | - |
| Gain on sale of capital assets | 4,373,920 | 7,412 |
| Miscellaneous | 8,203,268 | (8,203,268) |
| Transfers | - | - |
| Total | 109,991,464 | (6,811,295) |
| Change in Net Position | 21,078,962 | 3,029,210 |
| Net Position, January 1 | (133,190,730) | 295,876,664 |
| Prior period adjustment | - | - |
| Net Position, January 1 (restated) | (133,190,730) | 295,876,664 |
| Net Position, December 31 | \$ (112,111,768) | \$ 298,905,874 |

| General Revenues | Taxes | |
|-------------------------------------|------------------|----------------|
| | Property tax | Other taxes |
| Property tax | 44,162,966 | 820,000 |
| Other taxes | 9,257,763 | - |
| Personal property replacement taxes | 1,744,366 | - |
| Sales and home rule tax | 16,905,373 | - |
| Utility tax | 6,372,647 | - |
| Liquor tax | 3,367,406 | - |
| Parking tax | 3,271,175 | - |
| Real estate transfer tax | 2,671,279 | - |
| Income tax | 7,991,868 | - |
| Investment income | 1,669,433 | - |
| Gain on sale of capital assets | 4,373,920 | 7,412 |
| Miscellaneous | 8,203,268 | (8,203,268) |
| Transfers | - | - |
| Total | 109,991,464 | (6,811,295) |
| Change in Net Position | 21,078,962 | 3,029,210 |
| Net Position, January 1 | (133,190,730) | 295,876,664 |
| Prior period adjustment | - | - |
| Net Position, January 1 (restated) | (133,190,730) | 295,876,664 |
| Net Position, December 31 | \$ (112,111,768) | \$ 298,905,874 |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Balance Sheet
Governmental Funds

December 31, 2019

| | General | Crown Capital | General Obligation Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------------|---------------|---------------|---------------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and equivalents | \$ 7,227,257 | \$ 237,051 | \$ - | \$ 7,168,133 | \$ 14,632,441 |
| Investments | 1,508,466 | 17,524,960 | 664,088 | 20,300,333 | 39,997,847 |
| Receivables | | | | | |
| Property taxes | 32,472,987 | - | 12,521,931 | 1,893,665 | 46,888,583 |
| Utility | 694,112 | - | - | - | 694,112 |
| Notes | 400,000 | - | - | - | 400,000 |
| Loans | - | - | - | 7,932,682 | 7,932,682 |
| Special assessments | - | - | - | 482,723 | 482,723 |
| Other | 929,505 | - | - | 45,081 | 974,586 |
| Due from other governments | 7,805,551 | - | - | 1,325,534 | 9,131,085 |
| Due from other funds | 7,318,558 | - | - | 1,077,066 | 8,395,624 |
| Advances to other funds | - | - | - | 4,000,000 | 4,000,000 |
| Inventories | 15,394 | - | - | - | 15,394 |
| Total Assets | \$ 58,371,830 | \$ 17,762,011 | \$ 13,186,019 | \$ 44,225,217 | \$ 133,545,077 |

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Balance Sheet
Governmental Funds

December 31, 2019

| | General | Crown Capital | General Obligation Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------|---------------|---------------------------------------|-----------------------------------|--------------------------------|
| LIABILITIES | | | | | |
| Vouchers payable | \$ 3,194,607 | \$ 9,813,048 | \$ - | \$ 3,263,405 | \$ 16,271,060 |
| Accrued payroll | 2,261,457 | - | - | - | 2,261,457 |
| Due to other governments | - | - | - | 128,501 | 128,501 |
| Due to component unit | 324,908 | - | - | - | 324,908 |
| Due to other funds | - | 302,813 | 246,657 | - | 2,124,126 |
| Due to fiduciary funds | 33,398 | - | - | - | 33,398 |
| Advances from other funds | 4,119,200 | - | - | - | 4,119,200 |
| Unearned revenue | 75,374 | - | - | 1,000,000 | 1,075,374 |
| Total Liabilities | 10,008,944 | 10,115,861 | 246,657 | 5,966,562 | 26,338,024 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Long-term loans | - | - | - | 8,415,405 | 8,415,405 |
| Property taxes levied for future periods | 32,472,987 | - | 12,521,931 | 1,893,665 | 46,888,583 |
| Total Deferred Inflows of Resources | 32,472,987 | - | 12,521,931 | 10,309,070 | 55,303,988 |
| Total Liabilities and Deferred Inflows of Resources | 42,481,931 | 10,115,861 | 12,768,588 | 16,275,632 | 81,642,012 |
| FUND BALANCES | | | | | |
| Nonspendable | 400,000 | - | - | - | 400,000 |
| Inventory | 15,394 | - | - | - | 15,394 |
| Restricted | | | | | |
| Highway maintenance | - | - | - | 2,669,032 | 2,669,032 |
| Emergency telephone system | - | - | - | 1,270,960 | 1,270,960 |
| HUD approved projects | - | - | - | 298,207 | 298,207 |
| Neighborhood improvements | - | - | - | 7,030,615 | 7,030,615 |
| Repairs | - | - | - | 1,335 | 1,335 |
| Debt service | - | - | 417,431 | 3,629,797 | 4,047,228 |
| Township | - | - | - | 363,041 | 363,041 |
| Capital improvements | - | - | - | 252,545 | 252,545 |
| Assigned | | | | | |
| Capital improvements | - | 7,646,150 | - | 12,660,246 | 20,306,396 |
| Other | 4,329,586 | - | - | - | 4,329,586 |
| Unassigned | 11,144,191 | - | - | (226,193) | 10,918,726 |
| Total Fund Balances | 15,889,899 | 7,646,150 | 417,431 | 27,949,585 | 51,903,065 |
| Total Liabilities, Inflows of Resources, and Fund Balances | \$ 58,371,830 | \$ 17,762,011 | \$ 13,186,019 | \$ 44,225,217 | \$ 133,545,077 |

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, 2019

Fund Balances of Governmental Funds \$ 51,903,065

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 \$ 218,657,844
 Less internal service fund portion 7,144,736
 211,513,108

Total OPEB liability payable is not due and payable in the current period and, therefore, is not reported in the governmental funds (20,645,570)

Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds (487,754)

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 (154,954,665)
 Bonds premium liability (9,919,270)
 Compensated absences payable (9,531,362)

Net pension liability (asset) is shown as a liability (asset) on the statement of net position

Illinois Municipal Retirement Fund (16,538,083)
 Police Pension Fund (109,646,586)
 Firefighters' Pension Fund (97,187,735)

Differences between expected and actual experiences, assumption changes, net outflows and inflows of resources on the statement of net position

Illinois Municipal Retirement Fund 13,723,501
 Police Pension Fund 14,366,362
 Firefighters' Pension Fund 8,834,366
 OPEB 1,471,389

Deferred inflows for long-term loans are not available and, therefore, not revenue in fund financial statements 8,415,405

The net position of the internal service fund is included in the governmental activities on the statement of net position (3,427,939)

Net Position of Governmental Funds \$ (112,111,768)

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

| | General | Crown Capital | General Obligation Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------|---------------------------------|-----------------------------|--------------------------|
| Revenues | | | | | |
| Taxes | \$ 62,839,205 | \$ - | \$ 10,581,996 | \$ 5,223,447 | \$ 78,644,648 |
| Licenses and permits | 10,011,661 | - | - | - | 10,011,661 |
| Special assessments | - | - | - | 230,526 | 230,526 |
| Intergovernmental | 19,855,436 | - | - | 5,422,320 | 25,277,756 |
| Charges for services | 8,840,673 | - | - | 84,261 | 8,924,934 |
| Fines and forfeits | 5,108,237 | - | - | - | 5,108,237 |
| Investment income | 210,357 | 534,207 | 200,611 | 724,258 | 1,669,433 |
| Miscellaneous | 1,777,486 | 6,250,000 | 87,456 | 4,015,063 | 12,130,005 |
| Total Revenues | 108,643,055 | 6,784,207 | 10,870,063 | 15,699,875 | 141,997,200 |
| Expenditures | | | | | |
| Current | | | | | |
| General management and support | 16,725,107 | - | 34 | 2,480,911 | 19,206,052 |
| Public safety | 64,372,499 | - | - | 1,448,582 | 65,821,081 |
| Police works | 12,881,405 | 890,012 | - | 2,076,151 | 15,847,568 |
| Health and human resource development | 2,989,435 | - | - | - | 2,989,435 |
| Recreational and cultural opportunities | 12,246,544 | - | - | - | 12,246,544 |
| Housing and economic development | 2,902,161 | - | - | 3,664,536 | 6,566,697 |
| Capital outlay | - | 31,777,910 | - | 8,018,519 | 39,796,429 |
| Debt service | - | - | - | - | - |
| Principal | - | - | 9,517,155 | 648,812 | 10,165,967 |
| Interest | - | - | 5,736,517 | 12,256 | 5,748,773 |
| Fiscal charges | - | 171,063 | 7,000 | 96,536 | 274,599 |
| Total Expenditures | 112,117,151 | 32,838,985 | 15,260,706 | 18,446,103 | 178,662,945 |
| Excess (Deficiency) of Revenues Over Expenditures | (3,474,096) | (26,054,778) | (4,390,643) | (2,746,228) | (36,665,745) |
| Other Financing Sources (Uses) | | | | | |
| Issuance of bonds | - | 12,750,000 | - | 7,020,000 | 19,770,000 |
| Issuance of loans | - | - | - | - | - |
| Premium (discount) on bonds issued | - | 2,728,206 | - | 1,477,734 | 4,205,940 |
| Transfers in | 8,817,013 | 1,000,000 | 4,390,093 | 198,181 | 14,405,287 |
| Transfers (out) | (3,308,066) | (302,813) | - | (2,545,912) | (6,156,791) |
| Total Other Financing Sources (Uses) | 5,508,947 | 16,175,393 | 4,390,093 | 6,150,003 | 32,224,436 |
| Net Change in Fund Balances | 2,034,851 | (9,879,385) | (550) | 3,403,775 | (4,441,309) |
| Fund Balances, January 1 | 13,855,048 | 17,525,535 | 417,981 | 24,545,810 | 56,344,374 |
| Fund Balances, December 31 | \$ 15,889,899 | \$ 7,646,150 | \$ 417,431 | \$ 27,949,585 | \$ 51,903,065 |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

| | |
|--|----------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (4,441,309) |
| 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 | 41,738,872 |
| 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 | (9,613,145) |
| Depreciation | |
| The issuance of long-term debt is reported as an other financing sources in governmental funds, but as an increase of principal outstanding in the statement of activities | (23,975,940) |
| 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 | 10,169,098 |
| The amortization of premium on long-term debt is reported as a reduction of interest expense on the statement of activities | 640,603 |
| Changes in total other postemployment benefits obligations are reported only in the statement of activities | (3,521,783) |
| The change in compensated absences payable is shown as an expense on the statement of activities | 499,402 |
| The change in the accrual of interest is reported as interest expense on the statement of activities | (71,249) |
| The change in the net pension liability (asset) is reported only in the statement of activities | (25,107,500) |
| Illinois Municipal Retirement Fund | 8,623,507 |
| Police Pension Fund | (742,223) |
| Firefighters' Pension Fund | |
| The change in deferred inflows and outflows of resources is reported only in the statement of activities | |
| Illinois Municipal Retirement Fund | 25,670,813 |
| Police Pension Fund | 3,309,910 |
| Firefighters' Pension Fund | (1,181,007) |
| OPEB | 2,555,356 |
| The change in deferred inflows for long-term loans is not an expense on the statement of activities | (377,696) |
| Internal service funds are reported separately in the fund financial statements | (3,096,747) |
| Change in Net Position of Governmental Activities | <u>\$ 21,078,962</u> |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Net Position
Proprietary Funds

December 31, 2019

| | Water | Sewer | Solid Waste | Motor Vehicle Parking System | Total | Governmental Activities - Internal Service Funds |
|--|--------------------|--------------------|------------------|------------------------------|--------------------|--|
| Current Assets | | | | | | |
| Cash and cash equivalents | \$ 5,042,058 | \$ 2,474,441 | \$ - | \$ 2,882,830 | \$ 10,399,329 | \$ 723,962 |
| Receivables | - | - | 1,332,500 | - | 1,332,500 | - |
| Accounts - water and sewerage charges | | | | | | |
| Accounts - billed | 131,943 | 166,715 | 134,697 | - | 433,355 | - |
| Accounts - unbilled | 1,257,173 | 1,639,394 | 670,969 | - | 3,567,536 | - |
| Other | 801,177 | - | 32,030 | - | 833,207 | - |
| Inventories | 703,696 | 124,484 | - | - | 828,180 | 1,392,594 |
| Prepaid items | - | - | 172,310 | - | 172,310 | 2,231,472 |
| Due from other funds | 519,976 | 1,188,089 | - | 63 | 1,708,128 | - |
| Advances to other funds | - | - | - | 119,200 | 119,200 | - |
| Total Current Assets | 8,456,023 | 5,593,123 | 2,342,506 | 3,002,093 | 19,393,745 | 4,348,028 |
| Noncurrent Assets | | | | | | |
| Capital assets | | | | | | |
| Capital assets not being depreciated | 18,300,728 | - | - | 4,396,479 | 22,697,207 | - |
| Capital assets being depreciated | 123,693,914 | 258,957,907 | 267,825 | 91,921,037 | 474,840,883 | 25,550,015 |
| Accumulated depreciation | (32,356,644) | (67,461,052) | (26,783) | (37,396,826) | (137,241,305) | (18,405,279) |
| Total Capital Assets | 109,637,998 | 191,496,855 | 241,042 | 58,920,690 | 360,296,585 | 7,144,736 |
| Other assets | | | | | | |
| Notes receivable | - | - | - | 204,000 | 204,000 | - |
| Total Other Assets | - | - | - | 204,000 | 204,000 | - |
| Total Noncurrent Assets | 109,637,998 | 191,496,855 | 241,042 | 59,124,690 | 360,500,585 | 7,144,736 |
| Total Assets | 118,094,021 | 197,089,978 | 2,583,548 | 62,126,783 | 379,894,330 | 11,492,764 |
| Deferred Outflows of Resources | | | | | | |
| Pension items - IMRF | 2,711,394 | 637,251 | 516,690 | 856,230 | 4,721,565 | - |
| OPEB items | 49,481 | 22,013 | 27,778 | 20,456 | 119,728 | 14,067 |
| Total Deferred Outflows of Resources | 2,760,875 | 659,264 | 544,468 | 876,686 | 4,841,293 | 14,067 |
| Total Assets and Deferred Outflows of Resources | 120,854,896 | 197,749,242 | 3,128,016 | 63,003,469 | 384,735,623 | 11,506,831 |

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Statement of Net Position
Proprietary Funds

December 31, 2019

| | Water | Sewer | Solid Waste | Motor Vehicle Parking System | Total | Governmental Activities - Internal Service Funds |
|--|---------------|----------------|--------------|------------------------------|----------------|--|
| Current Liabilities | | | | | | |
| Vouchers payable | \$ 2,384,028 | \$ 80,695 | \$ 197,482 | \$ 411,324 | \$ 3,073,529 | \$ 306,284 |
| Retainage payable | 1,558,172 | - | - | - | 1,558,172 | - |
| Deposits payable | 862 | 184 | 691 | - | 1,737 | - |
| Interest payable - restricted | 87,712 | 153,654 | - | - | 241,366 | - |
| Notes payable - IEPA | 219,051 | 4,821,649 | - | - | 5,040,700 | - |
| Current portion of GO bonds payable | 1,046,544 | 242,874 | - | - | 1,289,418 | - |
| Current portion of total OPEB liability | 15,559 | 6,922 | 8,735 | 6,432 | 37,648 | 4,423 |
| Claims payable | - | - | - | - | - | 1,391,550 |
| Due to other funds | - | - | 1,010,451 | - | 1,010,451 | 6,969,175 |
| Due to component unit | - | - | - | - | - | - |
| Compensated absences payable | 110,452 | 22,871 | 10,233 | 25,773 | 169,329 | 22,813 |
| Total Current Liabilities | 5,422,380 | 5,528,849 | 1,227,592 | 443,529 | 12,422,350 | 8,694,245 |
| Non-current Liabilities | | | | | | |
| Notes payable - IEPA | 14,605,321 | 21,045,530 | - | - | 35,650,851 | - |
| General obligation bonds payable | 26,377,520 | 2,915,347 | - | - | 29,292,867 | - |
| Total OPEB liability | 383,033 | 170,403 | 215,028 | 158,351 | 926,815 | 108,891 |
| Claims payable | - | - | - | - | - | 6,035,000 |
| Compensated absences payable | 441,810 | 91,482 | 40,933 | 103,091 | 677,316 | 91,250 |
| Net pension liability - IMRF | 2,563,287 | 602,442 | 488,467 | 809,459 | 4,463,655 | - |
| Total Long-Term Liabilities | 44,370,971 | 24,825,204 | 744,428 | 1,070,901 | 71,011,504 | 6,235,141 |
| Total Liabilities | 49,793,351 | 30,154,053 | 1,972,020 | 1,514,430 | 83,433,854 | 14,929,386 |
| Deferred Inflows of Resources | | | | | | |
| Pension items - IMRF | 584,348 | 137,338 | 111,355 | 184,531 | 1,017,572 | - |
| OPEB items | 18,938 | 8,425 | 10,631 | 7,829 | 45,823 | 5,384 |
| Deferred property taxes | - | - | 1,332,500 | - | 1,332,500 | - |
| Total Deferred Inflows of Resources | 603,286 | 145,763 | 1,454,486 | 192,360 | 2,395,895 | 5,384 |
| Total Liabilities and Deferred Inflows of Resources | 50,396,637 | 30,299,816 | 3,426,506 | 1,706,790 | 85,829,749 | 14,934,770 |
| Net Position (Deficit) | | | | | | |
| Net investment in capital assets | 67,389,562 | 162,471,455 | 241,042 | 58,920,690 | 289,022,749 | 7,144,736 |
| Unrestricted | 3,068,697 | 4,977,971 | (539,532) | 2,375,989 | 9,883,125 | (10,572,675) |
| Total Net Position (Deficit) | \$ 70,458,259 | \$ 167,449,426 | \$ (298,490) | \$ 61,296,679 | \$ 298,905,874 | \$ (3,427,939) |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

| | Water | Sewer | Solid Waste | Motor Vehicle Parking System | Total | Governmental Activities - Internal Service Funds |
|--|---------------|----------------|--------------|------------------------------|----------------|--|
| Operating Revenues | | | | | | |
| Charges for services | \$ 16,510,511 | \$ 10,757,395 | \$ 4,661,645 | \$ 10,431,844 | \$ 42,361,395 | \$ 23,488,291 |
| Miscellaneous | 1,277,850 | 22,950 | 6,580 | 207,680 | 1,515,060 | 45 |
| Total Operating Revenues | 17,788,361 | 10,780,345 | 4,668,225 | 10,639,524 | 43,876,455 | 23,488,336 |
| Operating Expenses Excluding Depreciation | | | | | | |
| Administration | 890,296 | 1,602,996 | 1,163,189 | 2,233,432 | 5,889,913 | - |
| Operations | 8,374,585 | 413,341 | 3,887,870 | 4,629,699 | 17,305,495 | 25,084,451 |
| Total Operating Expenses Excluding Depreciation | 9,264,881 | 2,016,337 | 5,051,059 | 6,863,131 | 23,195,408 | 25,084,451 |
| Operating Income (Loss) Before Depreciation | 8,523,480 | 8,764,008 | (382,834) | 3,776,393 | 20,681,047 | (1,596,115) |
| Depreciation | 2,648,980 | 3,681,927 | 26,783 | 2,694,291 | 9,051,981 | 1,490,126 |
| Operating Income (Loss) | 5,874,500 | 5,082,081 | (409,617) | 1,082,102 | 11,629,066 | (3,086,241) |
| Non-Operating Revenue (Expenses) | | | | | | |
| Investment income | 189,122 | 39,012 | - | 336,427 | 564,561 | 31,04 |
| Property taxes | - | - | 820,000 | - | 820,000 | - |
| Interest expense | (893,274) | (793,775) | (665) | (1,004) | (1,688,718) | - |
| Gain (loss) on disposal of capital assets | (72,386) | 7,412 | - | (27,257) | (92,431) | 31,618 |
| Total Non-Operating Revenue (Expenses) | (776,738) | (747,351) | 819,335 | 308,166 | (396,588) | 34,722 |
| Income (Loss) Before Transfers | 5,097,762 | 4,334,730 | 409,718 | 1,390,268 | 11,232,478 | (3,051,519) |
| Transfers | | | | | | |
| Transfers in | - | - | 150,000 | - | 150,000 | - |
| Transfers (out) | (3,799,559) | (1,581,319) | - | (2,972,390) | (8,353,268) | (45,228) |
| Total Transfers | (3,799,559) | (1,581,319) | 150,000 | (2,972,390) | (8,203,268) | (45,228) |
| Net Income (Loss) | 1,298,203 | 2,753,411 | 559,718 | (1,582,122) | 3,029,210 | (3,096,747) |
| Net Position (Deficit), January 1 | 69,160,056 | 164,696,015 | (858,208) | 62,878,801 | 295,876,664 | (331,192) |
| Net Position (Deficit), December 31 | \$ 70,458,259 | \$ 167,449,426 | \$ (298,490) | \$ 61,296,679 | \$ 298,905,874 | \$ (3,427,939) |

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended December 31, 2019

| | Water | Sewer | Solid Waste | Motor Vehicle Parking System | Total | Governmental Activities - Internal Service Funds |
|--|--------------|--------------|--------------|------------------------------|---------------|--|
| Operating income (loss) | \$ 5,874,500 | \$ 5,082,081 | \$ (409,617) | \$ 1,082,102 | \$ 11,629,066 | \$ (3,086,241) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | | | | | |
| Depreciation | 2,648,980 | 3,681,927 | 26,783 | 2,694,291 | 9,051,981 | 1,490,126 |
| Changes in assets and liabilities | | | | | | |
| Accounts receivable | (232,332) | 195,146 | (62,080) | - | (99,266) | - |
| Notes receivable | (519,976) | 393,037 | - | 5,000 | 5,000 | - |
| Prepaid expenses | - | - | (172,310) | 238,337 | 111,398 | 134,031 |
| Inventories | (65,221) | 12,462 | - | 126,142 | (46,168) | (1,687,814) |
| Compensated absences | (56,765) | (10,322) | - | (9,038) | (52,759) | (144,965) |
| OPER items | 6,116 | 10,863 | (6,173) | 13,682 | 24,488 | (14,303) |
| Pension items - IMRF | (61,603) | (15,110) | (4,209) | (18,085) | (99,007) | 640 |
| Deposits payable | 862 | 31 | 85 | - | 978 | - |
| Vouchers payable | 112,598 | (396,480) | (115,148) | (37,617) | (436,642) | (186,642) |
| Interfund payable | (156,630) | (288) | (209,629) | (541,072) | (907,599) | 1,953,379 |
| Claims payable | - | - | - | - | - | 2,768,950 |
| | \$ 7,550,529 | \$ 8,953,367 | \$ (947,919) | \$ 3,553,742 | \$ 19,109,719 | \$ 1,269,161 |

Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities
Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash from operating activities
Depreciation
Changes in assets and liabilities
Accounts receivable
Notes receivable
Prepaid expenses
Inventories
Compensated absences
OPER items
Pension items - IMRF
Deposits payable
Vouchers payable
Interfund payable
Claims payable

Net Cash from Operating Activities

CITY OF EVANSTON, ILLINOIS

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended December 31, 2019

| | Water | Sewer | Solid Waste | Motor Vehicle Parking System | Total | Governmental Activities - Internal Service Funds |
|--|---------------|---------------|--------------|------------------------------|---------------|--|
| Cash Flows from Operating Activities | \$ 17,556,891 | \$ 10,975,522 | \$ 4,606,145 | \$ 10,644,524 | \$ 43,783,082 | \$ 2,943,402 |
| Receipts from customers and users | (1,968,110) | (267,783) | (674,563) | (731,026) | (3,641,482) | 22,134,057 |
| Receipts from (payments for) interfund services provided | (7,504,196) | (665,146) | (3,710,309) | (4,112,883) | (15,932,534) | (2,847,656) |
| Payments to suppliers | (534,056) | (1,149,226) | (1,169,192) | (2,246,873) | (5,099,347) | (7,815,289) |
| Payments to employees | - | - | - | - | - | (13,685,660) |
| Payments for insurance premiums | - | - | - | - | - | - |
| Net Cash from Operating Activities | 7,550,529 | 8,953,367 | (947,919) | 3,553,742 | 19,109,719 | 1,269,161 |
| Cash Flows from Noncapital Financing Activities | | | | | | |
| Property taxes | - | - | 820,000 | - | 820,000 | - |
| Transfers in (out) | (3,799,559) | (1,581,319) | 150,000 | (2,972,590) | (8,203,468) | (45,228) |
| Net Cash from Noncapital Financing Activities | (3,799,559) | (1,581,319) | 970,000 | (2,972,590) | (7,383,468) | (45,228) |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Sale of capital assets | (18,325,028) | (1,819,008) | - | (1,723,914) | (21,865,950) | 31,618 |
| Acquisition and construction of capital assets | 2,990,000 | 1,000,000 | - | - | 3,990,000 | (1,414,720) |
| Proceeds from general obligation bonds | 11,158,562 | - | - | - | 11,158,562 | - |
| Principal paid on loans | (1,028,627) | (76,382) | (2,019) | (332,56) | (1,169,284) | - |
| Interest paid on general obligation bonds | (334,631) | (621,738) | (726) | (116,716) | (1,073,831) | - |
| Interest paid on general obligation bonds | (216,521) | (517,252) | - | - | (5,388,533) | - |
| Principal paid on IEPA loans | (5,814,045) | (6,689,660) | (22,745) | (1,873,886) | (14,400,336) | (1,383,102) |
| Net Cash from Capital and Related Financing Activities | (18,325,028) | (1,819,008) | - | (1,723,914) | (21,865,950) | 31,618 |
| Cash Flows from Investing Activities | | | | | | |
| Interest income | 189,638 | 39,525 | - | 344,877 | 574,040 | 3,104 |
| Net Cash from Investing Activities | 189,638 | 39,525 | - | 344,877 | 574,040 | 3,104 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,873,437) | 721,913 | (664) | (947,657) | (2,099,845) | (156,065) |
| Cash and Cash Equivalents | | | | | | |
| Beginning | 6,915,495 | 1,752,528 | 664 | 3,830,487 | 12,499,174 | 880,027 |
| Ending | \$ 5,042,058 | \$ 2,474,441 | \$ - | \$ 2,882,830 | \$ 10,399,329 | \$ 723,962 |

(This statement is continued on the following page.)

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2019

| | |
|---|-----------------------|
| Assets | Pension Trust |
| Investments at fair value | |
| Cash and cash equivalents | \$ 10,560,450 |
| U.S. Treasury obligations | 21,040,633 |
| U.S. agency obligations | 8,664,091 |
| Corporate bonds | 32,200,180 |
| Common stock | 37,379,730 |
| Equity mutual funds | 109,857,552 |
| Index funds | 9,902,639 |
| Real estate | 1,064,103 |
| Receivables | - |
| Accrued interest | 414,106 |
| Due from other governments | 33,398 |
| Total Assets | 231,116,882 |
| Liabilities | |
| None | - |
| Total Liabilities | - |
| Net Position Restricted For Pensions | \$ 231,116,882 |

CITY OF EVANSTON, ILLINOIS

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended December 31, 2019

| | |
|---|-----------------------|
| Additions | \$ 18,768,892 |
| Contributions - employer | 2,537,743 |
| Contributions - plan members | 21,306,635 |
| Total Contributions | 23,306,635 |
| Investment income | |
| Net appreciation in fair value of investments | 34,935,424 |
| Interest on investments | 5,184,897 |
| Less investment expenses | (549,147) |
| Total Investment Income | 39,571,174 |
| Total Additions | 60,877,809 |
| Deductions | |
| Administration | 149,676 |
| Benefit payments and refunds | 22,147,426 |
| Total Deductions | 22,297,102 |
| Net Increase | 38,580,707 |
| Net Position Restricted For Pensions | |
| January 1 | 192,536,175 |
| December 31 | \$ 231,116,882 |

See accompanying notes to financial statements.

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

Page(s)

| | | |
|--------|---|-------|
| Note 1 | Summary of Significant Accounting Policies | 23-24 |
| | A. Reporting Entity | 25 |
| | B. Government-Wide and Fund Financial Statements | 25 |
| | C. Fund Accounting | 26-28 |
| | D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation | 28 |
| | E. Cash and Cash Equivalents | 28 |
| | F. Investments | 28 |
| | G. Inventories and Prepaid Items | 29 |
| | H. Capital Assets | 29 |
| | I. Compensated Absences | 29 |
| | J. Long-Term Obligations | 30 |
| | K. Self-Insurance | 30 |
| | L. Deferred Inflows of Resources | 30 |
| | M. Property Taxes | 31 |
| | N. Fund Equity | 31 |
| | O. Interfund Transactions | 32 |
| | P. Use of Estimates | 32 |
| | Q. Conduit Debt | 32 |
| | R. Deferred Implementation | 32 |
| Note 2 | Stewardship, Compliance, and Accountability | 33 |
| | A. Deficit Fund Equity | 33 |
| Note 3 | Deposits With Financial Institutions and Investments | 34 |
| | A. Types of Accounts and Securities | 34 |
| | B. Pooling Cash and Investments | 35 |
| | C. Types of Investments | 35 |
| | D. Deposits | 35 |
| Note 4 | Receivables | 36 |
| | A. Summary of Receivables | 36 |
| | B. Loans Receivable - Special Revenue Funds | 36 |
| Note 5 | Capital Assets | 37-39 |
| | A. Capital Asset Activity | 39 |
| | B. Construction Commitments | 39 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

Page(s)

| | | |
|---------|---|-------|
| | (Continued from the previous page) | |
| Note 6 | Interfunds | 40 |
| | A. Interfund Accounts | 41 |
| | B. Interfund Advances | 42-44 |
| | C. Interfund Transfers | 42-44 |
| Note 7 | Long-Term Debt | 45-46 |
| | A. Changes in Long-Term Debt | 47 |
| | B. General Obligation Bonds Payable | 48 |
| | C. Notes Payable - IEPA Loans | 48-51 |
| | D. Postemployment Benefits other than Pensions (Defined Benefit Plan) | 48-51 |
| Note 8 | Fund Equity | 52 |
| | A. Restricted Net Position - Fiduciary Funds | 52 |
| | B. Assigned Fund Balances | 52 |
| Note 9 | Individual Fund Activities | 53 |
| | A. General Obligation Debt Service Fund | 53 |
| | B. Water Fund | 53 |
| | C. Special Service District No. 4 | 53 |
| Note 10 | Risk Management - Claims and Judgements | 54 |
| Note 11 | Contingencies | 55 |
| Note 12 | Joint Ventures | 55-56 |
| | A. Solid Waste Agency of Northern Cook County | 55-56 |
| Note 13 | Employee Retirement Systems | 57-71 |
| | A. Plan Descriptions | 57-71 |
| Note 14 | Pension Trust Funds | 72 |
| | A. Schedule of Net Position | 72 |
| | B. Changes in Plan Net Position | 73 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

(Continued from the previous page)

Note 15 Evanston Library Component Unit

- A. Types of Accounts and Securities
- B. Reconciliation of Cash and Investments
- C. Summary Receivables
- D. Capital Assets Activity
- E. Long-Term Debt
- F. Prior period adjustment

Note 16 Subsequent Event

Page(s)

- 74
- 75
- 75
- 75
- 76
- 76
- 77

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Evanston, Illinois (the City) and Evanston Public Library (the Library or EPL) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

Blended Component Unit:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A. Reporting Entity - Continued

Discrete Component Unit:

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

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

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

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

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

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

Joint Ventures:

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

C. Fund Accounting

The City and the Library use funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted, or assigned for the acquisition or construction of general capital assets (capital projects funds), and the funds restricted, committed, or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). Internal service funds are included with the governmental funds on the government-wide financial statements.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, a private purpose trust fund is used. The pension trust fund accounts for the activities of the Police and Firefighters' Pension Funds, which accumulate resources for pension benefit payments to retired police and fire personnel.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City'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.

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

* 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 *Crown Capital Fund* is a capital projects fund which accounts for the capital improvements (primarily alley paving) financed by both special assessments on property owners and city contributions.

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

The City reports the following major proprietary funds:

The *Water Fund* accounts for the provision of water services to the residents of the City and the sale of water to the Village of Skokie, Illinois and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service, and billing and collection.

The *Sewer Fund* accounts for the provision of sewer repair and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, financing, and billing and collection.

The *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 *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, and Debt Service Fund.

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

Amounts reported as program revenues include (1) charges to customers for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and 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 goods and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

E. Cash and Equivalents

Cash and equivalents represent cash on hand, cash deposited in interest-bearing and non-interest-bearing checking accounts, and investments in money markets, certificates of deposit, and treasury obligations with maturities of three months or less at the date of acquisition, and cash deposited with The Illinois Funds.

F. Investments

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

G. Inventories and Prepaid Items

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Capital Assets

A capital asset is property, such as equipment, buildings, land, utility infrastructure, roads, bridges with a cost or value equal to or greater than \$20,000 (per asset) at the date of acquisition and an expected useful life of more than one year (12 months or longer). Acquisition of motor vehicles is an exception to the \$20,000 threshold. Also additional cost of less than \$20,000 associated with an asset may be capitalized if the expense is necessary to put the asset in service or its intended use, and/or if it extends the service life of the asset. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Infrastructure acquired prior to the February 28, 2003 implementation of GASB Statement No. 34 has been reported.

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

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

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

I. Compensated Absences

It is the City's and the Library's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All payments due in the event of termination are accrued when incurred in the government-wide and proprietary fund financial statements. The General Fund has been used in prior years to liquidate the liability for compensated absences of governmental funds.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund 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 the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Self-Insurance

The City and the Library are self-insured to certain limits for general liability claims and for workers' compensation insurance. A liability is recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claims adjustment expenses. General liability and workers' compensation claims are paid out of the Insurance Fund.

L. Deferred Inflows/Outflows of Resources

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

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

M. Property Taxes

Property taxes are collected by the Cook County Collector and are remitted periodically to all taxing bodies, including the City and Library. Distributions are made more often during the two main collection periods. Property taxes are levied on a calendar year basis by passage of a tax levy ordinance.

The property tax calendar for Cook County is as follows:

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

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). On this basis, property tax revenue includes all cash distributions of property tax related to the 2018 tax levy received during the fiscal period between January 1, 2019 and December 31, 2019. A 3% allowance for loss is reflected in the City and the Library financial statements.

The 2019 tax levy collections are intended to finance the 2020 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N. Fund Equity

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

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

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

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

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

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

O. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

P. Use of Estimates

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

Q. 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 Charaville Monessori 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, 2019, outstanding bond balance of the 2019A Revenue Bonds was \$3,925,000 and outstanding balance of the 2019B Revenue Bonds was \$3,735,000.

The City approved the issuance of \$13,590,000 Series 2011 Revenue Bonds during the fiscal period ended December 31, 2011 to provide financial assistance to Rosemead School, deemed to be in public interest. The use of proceeds includes the property purchase and renovation of 1201 Davis, the new location of the school, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the monies, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2019, outstanding bond balance was \$11,890,000.

Q. Deferred Implementation

The City has chosen to defer the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations, as allowable under GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Equity

The Insurance Fund, an internal service fund, had a net deficit of \$11,593,098 as of December 31, 2019. The City plans to use current resources to pay for future liabilities.

The Solid Waste Fund had a net deficit of \$298,490 as of December 31, 2019. The City plans to use current resources to pay for future liabilities.

The Special Service District No. 4 had a net deficit of \$226,193 as of December 31, 2019. The City plans to use current resources to pay for future liabilities.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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

A. Types of Accounts and Securities

Illinois Statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury, in Government Sponsored Enterprises (GSE) such as Federal Home 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.

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

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

The Firefighters' and Police Pension Funds are set up for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. All investments are governed and authorized by the respective Fire and Police Pension Boards. The investment objectives and parameters mirror those listed above for the City. However, unlike the City's public funds, the Firefighters' and Police Pension Funds may invest in various equity accounts up to a limit of 65% of the aggregate value of each respective funds assets. The pension funds invest to conform to all state and local statutes governing pension funds. Additional detail is available in each pension fund's investment policies.

B. Pooling of Cash and Investments

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS – Continued

C. Types of Investments

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

The following table presents the investment and maturities of the City's debt securities as of December 31, 2019:

| City Investment Type | Fair Value | Investment Maturities (In Years) | | |
|----------------------|--------------|----------------------------------|-------------|--------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years |
| Municipal bonds | \$ 1,338,052 | - | - | - |
| Total | \$ 1,338,052 | - | - | - |

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, 2019. The investments in municipal bonds and mutual funds are valued using quoted matrix pricing models (Level 2 inputs).

Custodial Credit Risk. For an investment or collateral securities that are in the possession of an outside party. All of the City's investments were insured, recover the value of its investment or collateral securities that are in the possession of an outside party. All of the City's investments were insured, registered, or held by the counterparty's trust department in the City's name.

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

Concentration of Credit Risk. It is the policy of the City to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting from overconcentration in a security, maturity, issuer, or class of securities.

D. Deposits

Custodial Credit Risk. For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. Collateral is required for City deposits equal to or greater than the amount of City deposits which exceed FDIC insured amounts. The City's depository pledges a Federal Home Loan Bank line of credit in the City's name as collateral. All of the City's deposits were insured or collateralized at December 31, 2019.

Deposits consist of deposits in interest-bearing and non-interest-bearing checking accounts. At December 31, 2019, the carrying amount of the City's deposits, including cash on hand of \$10,200 was \$25,755,732. The financial institutions' balances totaled \$31,758,614.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 4. RECEIVABLES

A. Summary of Receivables

Other receivables as of December 31, 2019 for the government's individual major funds, nonmajor, internal service funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| Receivables (net, where applicable, of allowances for uncollectibles): | General Business-Type Activities | | Total |
|--|----------------------------------|--------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | |
| Amusement tax | \$ 32,518 | \$ - | \$ 32,518 |
| Cigarette tax | 36,000 | - | 36,000 |
| Hotel tax | 79,243 | - | 79,243 |
| Liquor tax | 332,223 | - | 332,223 |
| Local motor fuel tax | 89,524 | - | 89,524 |
| Parking tax | 97,031 | - | 97,031 |
| Franchise fees | - | 32,030 | 32,030 |
| Transportation network tax | 260,092 | - | 260,092 |
| Other miscellaneous | 47,955 | 801,177 | 849,132 |
| Net Total Receivables | \$ 974,586 | \$ 833,207 | \$ 1,807,793 |

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

B. Loans Receivable - Special Revenue Funds

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

| Loan Type | Interest Rates | Loans | | Loan | | Ending |
|--------------------|----------------|---------------------|------------------|-------------------|--------------------|---------------------|
| | | Beginning | Made | Repayments | Adjustments | |
| Title Transfer | 0% - 8% | \$ 2,455,944 | \$ 55,173 | \$ 69,178 | \$ 4,327 | \$ 2,446,266 |
| Amortizing | 0% - 8% | 1,097,527 | - | 59,693 | - | 1,037,834 |
| Forgivable | 0% - 8% | 4,811,680 | - | 263,253 | (21,845) | 4,526,582 |
| Allowance | | (78,000) | - | - | - | (78,000) |
| Total Loans | | \$ 8,287,151 | \$ 55,173 | \$ 392,124 | \$ (17,518) | \$ 7,932,682 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 5. CAPITAL ASSETS

A. Capital Asset Activity

Capital asset activity for the fiscal year ended December 31, 2019 was as follows:

| | Beginning | Additions | Deletions | Transfers | Ending |
|---|----------------|---------------|--------------|-----------|----------------|
| Governmental Activities: | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Land | \$ 7,193,044 | \$ - | \$ - | \$ - | \$ 7,193,044 |
| Right of way | 18,695,896 | - | - | - | 18,695,896 |
| Artwork | 373,551 | - | - | - | 373,551 |
| Construction in progress | 27,375,681 | 39,482,397 | 5,708,561 | - | 61,149,517 |
| Total Capital Assets, not being Depreciated | 53,638,172 | 39,482,397 | 5,708,561 | - | 87,412,008 |
| Capital Assets, being Depreciated/Amortized: | | | | | |
| Buildings and improvements | 86,921,300 | 1,429,838 | - | - | 88,351,138 |
| Office equipment and furniture | 5,942,860 | 374,698 | - | - | 6,317,558 |
| Intangible assets | 7,612,047 | 231,258 | - | - | 7,843,305 |
| Machinery and equipment | 27,495,623 | 2,034,223 | 734,753 | - | 28,795,093 |
| Infrastructure | 186,593,067 | 5,309,740 | - | - | 191,902,807 |
| Capitalized leases | 502,532 | - | - | - | 502,532 |
| Total Capital Assets being Depreciated/Amortized | 315,067,429 | 9,379,757 | 734,753 | - | 323,712,433 |
| Less Accumulated Depreciation/Amortization for: | | | | | |
| Buildings and improvements | 39,911,194 | 1,916,641 | - | - | 41,827,835 |
| Office equipment and furniture | 4,418,503 | 331,703 | - | - | 4,750,206 |
| Intangible assets | 6,656,117 | 226,253 | - | - | 6,882,370 |
| Machinery and equipment | 19,805,505 | 1,686,133 | 734,753 | - | 20,754,885 |
| Infrastructure | 110,825,768 | 6,938,633 | - | - | 117,764,401 |
| Capitalized leases | 482,992 | 3,908 | - | - | 486,900 |
| Total Accumulated Depreciation/Amortization | 182,098,079 | 11,103,271 | 734,753 | - | 192,466,597 |
| Total Capital Assets being Depreciated/Amortized, Net | 132,969,350 | (1,723,514) | - | - | 131,245,836 |
| Governmental Activities Capital Assets, Net | \$ 186,607,522 | \$ 37,758,883 | \$ 5,708,561 | \$ - | \$ 218,657,844 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 5. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

| | Beginning | Additions | Deletions | Transfers | Ending |
|---|----------------|---------------|------------|-----------|----------------|
| Business-Type activities: | | | | | |
| Capital Assets, not being Depreciated: | | | | | |
| Land | \$ 4,592,141 | \$ - | \$ - | \$ - | \$ 4,592,141 |
| Construction in progress | 2,130,401 | 16,429,800 | 814,887 | - | 17,745,314 |
| Artwork | 359,752 | - | - | - | 359,752 |
| Total Capital Assets, not being Depreciated | 7,082,294 | 16,429,800 | 814,887 | - | 22,697,207 |
| Capital Assets, being Depreciated/Amortized: | | | | | |
| Land improvements | 9,514,270 | 312,620 | - | - | 9,826,890 |
| Buildings and improvements | 76,738,346 | 974,945 | - | - | 77,713,291 |
| Leasehold improvements | 772,131 | - | - | - | 772,131 |
| Plant | 46,612,798 | 219,131 | 455,066 | (24,776) | 46,352,087 |
| Transmission and distribution system | 73,268,052 | 3,689,790 | 25,711 | 24,776 | 76,956,907 |
| Sewer system and underground lines | 255,526,032 | 1,502,480 | - | - | 257,028,512 |
| Intangible assets | 1,260,258 | 115,150 | 124,918 | - | 1,250,490 |
| Equipment | 4,862,738 | 284,549 | 2,000,653 | - | 3,146,634 |
| Parking meters | 1,859,028 | 642,400 | 707,687 | - | 1,793,741 |
| Total Capital Assets being Depreciated/Amortized | 470,413,653 | 7,741,065 | 3,314,035 | - | 474,840,683 |
| Less Accumulated Depreciation/Amortization for: | | | | | |
| Land improvements | 3,056,861 | 442,089 | - | - | 3,498,950 |
| Buildings and improvements | 30,387,777 | 1,849,268 | - | - | 32,237,045 |
| Leasehold improvements | 332,011 | 25,793 | - | - | 357,804 |
| Plant | 19,723,370 | 1,409,046 | 389,417 | (26,389) | 20,716,610 |
| Transmission and distribution system | 10,007,568 | 1,239,934 | 18,775 | 26,389 | 11,255,116 |
| Sewer system and underground lines | 63,248,917 | 3,463,035 | - | - | 66,711,952 |
| Intangible assets | 768,688 | 85,613 | 121,956 | - | 732,345 |
| Equipment | 2,677,228 | 344,588 | 2,003,901 | - | 1,017,915 |
| Parking meters | 1,208,508 | 192,615 | 687,555 | - | 713,568 |
| Total Accumulated Depreciation/Amortization | 131,410,928 | 9,051,981 | 3,221,604 | - | 137,241,305 |
| Total Capital Assets being Depreciated/Amortized, Net | 339,002,725 | (1,310,916) | 92,431 | - | 337,599,378 |
| Business-Type Activities Capital Assets, Net | \$ 346,085,019 | \$ 15,118,884 | \$ 907,318 | \$ - | \$ 360,296,585 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 5. CAPITAL ASSETS - Continued

A. Capital Asset Activity - Continued

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

| | |
|---|---------------|
| Governmental Activities: | |
| General management and support | \$ 545,890 |
| Public safety | 665,950 |
| Public works | 7,085,327 |
| Housing and economic development | 9,303 |
| Recreation and cultural opportunities | 1,306,675 |
| Internal service funds | 1,490,126 |
| Total Depreciation Expense - Governmental Activities | \$ 11,103,271 |
| Business-Type Activities: | |
| Water | \$ 2,648,980 |
| Sewer | 3,681,927 |
| Solid waste | 26,783 |
| Motor vehicle parking | 2,694,291 |
| Total Depreciation Expense - Business-Type Activities | \$ 9,051,981 |
| B. Construction Commitments | |
| The value of construction contracts signed, where the work has not yet been performed at December 31, 2019 is as follows: | |
| Capital Improvement Fund | \$ 17,506,399 |
| Motor Fuel Tax Fund | 132,883 |
| Water Fund | 9,867,029 |
| Sewer Fund | 912,564 |
| Motor Vehicle Parking System Fund | 155,269 |
| Total Construction Commitments | \$ 28,574,144 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 6. INTERFUNDS

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A. Interfund Accounts

At December 31, 2019, interfund receivables and payables consist of the following:

| Funds | Due From | Due To |
|-----------------------------------|---------------|---------------|
| General Fund | \$ 7,318,558 | \$ 358,206 |
| Crown Capital Fund | - | 302,813 |
| Debt Service Fund | - | 246,657 |
| Water Fund | 519,976 | - |
| Sewer Fund | 1,188,089 | - |
| Solid Waste Fund | - | 1,010,451 |
| Motor Vehicle Parking System Fund | 63 | - |
| Nonmajor Governmental Funds | 1,077,066 | 1,574,656 |
| Fiduciary | 33,398 | - |
| Internal Service Funds | - | 6,969,175 |
| Total | \$ 10,137,150 | \$ 10,462,058 |

| Component Unit | Due From | Due To |
|---------------------------|------------|----------|
| City | \$ 324,908 | \$ - |
| Capital Improvements Fund | \$ 324,908 | \$ - |
| Total | \$ - | \$ 1,055 |
| Library | \$ - | \$ 1,055 |
| Library General Fund | \$ - | \$ 1,055 |
| Capital Improvements Fund | \$ 1,055 | \$ - |
| Total | \$ 1,055 | \$ 1,055 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 6. INTERFUNDS - Continued

B. Interfund Advances
At December 31, 2019, interfund advances consist of the following:

| Funds | Advances To | Advances From |
|------------------------------------|--------------|---------------|
| Governmental Funds | | |
| General Fund | \$ - | \$ 4,000,000 |
| Capital Improvements Fund | - | 119,200 |
| Motor Vehicle Parking System | - | 4,119,200 |
| Total General Fund | - | 4,119,200 |
| Enterprise Funds | | |
| Motor Vehicle Parking System | 119,200 | - |
| General Fund | 119,200 | - |
| Total Motor Vehicle Parking System | 238,400 | - |
| Nonmajor Governmental Funds | | |
| Capital Improvements Fund | 4,000,000 | - |
| General Fund | 4,000,000 | - |
| Total Nonmajor Governmental Funds | 8,000,000 | - |
| Grand Total | \$ 4,119,200 | \$ 4,119,200 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers

Transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the Debt Service Fund to establish mandatory reserve accounts, (3) move restricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization, including amounts provided as subsidies or matching funds for various grant programs.

At December 31, 2019, transfers in (out) consist of the following:

| Funds | Transfers In | Transfers Out |
|--|--------------|---------------|
| Governmental Funds | | |
| General Fund | | |
| Emergency Telephone System | \$ 60,000 | \$ - |
| Dempster Dodge TIF | 5,000 | - |
| Howard Ridge TIF | 60,000 | - |
| Chicago-Main TIF | 5,000 | - |
| Capital Improvement Fund | - | 198,181 |
| Water | 3,799,559 | - |
| Sewer | 330,167 | - |
| Special Assessment | 92,000 | - |
| Motor Vehicle Parking System | 2,972,390 | - |
| Solid Waste | - | 150,000 |
| Motor Fuel Tax | 982,897 | - |
| West Evanston TIF | 30,000 | - |
| General Obligation Debt Service Fund | - | 2,959,885 |
| Good Neighbor | 480,000 | - |
| Total General Fund | 8,817,013 | 3,308,066 |
| Crown Capital Fund | | |
| General Obligation Debt Service | - | 302,813 |
| Sewer Fund | 1,000,000 | - |
| Total Crown Capital Fund | 1,000,000 | 302,813 |
| General Obligation Debt Service Fund | | |
| General | 2,959,885 | - |
| Insurance | 10,114 | - |
| Fleet | 35,114 | - |
| Sewer | 251,152 | - |
| Special Assessment | 194,955 | - |
| Capital Improvements | 303,644 | - |
| Crown Capital | 302,813 | - |
| Chicago-Main TIF | 95,610 | - |
| Dempster Dodge TIF | 65,870 | - |
| Howard Ridge TIF | 143,112 | - |
| Community Development Block Grant | 13,790 | - |
| Emergency Telephone System | 14,034 | - |
| Total General Obligation Debt Service Fund | 4,390,093 | - |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

| Funds | Transfers In | Transfers Out |
|--|--------------|---------------|
| Nonmajor Governmental Funds | | |
| Dempster Dodge TIF | | |
| General | \$ - | \$ 5,000 |
| General Obligation Debt Service Fund | - | 65,870 |
| Total Dempster Dodge TIF | - | 70,870 |
| Howard Ridge TIF | | |
| General | - | 60,000 |
| General Obligation Debt Service Fund | - | 143,112 |
| Total Howard Ridge TIF | - | 203,112 |
| Chicago-Main TIF | | |
| General | - | 5,000 |
| General Obligation Debt Service Fund | - | 95,610 |
| Total Chicago-Main TIF | - | 100,610 |
| West Evanston Tax Increment District | | |
| General | - | 30,000 |
| Total West Evanston Tax Increment District | - | 30,000 |
| Capital Improvements | | |
| General | 198,181 | - |
| General Obligation Debt Service | - | 303,644 |
| Total Capital Improvement | 198,181 | 303,644 |
| Special Assessment | | |
| General | - | 92,000 |
| General Obligation Debt Service | - | 194,955 |
| Total Special Assessment | - | 286,955 |
| Emergency Telephone System | | |
| General | - | 60,000 |
| General Obligation Debt Service | - | 140,34 |
| Total Emergency Telephone System | - | 74,034 |
| Motor Fuel Tax | | |
| General | - | 982,897 |
| Total Motor Fuel Tax | - | 982,897 |
| Community Development Block Grant | | |
| General Obligation Debt Service | - | 13,790 |
| Total Community Development Block Grant | - | 13,790 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT

A. Changes in Long-Term Debt

| | Final Maturity Date | Interest Rate | Balance 12/31/2018 | Issued | Refunded | Payments | Balance 12/31/2019 | Due Within One Year |
|--|---------------------|---------------|--------------------|---------------|----------|---------------|--------------------|---------------------|
| G.O. Debt Governmental Activities | | | | | | | | |
| Series 2010A | 12/1/2029 | 2.00%-3.625% | \$ 4,395,000 | \$ - | \$ - | \$ 335,000 | \$ 4,060,000 | \$ 345,000 |
| Series 2010B | 12/1/2019 | 1.00%-3.30% | 948,066 | - | - | 948,066 | - | - |
| Series 2011A | 12/1/2031 | 2.00%-4.50% | 9,412,933 | - | - | 889,421 | 8,823,512 | 605,016 |
| Series 2012A | 12/1/2032 | 2.00%-2.25% | 5,960,000 | - | - | 640,000 | 5,320,000 | 645,000 |
| Series 2013A | 12/1/2033 | 2.00%-1.75% | 8,695,000 | - | - | 820,000 | 8,275,000 | 610,000 |
| Series 2014A | 12/1/2034 | 2.00%-1.50% | 10,000,000 | - | - | 1,680,457 | 9,119,543 | 1,700,000 |
| Series 2015A | 12/1/2035 | 1.25%-5.00% | 7,945,000 | - | - | 395,000 | 7,550,000 | 400,000 |
| Series 2015B | 12/1/2035 | 2.00%-4.00% | 6,765,000 | - | - | 300,000 | 6,465,000 | 320,000 |
| Series 2016A | 12/1/2022 | 2.00%-3.00% | 6,775,000 | - | - | 1,550,000 | 5,225,000 | 1,750,000 |
| Series 2016B | 12/1/2036 | 2.00%-4.00% | 8,720,000 | - | - | 395,000 | 8,325,000 | 405,000 |
| Series 2017A | 12/1/2037 | 3.00%-4.00% | 6,275,000 | - | - | 720,000 | 5,555,000 | 730,000 |
| Series 2017B | 12/1/2027 | 4.00%-5.00% | 7,575,855 | - | - | 440,000 | 10,805,000 | 455,000 |
| Series 2017C | 12/1/2035 | 2.05%-4.00% | 5,000,000 | - | - | 946,981 | 6,628,874 | 763,102 |
| Series 2018A | 12/1/2038 | 2.00%-4.00% | 2,475,000 | - | - | - | 2,475,000 | - |
| Series 2018B | 12/1/2038 | 2.29%-5.00% | 2,296,400 | - | - | - | 2,296,400 | - |
| Series 2018C | 12/1/2038 | 4.00%-5.00% | 6,662,680 | - | - | 87,230 | 6,575,450 | 888,911 |
| Series 2018D | 12/1/2035 | 3.70%-4.25% | 3,570,000 | - | - | - | 3,570,000 | - |
| Series 2019A | 12/1/2043 | 1.72%-2.85% | 12,750,000 | 12,750,000 | - | - | 12,750,000 | - |
| Series 2019B | 12/1/2039 | 1.66%-2.68% | 7,020,000 | 7,020,000 | - | - | 7,020,000 | 211,396 |
| Subtotal Governmental Activities | | | 144,701,820 | 19,770,000 | - | 9,517,155 | 154,954,665 | 9,987,933 |
| Bonds premium | | | 6,353,933 | 4,206,940 | - | 640,603 | 9,919,270 | 805,914 |
| OP&B liability - City | | | 17,123,787 | 3,521,783 | - | - | 20,645,570 | 4,423 |
| OP&B liability - Internal Service Funds | | | 97,800 | 15,514 | - | - | 113,314 | - |
| Net pension liability - IMRF * | | | 16,538,083 | - | - | - | 16,538,083 | - |
| Net pension liability - Police Pension | | | 118,270,093 | 742,223 | - | 8,623,507 | 109,646,586 | - |
| Net pension liability - Firefighters' Pension | | | 96,445,512 | 4,222,223 | - | - | 97,187,735 | - |
| Compensated absences payable - City | | | 10,050,764 | 3,512,905 | - | 4,012,307 | 9,551,362 | 3,812,546 |
| Compensated absences payable - Internal Service Funds | | | 128,366 | 11,370 | - | - | 114,063 | 22,813 |
| First Bank loan | | | 648,812 | - | - | 648,812 | - | - |
| Other loans | | | - | - | - | - | - | - |
| Claims payable | | | 4,657,600 | 6,013,618 | - | 3,244,668 | 7,426,550 | 1,391,550 |
| Subtotal Other Governmental Activities | | | 253,759,798 | 34,561,436 | - | 17,198,701 | 271,122,333 | 6,037,245 |
| Total Governmental Activities Debt and Liabilities | | | \$ 398,461,618 | \$ 54,331,436 | \$ - | \$ 26,715,856 | \$ 426,077,198 | \$ 16,025,178 |
| G.O. Debt Business-Type Activities | | | | | | | | |
| Series 2010B W/SSumPkg | 12/1/2019 | 1.00%-3.30% | \$ 186,935 | \$ - | \$ - | \$ 186,935 | \$ - | \$ - |
| Series 2011A W/S | 12/1/2031 | 2.00%-4.50% | 2,887,063 | - | - | 180,579 | 2,706,484 | 184,984 |
| Series 2012A | 12/1/2032 | 2.00%-2.25% | 3,395,000 | - | - | 200,000 | 3,195,000 | 205,000 |
| Series 2013A - Water | 12/1/2033 | 2.00%-1.75% | 1,600,000 | - | - | 105,000 | 1,495,000 | 150,000 |
| Series 2014A | 12/1/2034 | 2.00%-1.50% | 2,330,000 | - | - | 105,000 | 2,225,000 | 180,000 |
| Series 2015A | 12/1/2035 | 2.00%-4.00% | 4,915,000 | - | - | 210,000 | 4,705,000 | 220,000 |
| Series 2016A | 12/1/2036 | 2.00%-4.00% | 3,355,000 | - | - | 140,000 | 3,215,000 | 145,000 |
| Series 2017A | 12/1/2037 | 3.00%-4.00% | 945,000 | - | - | 40,000 | 905,000 | 40,000 |
| Series 2018B | 12/1/2038 | 2.29%-5.00% | 4,837,719 | - | - | 17,770 | 4,837,719 | - |
| Series 2018C | 12/1/2038 | 4.00%-5.00% | 1,357,320 | 3,920,000 | - | - | 1,339,550 | 181,089 |
| Series 2019B | 12/1/2039 | 1.66%-2.68% | - | 3,920,000 | - | - | 3,920,000 | 118,345 |
| Subtotal Business-Type Activities | | | 25,839,037 | 3,920,000 | - | 1,160,284 | 28,698,753 | 1,289,418 |
| IFPA loans | | | 34,921,822 | 11,158,562 | - | 5,388,833 | 40,691,551 | 5,040,700 |
| Bonds premium | | | 1,343,637 | 827,278 | - | 197,383 | 1,973,532 | - |
| Compensated absences payable - City | | | 918,391 | 111,932 | - | 183,678 | 846,645 | 169,329 |
| Net pension liability - IMRF * | | | - | 4,463,655 | - | - | 4,463,655 | - |
| OP&B liability | | | 814,509 | 149,954 | - | - | 964,463 | 37,648 |
| Subtotal Other Business-Type Activities | | | 3,076,537 | 5,552,819 | - | 381,061 | 8,248,295 | 206,977 |
| Total Business-Type Activities Debt and Liabilities | | | \$ 63,837,396 | \$ 20,644,381 | \$ - | \$ 6,930,178 | \$ 77,548,599 | \$ 6,537,095 |
| Total Governmental and Business-Type Activities Debt and Liabilities | | | \$ 462,299,014 | \$ 74,975,817 | \$ - | \$ 33,646,034 | \$ 503,625,797 | \$ 22,562,273 |

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.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 6. INTERFUNDS - Continued

C. Interfund Transfers - Continued

| | Funds | |
|---|---------------|---------------|
| | Transfers In | Transfers Out |
| Nonmajor Governmental Funds - Continued | | |
| Good Neighbor | | |
| General | \$ - | \$ 480,000 |
| Total Good Neighbor | - | 480,000 |
| Total Nonmajor Governmental Funds | 198,181 | 2,545,912 |
| Total Governmental Funds | 14,405,287 | 6,156,791 |
| Enterprise Funds | | |
| Water | | |
| General | - | 3,799,559 |
| Total Water | - | 3,799,559 |
| Sewer | | |
| General | - | 330,167 |
| General Obligation Debt Service Fund | - | 251,152 |
| Crown Capital Fund | - | 1,000,000 |
| Total Sewer | - | 1,581,319 |
| Motor Vehicle Parking System | | |
| General | - | 2,972,390 |
| Total Motor Vehicle Parking System | - | 2,972,390 |
| Solid Waste | | |
| General | 150,000 | - |
| Total Solid Waste | 150,000 | - |
| Total Enterprise Funds | 150,000 | 8,353,268 |
| Internal Service Funds | | |
| Fleet Fund | | |
| Debt Service Fund | - | 35,114 |
| Total Fleet Fund | - | 35,114 |
| Insurance Fund | | |
| General Obligation Debt Service Fund | - | 10,114 |
| Total Insurance Fund | - | 10,114 |
| Total Internal Service Funds | - | 45,228 |
| Total Primary Government | 14,555,287 | 14,555,287 |
| Total | \$ 14,555,287 | \$ 14,555,287 |

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

A. Changes in Long-Term Debt - Continued

Business-Type Activities - IEPA Loans

Business-type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay principal totaling \$113,805,322 in IEPA loans issued in 1994 through 2019. Proceeds from the loans provided financing for the Long-Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues, are payable through 2040. Annual principal and interest on the loans are expected to require \$5,695,999 of net revenues for the fiscal year 2020. The total principal and interest remaining to be paid on the loans is \$40,900,138. Principal and interest paid for the current period and total customer net revenues were \$6,174,889 and \$9,669,676, respectively.

IEPA loans payable consist of the following:

| Date of Issue | Final Maturity | Interest Rates | Original Indebtedness | Balance |
|---|----------------|----------------|-----------------------|---------------|
| Various | Various | Various | \$ 113,805,322 | \$ 40,691,551 |
| Total Business-Type Activities - IEPA Loan Debt | | | | \$ 40,691,551 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

B. General Obligation Bonds Payable

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

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

In June 2019, the City issued Series 2019A General Obligation Bonds for a total of \$17,750,000 with interest rates ranging from 1.72% to 2.85%. The bonds were issued to provide financing for construction and equipment of a new Robert Crown Community Center, Ice Complex, and Library Center.

Also in June 2019, the City issued Series 2019B General Obligation Bonds for a total of \$12,785,000 with interest rates ranging from 1.66% to 2.68%. Proceeds were allocated to governmental activities (\$7,020,000), business-type activities (\$3,930,000), and component unit (\$1,835,000). The bonds were issued to provide financing for certain public improvement projects for governmental activities, business-type activities, and component unit activities.

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

| Year Ending December 31, | Governmental Activities | | Business-Type Activities | |
|--------------------------|-------------------------|---------------|--------------------------|---------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 9,987,933 | \$ 5,853,046 | \$ 1,289,418 | \$ 1,103,278 |
| 2021 | 10,286,763 | 5,550,110 | 1,335,894 | 1,054,055 |
| 2022 | 11,170,864 | 5,225,067 | 1,359,429 | 1,001,849 |
| 2023 | 9,783,164 | 4,833,448 | 1,416,107 | 947,102 |
| 2024 | 9,490,771 | 4,469,490 | 1,640,837 | 889,794 |
| 2025-2029 | 41,396,374 | 16,959,238 | 9,094,887 | 3,386,933 |
| 2030-2034 | 32,498,157 | 9,638,008 | 8,563,504 | 1,632,099 |
| 2035-2039 | 20,780,638 | 4,303,019 | 3,908,677 | 390,824 |
| 2040-2044 | 9,560,000 | 1,064,250 | - | - |
| Total | \$ 154,954,664 | \$ 57,895,776 | \$ 28,608,753 | \$ 10,405,934 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

C. Notes Payable - IEPA Loans

As of December 31, 2019, the City currently has 23 outstanding loans from the IEPA. The City will repay the loans solely from revenues derived from the sewer and water system; the loans do not constitute a full faith and credit obligation of the City. They will be repaid with equal installments consisting of principal plus simple interest, on unpaid principal balances, over a period of 20 years. Initial principal balances will consist of disbursements and interest accrued during construction. Repayments begin not later than six months after completion of construction.

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

| For the Fiscal Year Ending | Business-Type Activities | |
|----------------------------|--------------------------|--------------|
| | Principal | Interest |
| 2020 | \$ 5,040,700 | \$ 655,299 |
| 2021 | 5,011,337 | 736,774 |
| 2022 | 3,751,172 | 623,241 |
| 2023 | 3,839,912 | 534,789 |
| 2024 | 3,599,049 | 446,376 |
| 2025-2029 | 9,913,585 | 1,324,867 |
| 2030-2034 | 5,276,324 | 646,919 |
| 2035-2039 | 3,595,875 | 231,135 |
| 2040-2045 | 663,597 | 9,187 |
| Total | \$ 40,691,551 | \$ 5,208,587 |

D. Postemployment benefits other than Pensions (Defined Benefit Plan)

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

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

Contribution requirements are established through Illinois State laws. The City and the Library implicitly contributes the difference between retirees' contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$540 for single coverage to \$1,984 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$493 for single coverage to \$1,984 for family coverage. For the year ended December 31, 2019, the City and Library's estimated contribution to the plan is \$860,932. The City's and the Library's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

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

Membership

At December 31, 2019, membership consisted of:

| | |
|--|-----|
| Retirees and beneficiaries current receiving benefits | 62 |
| Terminated employees entitled to benefits but not yet receiving them | 14 |
| Active employees | 710 |
| Total | 786 |

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions.

| | |
|-----------------------------|---|
| Actuarial valuation date | December 31, 2018 |
| Measurement date | December 31, 2019 |
| Actuarial cost method | Entry-age normal |
| Inflation | 3.00% |
| Discount rate | 2.75% |
| Healthcare cost trend rates | 8.50% in Fiscal 2018, 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 2018 using scale MP2018. |

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, 2019.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

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

| Changes in the Total OPEB Liability | Total OPEB Liability | |
|-------------------------------------|----------------------|------------|
| | City | Library |
| Balances at January 1, 2019 | \$ 18,036,096 | \$ 291,830 |
| Changes for the period | | |
| Service cost | 959,826 | 14,617 |
| Interest | 722,789 | 11,007 |
| Changes in assumptions | 2,852,654 | 27,121 |
| Implicit benefit payments | (848,018) | (12,914) |
| Other changes | - | - |
| Net changes | 3,687,251 | 39,831 |
| Balances at December 31, 2019 | \$ 21,723,347 | \$ 331,661 |

There was a change in assumptions related to the discount rate in 2019.

Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City and Library calculated using the discount rate of 2.75% as well as what the City's and Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

| | Current | | |
|----------------------|------------------------|--------------------------|------------------------|
| | 1% Decrease (1.75%) | Discount Rate (2.75%) | 1% Increase (3.75%) |
| City | \$ 23,868,202 | \$ 21,723,347 | \$ 19,737,088 |
| Library | 364,495 | 331,661 | 301,409 |
| Total OPEB Liability | \$ 24,232,697 | \$ 22,055,008 | \$ 20,038,497 |

The table below presents the total OPEB liability of the City and Library calculated using the healthcare rate of 8% decreasing to 4.5% as well as what the City's and Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7% decreasing to 3.5%) or 1 percentage point higher (9% decreasing to 5.5%) than the current rate:

| | Current | | |
|----------------------|-----------------------------|-------------------------------|-----------------------------|
| | 1% Decrease (7% to 3.5%) | Discount Rate (8% to 4.5%) | 1% Increase (9% to 5.5%) |
| City | \$ 18,993,979 | \$ 21,723,347 | \$ 25,030,820 |
| Library | 289,248 | 331,661 | 381,180 |
| Total OPEB Liability | \$ 19,283,227 | \$ 22,055,008 | \$ 25,412,000 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 7. LONG-TERM DEBT - Continued

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

| Changes in assumption | Deferred | Deferred |
|-----------------------|-----------------------|----------------------|
| | Outflows of Resources | Inflows of Resources |
| | \$ 2,586,077 | \$ 1,032,099 |
| Total | \$ 2,586,077 | \$ 1,032,099 |

The deferred outflows and deferred inflows of resources presented in the table above include amounts for the City. The Library's proportionate share of the deferred outflows and deferred inflows of resources at December 31, 2019 was \$39,483 and \$15,757, respectively.

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

| | Year Ending December 31, |
|------------|-----------------------------|
| 2020 | \$ 139,753 |
| 2021 | 139,753 |
| 2022 | 139,753 |
| 2023 | 139,753 |
| 2024 | 139,753 |
| Thereafter | 855,213 |
| Total | \$ 1,553,978 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 8. FUND EQUITY

A. Restricted Net Position - Fiduciary Funds

| | |
|--|-----------------------|
| Fiduciary Funds | |
| Firefighters' Pension Fund restriction for employee pension benefits | \$ 89,807,041 |
| Police Pension Fund restriction for employee pension benefits | 141,309,841 |
| Total Fiduciary Funds | <u>\$ 231,116,882</u> |

B. Assigned Fund Balances

The following are the assigned fund balances:

| | |
|--|------------------|
| General Fund | |
| Assigned for Arts Council | \$ 3,948 |
| Assigned for Dutch elm inoculation | 499,973 |
| Assigned for parkway trees | 60,722 |
| Assigned for Butterfield sculpture | 30,883 |
| Assigned for scholarship contributions | 10,806 |
| Assigned for Noyes Center | 254,705 |
| Assigned for recreation group activities | 207,123 |
| Assigned for parks and recreation | 629,792 |
| Assigned for Mayor's programs | 93,179 |
| Assigned for IMRF - Pension | 1,112,052 |
| Assigned for compensated absences | 1,181,867 |
| Other assignments | 244,536 |
| Total General Fund | <u>4,329,586</u> |

Crown Capital Fund

| | |
|-----------------------------------|------------------|
| Assigned for capital improvements | 7,646,150 |
| Total Crown Capital Fund | <u>7,646,150</u> |

Nonmajor Governmental Funds

| | |
|--|----------------------|
| Assigned for capital improvements | 9,732,440 |
| Assigned for special assessment capital projects | 2,927,806 |
| Total Nonmajor Governmental Funds | <u>12,660,246</u> |
| Total Assigned Fund Balances | <u>\$ 24,635,982</u> |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 9. INDIVIDUAL FUND ACTIVITIES

A. General Obligation Debt Service Fund

The City usually adopts several resolutions abating portions of the property tax, debt service levies. The amount of property taxes abated is derived from principal and interest payments by private assessments on street paving projects; additional water/sewer service fees related to the citywide water/sewer improvement project; tax increment revenues in the Howard Harrey Tax Increment District; revenues from the Motor Vehicle Parking System Fund associated with the Maple Garage, Sherman Garage, and Church Street Self-Park Garage, and General Obligation Debt Service Fund interest income.

B. Water Fund

On January 28, 1997, the City executed a long-term water supply contract with the Village of Skokie, Illinois, to replace an expiring contract. The contract took effect on March 1, 1997 and continues in effect for a period of 20 years until February 28, 2017. The contract was extended further until October 31, 2017. Currently, the City is working with the Village of Skokie to have a new contract with revised terms to supply Lake Michigan water to the Village of Skokie.

The City provides potable Lake Michigan water to the Northwest Water Commission (NWWC) under a long-term water supply contract. Sale of potable water under this contract began on February 28, 1985 and continues until February 28, 2030. Under the terms of the current contract, the City is to supply NWWC sufficient potable Lake Michigan water to satisfy NWWC's maximum 24-hour demands for Lake Michigan water for resale to NWWC's customers.

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

C. Special Service District No. 4

On September 23, 2019, the City Council adopted Ordinance No. 109-O-19 which extended the life of Special Service District No. 4 until December 31, 2034. Special Service District No. 4 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2019 was \$610,995 which includes an estimated allowance amount of \$18,330.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 10. RISK MANAGEMENT - CLAIMS AND JUDGMENTS

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. The City maintains commercial all-risk property insurance to cover damage to city facilities and contents and other losses including business interruption and loss of rents. The coverage is subject to a deductible of \$50,000 (except \$100,000 for flood and earthquake and \$10,000 for artwork) for each loss and each location. The City also maintains crime and fidelity insurance coverage with a \$25,000 deductible to a limit of \$2,000,000. In addition, coverage is maintained for ambulance/paramedic liability.

For workers' compensation, specific excess coverage in excess of \$750,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss of \$1,250,000 to a limit of \$10,000,000.

Workers' compensation and general liability risks are accounted for in the Insurance Fund. The fund was established on March 1, 1994 to administer general liability claims and workers' compensation programs on a cost-reimbursement basis. The fund accounts for the aforementioned liabilities of the City, but does not constitute a transfer of risk from the City.

The City records estimated liabilities for workers' compensation and for general claims. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses.

The changes in the balances of claims liabilities during the past two fiscal periods are as follows:

| | Workers' Compensation | General Liability | Total |
|--------------------------------------|-----------------------|-------------------|------------------|
| December 31, 2017 | \$ 2,913,500 | \$ 1,374,000 | \$ 4,287,500 |
| New claims and/or estimate revisions | 876,824 | 1,368,400 | 2,245,224 |
| Claims payments | (718,224) | (1,156,900) | (1,875,124) |
| | <u>3,072,100</u> | <u>1,585,500</u> | <u>4,657,600</u> |
| December 31, 2018 | 233,618 | 5,780,000 | 6,013,618 |
| New claims and/or estimate revisions | (688,168) | (2,556,500) | (3,244,668) |
| Claims payments | <u>2,617,550</u> | <u>4,809,000</u> | <u>7,426,550</u> |

For its health insurance coverage, 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 officers of IPBC at 301 East Irving Park Road, Streamwood, Illinois 60107.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 11. CONTINGENCIES

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

NOTE 12. JOINT VENTURES

A. Solid Waste Agency of Northern Cook County

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

The Agency is a municipal joint action agency created as of May 2, 1988 under the provisions of the Intergovernmental Cooperation Act (the Act), 5 ILCS 220/3.2. The Agency consists of 23 municipalities. The Agency is governed by a Board of Directors consisting of one official selected by each member community who serves a two-year term. Each director has one vote. The Board of Directors determines the general policies of the Agency. The Executive Committee of the Agency consists of seven persons elected by the Board of Directors. Each person is entitled to one vote. The Executive Committee may take action not specifically reserved to the Board of Directors by the Act, the Agency agreement, or the by-laws.

The authority to designate management, influence operations, and formulate budgets rests with the Board of Directors and Executive Committee. No one member has the ability to significantly influence operations; therefore, the Agency is not a component unit of any other governmental reporting entity.

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS

A. Plan Descriptions

Illinois Municipal Retirement Fund

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

Plan Administration

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

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

Plan Membership

At December 31, 2018, IMRF membership consisted of:

| | |
|--|--------------|
| Inactive employees or their beneficiaries currently receiving benefits | 681 |
| Inactive employees entitled to but not yet receiving benefits | 376 |
| Active employees | 532 |
| Total | <u>1,589</u> |

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

Benefits Provided

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by state statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2019 was 6.22% of covered payroll.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

| | |
|----------------------------|-------------------|
| Actuarial valuation date | December 31, 2018 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary increases | 3.39% to 14.25% |
| Interest rate | 7.25% |
| Cost of living adjustments | 3.00% |
| Asset valuation method | Fair value |

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

Changes in assumptions related to the discount rate were made since the prior measurement date.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Discount Rate

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

Changes in Net Pension Liability

| | (a) | (b) | (a) - (b) |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balances at January 1, 2018 | \$ 234,141,501 | \$ 245,990,805 | \$ (11,849,304) |
| Changes for the period | | | |
| Service cost | 3,671,434 | - | 3,671,434 |
| Interest | 17,185,510 | - | 17,185,510 |
| Difference between expected and actual experience | 2,992,302 | - | 2,992,302 |
| Changes in assumptions | 6,567,349 | - | 6,567,349 |
| Employer contributions | - | 3,634,209 | (3,634,209) |
| Employee contributions | - | 1,847,906 | (1,847,906) |
| Net investment income | - | (14,090,715) | 14,090,715 |
| Benefit payments and refunds | (13,674,160) | (13,674,160) | - |
| Administrative expense | - | - | - |
| Other (net transfer) | - | 3,915,577 | (3,915,577) |
| Net changes | 16,742,435 | (18,367,183) | 35,109,618 |
| Balances at December 31, 2018 | \$ 250,883,936 | \$ 227,623,622 | \$ 23,260,314 |

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the net pension liability (asset) at January 1, 2018, the employer contributions, and the net pension liability at December 31, 2018 was \$(10,748,504), \$3,281,327, and \$21,001,738, respectively. The Library's proportionate share of the net pension liability (asset) at January 1, 2018, the employer contributions and the net pension liability at December 31, 2018 was \$(1,100,800), \$3,52,882, and \$2,258,576, respectively.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$1,517,159. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experience | \$ 1,961,036 | \$ 1,472,554 |
| Changes in assumption | 4,303,982 | 3,315,173 |
| Net difference between projected and actual earnings on pension plan investments | 13,770,722 | - |
| Employer contributions after the measurement date | 2,179,482 | - |
| Total | \$ 22,215,222 | \$ 4,787,727 |

The deferred outflows presented in the table above include amounts for the City. The Library's proportionate share of the deferred outflows and inflows of resources at December 31, 2019 was \$2,389,078 and \$514,884, respectively.

\$2,179,482 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| | Year Ending December 31, |
|-------|--------------------------|
| | 2020 |
| | 2021 |
| | 2022 |
| | 2023 |
| | Thereafter |
| Total | \$ 15,248,013 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Illinois Municipal Retirement Fund - Continued

Discount Rate Sensitivity

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--------------|------------------------|-------------------------------------|------------------------|
| City | \$ 4,779,263 | \$ 2,100,738 | \$ (1,147,714) |
| Library | 5,140,446 | 2,258,576 | (123,428) |
| Total | \$ 9,919,709 | \$ 4,359,314 | \$ (1,271,142) |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans

Plan Administration

The Police Pension Plan and Firefighters' Pension Plan are contributory, single employer defined benefit public employee retirement plans administered by the City and a Board of Trustees for each fund. All sworn city police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

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

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

For employer contributions, the City's budget policy is to fund pension plans at the funding level recommended annually by the actuary. The General Fund is used to liquidate the net pension liability.

Plan Membership

At January 1, 2019, plan membership consisted of:

| | Police Pension | Firefighters' Pension |
|---|----------------|-----------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 183 | 144 |
| Inactive plan members entitled to but not yet receiving benefits | 20 | 2 |
| Active plan members | 158 | 99 |
| Total | 361 | 245 |

Benefits Provided

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS – Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Benefits Provided - Continued

Police Pension Plan

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

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

Firefighters' Pension Plan

Tier 1 - Covered employees hired prior to January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2019, the City's contribution was 65.72% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2019, the contribution percentage was 9.45%. If a participant leaves covered with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2019, the City's contribution was 79.94% of covered payroll.

Investment Policy

Police Pension Fund

Permitted Deposits and Investments - Statutes and the Police Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds, IMET, certain non-U.S. obligations, Illinois municipal corporations tax, anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities (not to exceed 65% of the total net position of the Fund), contracts and agreements of life insurance companies (no more than 10% of portfolio in real estate and no more than 10% of portfolio in bonds with ratings of less than Baa1), and corporate bonds. During the year, no changes to the investment policy were approved by the Board of Trustees.

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

| Police Pension Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Domestic Large-Cap Equities | 52.00% | 3.60% |
| Domestic Small-Cap Equities | 5.00% | 4.50% |
| International Equities | 5.00% | 5.20% |
| Fixed Income | 32.00% | 3.20% |
| REITS | 3.00% | 4.00% |
| Cash | 3.00% | -0.10% |
| Total | 100.00% | |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Investment Policy - Continued

Police Pension Fund - Continued

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Firefighters' Pension Fund

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

| Firefighters' Pension Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|-------------------|--|
| U.S. Large Cap | 34.10% | 5.20% |
| U.S. Mid Cap | 7.60% | 6.10% |
| U.S. Small Cap | 4.90% | 5.60% |
| International Equities | 7.20% | 5.20% |
| Emerging & Frontier Market Equities | 0.80% | 7.60% |
| Fixed Income and Preferred Alternatives | 36.20% | 0.50% |
| | <u>9.50%</u> | 2.70% |
| Total | <u>100.00%</u> | |

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Investment Valuations

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

Investment Rate of Return

For the year ended December 31, 2019, the Police Pension Plan annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 21.13%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

For the year ended December 31, 2019, the Firefighters' Pension Plan annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 19.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

Interest Rate Risk

The following table presents the investments and maturities of the Funds' debt securities as of December 31, 2019:

| Police and Firefighters' Pension Investment Type | Fair Value | Investment Maturities (In Years) | | |
|--|---------------|----------------------------------|---------------|---------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years |
| Corporate bonds | \$ 32,200,180 | \$ 1,013,649 | \$ 10,913,019 | \$ 8,884,776 |
| U.S. Treasuries | 21,040,633 | 1,131,129 | 7,439,151 | 8,807,997 |
| Federal Home Loan Bank | 3,907,863 | 2,375,027 | 770,822 | 762,014 |
| Federal Home Loan Mortgage Corp | 1,405,716 | - | 17,666 | 109,377 |
| Fannie Mae | 1,199,906 | 143 | 283,229 | 339,428 |
| Genie Mae | 4,711 | - | 877 | 2,739 |
| Other U.S. Government Agencies | 2,145,895 | - | 301,253 | 288,801 |
| Total Police and Firefighters' Investment | \$ 61,904,904 | \$ 4,519,948 | \$ 28,726,017 | \$ 19,295,132 |

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Interest Rate Risk (Continued)

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

The City's Police Pension Fund has the following recurring fair value measurements as of December 31, 2019. The U.S. Treasury Obligations, Domestic and International Equity securities, and mutual funds are valued using quoted market prices (Level 1 inputs). Corporate bonds and U.S. agency obligations, and real estate pool are valued using matrix pricing models (Level 2 inputs).

The City's Firefighters' Pension Fund has the following recurring fair value measurements as of December 31, 2019. The U.S. Treasury Obligations, equity index funds, and mutual funds are valued using quoted market prices (Level 1 inputs). Corporate bonds and U.S. agency obligations are valued using matrix pricing models (Level 2 inputs).

Credit Risk

The Funds' 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 is rated Aaa by Standard and Poor's.

Counterparty Credit Risk - Investments

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

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

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Actuarial Assumptions

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

| | Police Pension | | Firefighters' Pension | |
|--|---|---|---|---|
| | December 31, 2019 Entry-age normal Fair value |
| Actuarial valuation date | | | | |
| Actuarial cost method | | | | |
| Asset valuation method | | | | |
| Actuarial assumptions: | | | | |
| Projected salary increases graded by age | From 7.36% to 3.62% |
| Inflation | 2.50% | 2.50% | 2.50% | 2.50% |
| Interest rate | 6.50% | 6.50% | 6.50% | 6.50% |
| Cost-of-living adjustments | From 3.00% to 1.25% |

Mortality rates were based on the RP-2000 Combined Healthy Mortality table with a Blue Collar Adjustment; disabled mortality rate is based on RP-2000 Disabled Retiree Mortality table.

Discount Rate

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

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

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Discount Rate (Continued)

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------------|----------------|-----------------------|----------------|
| Police Pension Fund: | | | |
| Discount rate | 5.50% | 6.50% | 7.50% |
| Net pension liability | \$ 144,043,342 | \$ 109,646,586 | \$ 81,422,570 |
| Firefighters' Pension Fund: | | | |
| Discount rate | 5.50% | 6.50% | 7.50% |
| Net pension liability | \$ 122,410,362 | \$ 97,187,735 | \$ 76,473,617 |
| Total Net Pension Liability | \$ 266,453,704 | \$ 206,834,321 | \$ 157,896,187 |

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|---|--------------------------------|------------------------------------|------------------------------------|
| Balances at January 1, 2019 | \$ 235,025,150 | \$ 116,755,057 | \$ 118,270,093 |
| Changes for the period | | | |
| Service cost | 3,980,758 | - | 3,980,758 |
| Interest | 15,128,398 | - | 15,128,398 |
| Changes of benefit terms | 853,365 | - | 853,365 |
| Difference between expected and actual experience | 4,364,013 | - | 4,364,013 |
| Changes in assumptions | 4,127,403 | - | 4,127,403 |
| Employer contributions | - | 10,502,308 | (10,502,308) |
| Employee contributions | - | 1,583,631 | (1,583,631) |
| Net investment income | - | 25,043,593 | (25,043,593) |
| Benefit payments and refunds | (12,522,660) | (12,522,660) | - |
| Administrative expense | - | (52,088) | 52,088 |
| Other (net transfer) | - | - | - |
| Net changes | 15,931,277 | 24,554,784 | (8,623,507) |
| Balances at December 31, 2019 | \$ 250,956,427 | \$ 141,309,841 | \$ 109,646,586 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

Changes in the Net Pension Liability - Continued

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|---|--------------------------------|------------------------------------|------------------------------------|
| Balances at January 1, 2019 | \$ 172,226,630 | \$ 75,781,118 | \$ 96,445,512 |
| Changes for the period | | | |
| Service cost | 2,763,258 | - | 2,763,258 |
| Interest | 11,061,538 | - | 11,061,538 |
| Changes of benefit terms | 799,936 | - | 799,936 |
| Difference between expected and actual experience | 5,218,449 | - | 5,218,449 |
| Changes in assumptions | 4,549,731 | - | 4,549,731 |
| Employer contributions | - | 8,266,584 | (8,266,584) |
| Employee contributions | - | 954,112 | (954,112) |
| Net investment income | - | 14,527,581 | (14,527,581) |
| Benefit payments and refunds | (9,624,766) | (9,624,766) | - |
| Administrative expense | - | (97,588) | 97,588 |
| Other (net transfer) | - | - | - |
| Net changes | 14,768,146 | 14,025,923 | 742,223 |
| Balances at December 31, 2019 | \$ 186,994,776 | \$ 89,807,041 | \$ 97,187,735 |

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

Police Pension Fund

For the year ended December 31, 2019, the City recognized police pension expense of \$(1,431,099). At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the fund from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Difference between expected and actual experience | \$ 4,158,527 | \$ 1,607,100 |
| Changes in assumption | 121,803,846 | 6,216,190 |
| Net difference between projected and actual earnings on pension plan investments | 5,850,279 | - |
| Total | \$ 222,189,652 | \$ 7,823,290 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

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

Police Pension Fund - Continued

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

| Year Ending December 31, | |
|-----------------------------|---------------|
| 2020 | \$ 5,332,075 |
| 2021 | 4,074,047 |
| 2022 | 2,664,016 |
| 2023 | 3,026,241 |
| 2024 | (730,017) |
| Thereafter | - |
| Total | \$ 14,366,362 |

Firefighters' Pension Fund

For the year ended December 31, 2019, the City recognized firefighters' pension expense of \$10,189,814. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 961,485 | \$ 1,619,610 |
| Changes in assumption | 8,860,650 | 5,160,300 |
| Net difference between projected and actual earnings on pension plan investments | 5,792,141 | - |
| Total | \$ 15,614,276 | \$ 6,779,910 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 13. EMPLOYEE RETIREMENT SYSTEMS - Continued

A. Plan Descriptions - Continued

Police and Firefighters' Pension Plans - Continued

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

Firefighters' Pension Fund - Continued

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

| Year Ending December 31, | |
|-----------------------------|--------------|
| 2020 | \$ 3,634,345 |
| 2021 | 2,764,135 |
| 2022 | 1,759,258 |
| 2023 | 1,644,333 |
| 2024 | (967,905) |
| Thereafter | - |
| Total | \$ 8,834,366 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 14. PENSION TRUST FUNDS

Fiduciary Funds Summary Financial Information

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

A. Schedule of Net Position

| | Firefighters' Pension | Police Pension | Total |
|--|--------------------------|-----------------------|-----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 3,544,896 | \$ 7,015,554 | \$ 10,560,450 |
| Investments at fair value | | | |
| U.S. Treasury obligations | 5,444,922 | 15,595,711 | 21,040,633 |
| U.S. agency obligations | 3,411,429 | 5,252,662 | 8,664,091 |
| Corporate bonds | 11,222,463 | 20,977,717 | 32,200,180 |
| Common stock | - | 37,379,730 | 37,379,730 |
| Equity mutual funds | 56,150,386 | 53,707,166 | 109,857,552 |
| Index funds | 9,902,639 | - | 9,902,639 |
| Real estate | - | 1,064,103 | 1,064,103 |
| Receivables | | | |
| Accrued interest | 116,211 | 297,895 | 414,106 |
| Due from other governments | 14,095 | 19,303 | 33,398 |
| Total Assets | 89,807,041 | 141,309,841 | 231,116,882 |
| Liabilities | | | |
| None | - | - | - |
| Total Liabilities | - | - | - |
| Net Position Held in Trust For Pension Benefits | \$ 89,807,041 | \$ 141,309,841 | \$ 231,116,882 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 14. PENSION TRUST FUNDS - Continued

Fiduciary Funds Summary Financial Information - Continued

B. Changes in Plan Net Position

| | Firefighters' Pension | Police Pension | Total |
|--|--------------------------|-----------------------|-----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 8,266,584 | \$ 10,502,308 | \$ 18,768,892 |
| Plan members | 954,112 | 1,583,651 | 2,537,763 |
| Total Contributions | 9,220,696 | 12,085,939 | 21,306,635 |
| Investment Income | | | |
| Net appreciation (depreciation) in fair value of investments | 12,680,364 | 22,255,060 | 34,935,424 |
| Interest on investments | 2,050,406 | 3,134,491 | 5,184,897 |
| Less investment expenses | (203,189) | (345,958) | (549,147) |
| Total Investment Income | 14,527,581 | 25,043,593 | 39,571,174 |
| Total Additions | 23,748,277 | 37,129,532 | 60,877,809 |
| Deductions | | | |
| Administrative | 97,588 | 52,088 | 149,676 |
| Benefits payments | 9,624,766 | 12,522,660 | 22,147,426 |
| Total Deductions | 9,722,354 | 12,574,748 | 22,297,102 |
| Net Increase (Decrease) | 14,025,923 | 24,554,784 | 38,580,707 |
| Net Position Held in Trust For Pension Benefits | | | |
| January 1 | 75,781,118 | 116,755,057 | 192,536,175 |
| December 31 | \$ 89,807,041 | \$ 141,309,841 | \$ 231,116,882 |

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT

A. Types of Accounts and Securities

Illinois Statutes authorize the Library to invest in obligations of the U.S. Treasury, in Government Sponsored Enterprises (GSE) such as Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), and Fannie Mae (FNMA); bankers acceptances as well as commercial paper rated only in the highest tier; repurchase agreements of the highest grade; collateralized certificates of deposit issued by FDIC insured financial institutions; money market mutual funds with portfolios limited to securities guaranteed by the United States Government, IMET, and The Illinois Funds.

Library investments consists of equities, ETFs, money market funds, mutual funds, corporate bonds, and U.S. Treasuries. Investments are reported at fair value, except that non-negotiable certificate of deposits are stated at cost. The Library has a formal investment policy adopted by its governing board to handle endowment funds. The funds will be invested and administered by a three-member committee. It is the general policy of the Library to invest 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.

Credit Risk is the risk that the issuer of the debt security will not pay its par value upon maturity. The Library's investment policy has several guidelines to minimize the potential losses on individual investment by diversifying the investment portfolio, not permitting the investment in certain high risk securities. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations.

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

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

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Illinois Funds are not subject to custodial credit risk.

Concentration of Credit Risk is the risk that the Library has a high percentage of its investments invested in one type of investments. Currently, the Library has diversified its investments in various types of investments. The Library investment policy provides the high/low limits for various type of investments like equity, fixed income securities, and cash.

Custodial Credit Risk. For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. At December 31, 2019, all of the Library's deposits were insured or collateralized by an agent of the Library in the Library's name.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2019

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT - Continued

B. Reconciliation of Cash and Investments

| | |
|--|---------------------|
| Cash and Equivalents | \$ 3,265,890 |
| Investments | 4,447,514 |
| Total per Statement of Position | \$ 7,713,404 |

| | |
|-----------------------------------|---------------------|
| Cash in bank | \$ 3,265,890 |
| Vanguard Money Market | 305,045 |
| Vanguard Equity Mutual Funds | 4,142,469 |
| Total Cash and Investments | \$ 7,713,404 |

C. Summary of Receivables

| | |
|----------------|--------------|
| Receivables: | |
| Property taxes | \$ 7,732,145 |

D. Capital Assets Activity

| | Beginning | Additions | Deletions | Ending |
|--|------------|-----------|-----------|------------|
| Capital Assets, not being Depreciated: | | | | |
| Land | \$ 311,380 | \$ - | \$ - | \$ 311,380 |

Capital Assets, being Depreciated/Amortized:

| | | | | |
|---|-------------------|----------------|----------|-------------------|
| Buildings and improvements | 19,800,359 | 510,352 | - | 20,310,711 |
| Office equipment and furniture | 2,285,009 | - | - | 2,285,009 |
| Infrastructure | 230,006 | - | - | 230,006 |
| Library collections | 9,229,512 | 177,872 | - | 9,417,384 |
| Capitalized leases | 266,191 | - | - | 266,191 |
| Total capital assets being depreciated/amortized | 31,821,077 | 688,224 | - | 32,509,301 |

Less Accumulated Depreciation/Amortization for:

| | | | | |
|--------------------------------|-----------|---------|---|-----------|
| Buildings and improvements | 8,961,624 | 466,447 | - | 9,428,071 |
| Office equipment and furniture | 2,285,009 | - | - | 2,285,009 |
| Infrastructure | 140,232 | 14,757 | - | 154,989 |
| Library collections | 8,155,373 | 292,015 | - | 8,447,388 |
| Capitalized leases | 266,190 | - | - | 266,190 |

Total Accumulated Depreciation/Amortization

| | | | | |
|--|------------|---------|---|------------|
| | 19,808,428 | 773,219 | - | 20,581,647 |
|--|------------|---------|---|------------|

Total Capital Assets being Depreciated/Amortized, Net

| | | | | |
|--|------------|----------|---|------------|
| | 12,012,649 | (84,995) | - | 11,927,654 |
|--|------------|----------|---|------------|

Library Activities Capital Assets, Net

| | | | | |
|--|---------------|-------------|------|---------------|
| | \$ 12,324,029 | \$ (84,995) | \$ - | \$ 12,239,034 |
|--|---------------|-------------|------|---------------|

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 15. EVANSTON LIBRARY COMPONENT UNIT - Continued

E. Long-Term Debt

| | Interest Rate | Final Maturity Date | Restated Balance 1/1/2019 | Issued | Payments | Balance 12/31/2019 | Due Within One Year |
|--|---------------|---------------------|---------------------------|--------------|------------|--------------------|---------------------|
| General Obligations Debt | | | | | | | |
| Series 2013B | 2.00%-3.00% | 12/1/2025 | \$ 188,153 | \$ - | \$ 24,543 | \$ 163,610 | \$ 25,492 |
| Series 2016A | 2.00%-4.00% | 12/1/2036 | 605,000 | - | 25,000 | 580,000 | 25,000 |
| Series 2017A | 3.00%-4.00% | 12/1/2037 | 1,340,000 | - | 50,000 | 1,290,000 | 50,000 |
| Series 2017B | 4.00%-5.00% | 12/1/2027 | 664,144 | - | 83,018 | 581,126 | 66,898 |
| Series 2018B | 2.29%-5.00% | 12/1/2038 | 2,031,842 | - | - | 2,031,842 | - |
| Series 2019B | 1.66%-2.68% | 12/1/2039 | - | 1,835,000 | - | 1,835,000 | 55,258 |
| | | | 4,829,139 | 1,835,000 | 182,561 | 6,481,578 | 222,648 |
| Bond premiums | | | 247,572 | 386,274 | 38,825 | 595,021 | - |
| Total OPEB liability | | | 291,830 | 39,831 | - | 331,661 | 12,946 |
| Compensated absences payable - Library | | | 388,138 | 21,566 | 77,628 | 332,076 | 66,415 |
| Net pension liability - IMRF | | | - | 2,258,576 | - | 2,258,576 | - |
| Total Long-Term Debt | | | \$ 5,756,679 | \$ 4,541,247 | \$ 299,014 | \$ 9,998,912 | \$ 302,009 |

The Library had an IMRF net pension asset of \$1,100,800 at January 1, 2019.

The following schedule illustrates the annual debt service requirements to maturity for Library General Obligation Bonds.

| Year Ending December 31, | Principal | Interest |
|--------------------------|--------------|--------------|
| 2020 | \$ 222,648 | \$ 257,496 |
| 2021 | 232,343 | 249,900 |
| 2022 | 264,706 | 241,919 |
| 2023 | 275,730 | 232,183 |
| 2024 | 353,392 | 221,284 |
| 2025-2029 | 1,718,739 | 881,893 |
| 2030-2034 | 1,778,336 | 532,049 |
| 2035-2039 | 1,635,684 | 177,219 |
| Total | \$ 6,481,578 | \$ 2,793,943 |

F. Prior period adjustment

The beginning net position of the governmental activities was restated by \$(247,572) to properly reflect the balance of the unamortized bond premiums.

CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE 16. SUBSEQUENT EVENTS

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police Pension Plan and Firefighters Pension Plan have experienced significant declines in quoted prices on active markets. Management of both plans are carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

On July 13, 2020, the City approved the first reading of an ordinance for the issuance of the General Obligation Corporate Purpose Bonds Series 2020 in an amount not to exceed \$34,000,000. These bonds will be used to refund the Series 2010A and Series 2011A bonds as well as provide for the funding of capital projects. The final interest rate and maturity schedule has not yet been determined.

Also on July 13, 2020, the City authorized staff to borrow up to \$11,000,000 from the Illinois Environmental Protection Agency (IEPA) Public Water Supply Loan Program for a 30 inch diameter transmission main rehabilitation. The final interest rate and maturity schedule will be determined at the end of the project.

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Total OPEB Liability and Related Ratios
Other Postemployment Benefit Plan

Last Two Fiscal Years

| | MEASUREMENT DATE DECEMBER 31, | |
|---|--------------------------------------|----------------------|
| | 2018 | 2019 |
| TOTAL OPEB LIABILITY | | |
| Service cost | \$ 1,050,028 | \$ 974,443 |
| Interest | 630,168 | 733,796 |
| Changes in assumptions | (1,272,525) | 2,879,775 |
| Implicit benefit payments | (797,159) | (860,932) |
| Other changes | - | - |
| Net change in total OPEB liability | (389,488) | 3,727,082 |
| Total OPEB liability - beginning | 18,717,414 | 18,327,926 |
| TOTAL OPEB LIABILITY - ENDING | \$ 18,327,926 | \$ 22,055,008 |
| Covered payroll | \$ 59,333,084 | \$ 60,964,744 |
| Employer's total OPEB liability as a percentage of covered payroll | 30.89% | 36.18% |

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 Five Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 3,977,718 | \$ 3,882,629 | \$ 3,695,564 | \$ 3,628,058 | \$ 2,373,864 |
| Contributions in relation to the actuarially determined contribution | 4,018,268 | 3,963,856 | 3,702,271 | 3,628,058 | 2,373,864 |
| Contribution Deficiency (Excess) | \$ (40,550) | \$ (81,227) | \$ (6,707) | \$ - | \$ - |
| Percentage contributed | 101.0% | 102.1% | 100.2% | 100.0% | 100.0% |
| Covered payroll | \$ 37,703,487 | \$ 37,477,116 | \$ 37,480,368 | \$ 38,519,776 | \$ 38,158,079 |
| Contributions as a percentage of covered payroll | 10.7% | 10.6% | 9.9% | 9.4% | 6.2% |

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 25 years; the asset valuation method was market, and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% 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 Six Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 8,558,924 | \$ 8,257,475 | \$ 9,380,940 | \$ 10,237,200 | \$ 10,462,704 | \$ 10,502,308 |
| 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 |
| Contribution Deficiency (Excess) | \$ (85,272) | \$ (546,789) | \$ (69,884) | \$ (63,349) | \$ - | \$ - |
| Percentage contributed | 103.4% | 106.6% | 100.7% | 100.6% | 100.0% | 100.0% |
| Covered payroll | \$ 13,557,726 | \$ 14,921,328 | \$ 17,474,672 | \$ 15,352,846 | \$ 15,845,701 | \$ 15,980,131 |
| Contributions as a percentage of covered payroll | 63.9% | 59.0% | 54.1% | 67.1% | 66.0% | 65.7% |

Notes to the Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1. 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 21 years; the asset valuation method was market and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Employer Contributions
Firefighters' Pension Fund

Last Six Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 6,239,481 | \$ 5,903,483 | \$ 7,350,865 | \$ 8,148,709 | \$ 8,344,947 | \$ 8,266,584 |
| 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 |
| Contribution Deficiency (Excess) | \$ (288,216) | \$ (481,761) | \$ (45,776) | \$ (57,091) | \$ - | \$ - |
| Percentage contributed | 104.6% | 108.2% | 100.6% | 100.7% | 100.0% | 100.0% |
| Covered payroll | \$ 9,520,925 | \$ 10,396,357 | \$ 10,546,779 | \$ 10,311,920 | \$ 11,618,255 | \$ 10,341,544 |
| Contributions as a percentage of covered payroll | 68.6% | 61.4% | 70.1% | 79.6% | 71.8% | 79.9% |

Notes to the Required Supplemental Information

The information presented was determined as part of the actuarial valuations as of January 1. 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 21 years; the asset valuation method was market; and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Net Pension Liability and Related Ratios
Illinois Municipal Retirement Fund

Last Five Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|----------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | \$ 3,898,440 | \$ 3,910,996 | \$ 3,951,687 | \$ 3,970,214 | \$ 3,671,434 |
| Service cost | 14,880,724 | 16,235,086 | 16,947,408 | 17,355,320 | 17,185,510 |
| Interest | - | - | - | - | - |
| Changes in benefit terms | 3,043,895 | 1,465,542 | (2,905,680) | (2,489,328) | 2,992,302 |
| Differences between expected and actual experience | 7,927,038 | 266,906 | (269,039) | (7,652,648) | 6,567,349 |
| Changes of assumptions | (11,468,097) | (11,928,345) | (12,270,564) | (12,922,439) | (13,674,100) |
| Benefit payments, including refunds of member contributions | 18,282,000 | 9,950,085 | 5,453,812 | (1,738,881) | 16,742,435 |
| Net Change in Total Pension Liability | 202,194,485 | 230,476,485 | 230,426,570 | 235,880,382 | 234,141,501 |
| Total Pension Liability - Beginning | \$ 220,476,485 | \$ 230,426,570 | \$ 235,880,382 | \$ 234,141,501 | \$ 250,885,936 |

| Plan Fiduciary Net Position | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------------|--------------|--------------|--------------|--------------|
| Contributions - employer | \$ 3,963,983 | \$ 4,018,268 | \$ 3,963,856 | \$ 3,702,271 | \$ 3,634,209 |
| Contributions - member | 1,710,168 | 1,767,523 | 1,705,636 | 1,693,912 | 1,847,906 |
| Net investment income | 12,425,190 | 1,062,353 | 14,441,739 | 39,438,193 | (14,090,715) |
| Benefit payments, including refunds of member contributions | (11,468,097) | (11,928,345) | (12,270,564) | (12,922,439) | (13,674,100) |
| Administrative expense | 2,322,043 | 737,427 | (142,981) | (4,817,948) | 3,915,577 |
| Net Change in Plan Fiduciary Net Position | 8,953,287 | (4,342,774) | 7,697,686 | 27,093,989 | (18,367,183) |

| Plan Fiduciary Net Position - Beginning | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|----------------|----------------|----------------|----------------|----------------|
| Plan Fiduciary Net Position - Beginning | \$ 206,588,617 | \$ 215,541,904 | \$ 211,199,130 | \$ 218,896,816 | \$ 245,990,805 |
| Plan Fiduciary Net Position - Ending | \$ 215,541,904 | \$ 211,199,130 | \$ 218,896,816 | \$ 245,990,805 | \$ 227,623,622 |

Employer's Net Pension Liability (Asset)

| Plan fiduciary net position as a percentage of the total pension liability (asset) | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|---------|--------|
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 97.76% | 91.66% | 92.80% | 105.06% | 90.73% |

Covered payroll

| Employer's net pension liability as a percentage of covered payroll | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|------------|------------|------------|------------|
| Employer's net pension liability as a percentage of covered payroll | 35.171,426 | 37.703,487 | 37,477,116 | 37,480,368 | 38,519,776 |
| There were changes in assumptions related to the discount rate in 2018. | 14.03% | 51.00% | 45.32% | -31.61% | 60.39% |

There were changes in assumptions related to price inflation, salary increases, retirement age and mortality rates in 2017. There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the actuarial valuation dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuations, dated December 31, 2015 and December 31, 2014 was 7.49% and 7.50%, respectively.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

CITY OF EVANSTON, ILLINOIS

Schedule of Changes in the Employer's
Net Pension Liability and Related Ratios
Firefighters' Pension Fund

Last Six Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | \$ 2,236,092 | \$ 2,431,680 | \$ 2,731,257 | \$ 2,813,961 | \$ 3,026,223 | \$ 2,763,258 |
| Service cost | 9,391,253 | 9,656,198 | 9,922,911 | 10,307,435 | 10,741,734 | 11,061,538 |
| Interest | - | - | - | - | - | 799,936 |
| Changes in benefit terms | - | 1,184,609 | (3,239,221) | 368,761 | 384,928 | 52,184,449 |
| Differences between expected and actual experience | - | 4,239,272 | 7,971,672 | 5,192,584 | (6,192,362) | 4,549,731 |
| Changes of assumptions | (7,227,683) | (8,067,965) | (8,343,940) | (8,609,369) | (9,150,830) | (9,624,766) |
| Benefit payments, including refunds of member contributions | 3,809,662 | 9,443,794 | 9,042,679 | 10,273,372 | (1,190,307) | 14,768,146 |
| Net Change in Total Pension Liability | 140,667,430 | 144,657,092 | 154,100,886 | 163,143,565 | 173,416,937 | 172,226,630 |
| Total Pension Liability - Beginning | \$ 144,667,092 | \$ 154,100,886 | \$ 163,143,565 | \$ 173,416,937 | \$ 172,226,630 | \$ 186,994,776 |
| Total Pension Liability - Ending | \$ 146,074,522 | \$ 154,547,978 | \$ 163,584,451 | \$ 173,780,502 | \$ 184,643,567 | \$ 198,221,406 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Plan Fiduciary Net Position | \$ 6,527,697 | \$ 6,385,244 | \$ 7,396,641 | \$ 8,205,800 | \$ 8,344,947 | \$ 8,266,584 |
| Contributions - employer | 919,874 | 956,092 | 997,198 | 974,992 | 1,098,506 | 954,112 |
| Contributions - member | 3,549,131 | 228,236 | 3,894,765 | 7,974,296 | (3,478,827) | 14,527,581 |
| Net investment income | (7,227,683) | (8,067,965) | (8,343,940) | (8,609,369) | (9,150,830) | (9,624,766) |
| Benefit payments, including refunds of member contributions | (62,248) | (44,597) | (85,750) | (72,640) | (105,755) | (97,588) |
| Administrative expense | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 3,216,771 | (542,990) | 3,838,914 | 8,473,079 | (3,291,959) | 14,025,923 |
| Plan Fiduciary Net Position - Beginning | 65,024,941 | 68,241,712 | 66,741,084 | 70,599,998 | 79,073,077 | 75,781,118 |
| Plan Fiduciary Net Position - Ending | 68,241,712 | 66,741,084 | 70,599,998 | 79,073,077 | 75,781,118 | 89,807,041 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------|------------|------------|------------|------------|------------|
| Plan Fiduciary Net Position - Beginning | 65,024,941 | 68,241,712 | 66,741,084 | 70,599,998 | 79,073,077 | 75,781,118 |
| 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 |
| Plan Fiduciary Net Position - Ending | 68,241,712 | 66,741,084 | 70,599,998 | 79,073,077 | 75,781,118 | 89,807,041 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Net Pension Liability | \$ 76,415,380 | \$ 87,359,802 | \$ 92,543,567 | \$ 94,343,860 | \$ 96,445,512 | \$ 97,187,735 |
| Plan fiduciary net position as a percentage of the total pension liability | 47.17% | 43.31% | 43.27% | 45.60% | 44.00% | 48.03% |
| Covered payroll | \$ 9,520,925 | \$ 10,396,357 | \$ 10,546,779 | \$ 10,311,920 | \$ 11,618,255 | \$ 10,341,544 |
| Employer's net pension liability as a percentage of covered payroll | 802.60% | 840.29% | 877.46% | 914.90% | 830.12% | 939.78% |

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-10-10610 (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%.
For the measurement date 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 Changes in the Employer's
Net Pension Liability and Related Ratios
Police Pension Fund

Last Six Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | \$ 3,439,223 | \$ 3,488,385 | \$ 3,679,212 | \$ 3,993,751 | \$ 4,283,425 | \$ 3,800,758 |
| Service cost | 12,284,016 | 12,663,010 | 13,192,680 | 14,088,889 | 14,433,770 | 15,128,398 |
| Interest | - | - | - | - | - | 853,365 |
| Changes in benefit terms | - | 3,928,479 | (3,214,201) | 424,390 | 3,079,328 | 4,364,013 |
| Differences between expected and actual experience | - | 5,791,392 | 11,039,027 | 7,096,300 | (7,459,427) | 4,127,403 |
| Changes of assumptions | (9,891,045) | (10,424,955) | (10,970,910) | (11,475,943) | (11,937,685) | (12,522,660) |
| Benefit payments, including refunds of member contributions | 5,832,214 | 15,446,311 | 13,725,802 | 14,127,387 | 2,401,411 | 15,931,277 |
| Net Change in Total Pension Liability | 183,492,025 | 189,324,239 | 204,770,550 | 218,496,352 | 232,623,739 | 235,025,150 |
| Total Pension Liability - Beginning | \$ 189,324,239 | \$ 204,770,550 | \$ 218,496,352 | \$ 232,623,739 | \$ 235,025,150 | \$ 250,956,427 |
| Total Pension Liability - Ending | \$ 204,770,550 | \$ 218,496,352 | \$ 232,623,739 | \$ 235,025,150 | \$ 250,956,427 | \$ 266,981,577 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|---------------|---------------|---------------|
| Plan Fiduciary Net Position | \$ 6,644,106 | \$ 8,804,264 | \$ 9,450,024 | \$ 10,300,549 | \$ 10,462,704 | \$ 10,802,308 |
| Contributions - employer | 1,444,209 | 1,444,209 | 1,444,209 | 1,444,209 | 1,444,209 | 1,444,209 |
| Contributions - member | 8,675,133 | 7,359,756 | 7,544,856 | 15,240,680 | (4,911,053) | 25,043,593 |
| Net investment income | (9,891,045) | (10,424,955) | (10,970,910) | (11,475,943) | (11,937,685) | (12,522,660) |
| Benefit payments, including refunds of member contributions | (68,938) | (71,408) | (123,790) | (148,631) | (58,885) | (52,088) |
| Administrative expense | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 8,924,199 | 193,377 | 7,632,708 | 15,418,122 | (4,874,610) | 24,554,784 |
| Plan Fiduciary Net Position - Beginning | 90,763,143 | 99,687,542 | 98,538,837 | 106,191,545 | 121,629,667 | 116,755,057 |
| Plan Fiduciary Net Position - Ending | 99,687,542 | 98,538,837 | 106,191,545 | 121,629,667 | 116,755,057 | 141,309,841 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------|-------------|-------------|-------------|-------------|-------------|
| Plan Fiduciary Net Position - Beginning | 90,763,143 | 99,687,542 | 98,538,837 | 106,191,545 | 121,629,667 | 116,755,057 |
| Prior period adjustment | - | (1,322,082) | - | - | - | - |
| Plan Fiduciary Net Position - Beginning, restated | 90,763,143 | 98,365,460 | 98,538,837 | 106,191,545 | 121,629,667 | 116,755,057 |
| Plan Fiduciary Net Position - Ending | 99,687,542 | 98,538,837 | 106,191,545 | 121,629,667 | 116,755,057 | 141,309,841 |

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|----------------|----------------|----------------|----------------|----------------|
| Employer's Net Pension Liability | \$ 89,636,697 | \$ 106,211,713 | \$ 112,304,807 | \$ 110,994,072 | \$ 118,270,093 | \$ 109,646,586 |
| Plan fiduciary net position as a percentage of the total pension liability | 52.65% | 48.13% | 48.60% | 52.29% | 49.68% | 56.31% |
| Covered payroll | \$ 13,537,276 | \$ 14,921,328 | \$ 17,474,672 | \$ 15,352,846 | \$ 15,845,701 | \$ 15,800,131 |
| Employer's net pension liability as a percentage of covered payroll | 662.13% | 711.81% | 642.67% | 722.95% | 746.39% | 686.14% |

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-10-10610 (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%.
For the measurement date 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 December 31, 2014 was 6.75%.
Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information should be presented for as many years as is available.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance |
|--|---------------------|--------------------|--------------------|---------------------|
| Revenues | | | | |
| Taxes | \$ 63,384,255 | \$ 63,384,255 | \$ 62,839,205 | \$ (545,050) |
| Licenses and permits | 10,525,900 | 10,525,900 | 10,011,661 | (514,239) |
| Intergovernmental | 18,257,003 | 18,257,003 | 19,855,436 | 1,598,433 |
| Charges for services | 8,828,709 | 8,828,709 | 8,840,673 | 11,964 |
| Fines | 4,700,500 | 4,700,500 | 5,108,237 | 407,737 |
| Investment income | 55,100 | 55,100 | 210,357 | 155,257 |
| Miscellaneous | 988,300 | 988,300 | 1,777,486 | 789,186 |
| Total Revenues | 106,739,767 | 106,739,767 | 108,643,055 | 1,903,288 |
| Expenditures | | | | |
| General management and support | 16,593,476 | 16,593,476 | 16,725,107 | 131,631 |
| Public safety | 62,996,535 | 63,896,535 | 64,372,499 | 475,964 |
| Public works | 12,904,891 | 13,026,581 | 12,881,405 | (145,176) |
| Health and human services development | 3,133,560 | 3,197,615 | 2,989,435 | (208,180) |
| Recreation and cultural opportunities | 12,149,707 | 12,149,707 | 12,246,544 | 96,837 |
| Housing and economic development | 3,227,659 | 3,227,659 | 2,902,161 | (325,498) |
| Total Expenditures | 111,005,828 | 112,091,573 | 112,117,151 | 25,578 |
| Excess (Deficiency) of Revenues Over Expenditures | (4,266,061) | (5,351,806) | (3,474,096) | 1,877,710 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 9,975,574 | 9,975,574 | 8,817,013 | (1,158,561) |
| Transfers (out) | (3,965,015) | (3,965,015) | (3,308,066) | 656,949 |
| Total Other Financing Sources (Uses) | 6,010,559 | 6,010,559 | 5,508,947 | (501,612) |
| Net Change in Fund Balance | \$ 1,744,498 | \$ 658,753 | 2,034,851 | \$ 1,376,098 |
| Fund Balances | | | | |
| Beginning of Year | | | 13,855,048 | |
| End of Year | | | \$ 15,889,899 | |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Schedule of Investment Returns
Police Pension Fund

Last Six Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------|-------|-------|--------|--------|--------|
| Annual money-weighted rate of return, net of investment expense | 9.54% | 1.45% | 6.90% | 14.25% | -5.20% | 21.13% |

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 Six Fiscal Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------|-------|-------|--------|--------|--------|
| FISCAL YEAR ENDED DECEMBER 31, | | | | | | |
| Annual money-weighted rate of return, net of investment expense | 5.47% | 0.36% | 5.90% | 11.42% | -4.54% | 19.62% |

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, return information should be presented for as many years as is available.

CITY OF EVANSTON, ILLINOIS

Notes to Required Supplementary Information
December 31, 2019

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Because of a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2019. 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 Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Funds, and Pension Trust Funds. All annual budgets lapse at fiscal year end.

Discrete Component Unit:

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Because of a calendar year, the Library Director submits a proposed operating budget for the upcoming fiscal year commencing January 1, 2019 to the EPL Board of Trustees. Upon approval of the budget proposal by the EPL Board of Trustees, the Library's proposed budget is submitted to the City Manager. The Library's budget is included in the budget documents which the City Manager will submit to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A series of public library board meetings are conducted as the EPL Board of Trustees considers the budget proposal. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution by the City Council.
4. The Library Director is authorized to transfer budgeted amounts between library departments within any library fund; however, any revisions that alter the total expenditures of any library fund must be approved by the EPL Board of Trustees. There were budget allocations within the Library Fund but the total did not change.
5. Budgets are legally adopted on a basis consistent with GAAP. The budget is prepared for the Library Operating Fund, Library Capital Fund, and Library Debt Service Fund.

The level of control (level at which expenditures may not exceed budget) is the fund. All unencumbered annual appropriations lapse at the end of the fiscal year.

During the year, budget amendments were approved by the City Council.

The following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2019:

| Fund | Final Budget | | Variance |
|-------------------------------------|----------------|----------------|-----------|
| | Actual | Budget | |
| General | \$ 112,117,151 | \$ 112,091,573 | \$ 25,578 |
| Neighborhood Improvement | 113 | - | 113 |
| Howard Ridge Tax Increment District | 637,449 | 514,337 | 143,112 |

**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

General Fund
 Schedule of Revenues - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|-------------------------------------|-----------------|---------------|---------------|---|
| Revenues | | | | |
| Taxes | | | | |
| Property | | | | |
| Current year levy | \$ 30,047,955 | \$ 30,047,955 | \$ 29,888,938 | \$ (159,017) |
| Total Property Taxes | 30,047,955 | 30,047,955 | 29,888,938 | (159,017) |
| Personal Property Replacement Tax | 1,451,300 | 1,451,300 | 1,744,366 | 293,066 |
| Other Taxes | | | | |
| State use tax | 2,000,000 | 2,000,000 | 2,413,280 | 513,280 |
| Sales tax - home rate | 6,300,000 | 6,300,000 | 6,375,631 | 75,631 |
| Auto rental tax | 55,000 | 55,000 | 57,703 | 2,703 |
| Transportation network provider tax | 680,000 | 680,000 | 1,000,030 | 320,030 |
| Athletic contest tax | 1,080,000 | 1,080,000 | 1,224,283 | 144,283 |
| Municipal hotel tax | 2,390,000 | 2,390,000 | 2,262,400 | (127,600) |
| Utility tax | 6,840,000 | 6,840,000 | 6,372,647 | (467,353) |
| Cigarette tax | 250,000 | 250,000 | 180,000 | (70,000) |
| Evanston motor fuel tax | 1,225,000 | 1,225,000 | 1,069,482 | (155,518) |
| Liquor tax | 3,150,000 | 3,150,000 | 3,367,406 | 217,406 |
| Parking tax | 3,450,000 | 3,450,000 | 3,271,175 | (178,825) |
| Amusement tax | 315,000 | 315,000 | 662,116 | 347,116 |
| Foreign fire tax | - | - | 178,469 | 178,469 |
| Real estate transfer tax | 4,150,000 | 4,150,000 | 2,671,279 | (1,478,721) |
| Total Other Taxes | 31,885,000 | 31,885,000 | 31,205,901 | (679,099) |
| Total Taxes | 63,384,255 | 63,384,255 | 62,839,205 | (545,050) |
| Licenses and Permits | | | | |
| Vehicle licenses | 2,875,000 | 2,875,000 | 2,344,475 | (530,525) |
| Business licenses | 65,000 | 65,000 | 34,293 | (30,707) |
| Bed and breakfast licenses | 150 | 150 | 150 | - |
| Collection box license | 2,500 | 2,500 | 1,125 | (1,375) |
| Pet licenses | 28,000 | 28,000 | 17,266 | (10,734) |
| Contractor licenses | 170,000 | 170,000 | 45,650 | (124,350) |
| Rooming house licenses | 195,000 | 195,000 | 165,567 | (29,433) |
| Liquor licenses | 525,000 | 525,000 | 551,954 | 26,954 |
| One-day liquor licenses | 12,000 | 12,000 | 20,621 | 8,621 |
| Farmer's market licenses | 51,250 | 51,250 | 50,158 | (1,092) |
| Rental building register | 85,000 | 85,000 | 74,313 | (10,687) |
| Other licenses | 20,000 | 20,000 | 6,005 | (13,995) |
| Long-term care license | 120,000 | 120,000 | 99,540 | (20,460) |
| Seasonal foot ESTB | 15,000 | 15,000 | 11,998 | (3,002) |
| Mobile food vehicle license | 1,000 | 1,000 | 1,437 | 437 |
| Hen coop license | 800 | 800 | 250 | (550) |
| Child resident care license | - | - | 60 | 60 |
| Resident care home license | 1,200 | 1,200 | 900 | (300) |
| Blending permits | 3,875,100 | 3,875,100 | 4,617,598 | 742,498 |
| Plumbing permits | - | - | 100 | 100 |
| Electrical permits | - | - | 45 | 45 |
| Signs and awnings | 32,800 | 32,800 | 1,925 | (30,875) |
| Other/miscellaneous permits | 350,000 | 350,000 | 66,771 | (283,229) |
| Elevator permits | 42,000 | 42,000 | 18,565 | (23,435) |
| Heating vent/AC permits | - | - | - | - |
| Right of way permits | 358,000 | 358,000 | 275,586 | (82,414) |

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|-----------------|--------------|------------|---|
| Revenues - Continued | | | | |
| Licenses and Permits - Continued | | | | |
| Property cleaning permit | \$ 10,000 | \$ 10,000 | \$ - | \$ (10,000) |
| Residential parking permit | 228,000 | 228,000 | 121,594 | (106,406) |
| Visitor parking permit | 13,000 | 13,000 | 55,451 | 42,451 |
| Fire suppression/ alarm permit | 100,000 | 100,000 | 33,850 | (66,150) |
| Oversize truck permit | 20,000 | 20,000 | 151 | 131 |
| Animal sign fees | - | - | 46,656 | 46,656 |
| Moving van permit | 57,000 | 57,000 | 525 | (56,475) |
| Plat PR and Sign approval HRG fees | 2,100 | 2,100 | 163,926 | 161,826 |
| IL Bell franchise fee | - | - | 4,000 | 4,000 |
| Alarm panel franchise fee | 47,000 | 47,000 | 47,000 | - |
| Northwestern University easement | 1,000,000 | 1,000,000 | 1,023,285 | 23,285 |
| Cable franchise fee | 145,000 | 145,000 | 54,841 | (90,159) |
| PEG fees - Comcast | 75,000 | 75,000 | 44,507 | (30,493) |
| Nicor franchise fee | - | - | - | - |
| Total Licenses and Permits | 10,525,900 | 10,525,900 | 10,011,661 | (514,239) |
| Intergovernmental - Revenue from Other Agencies | | | | |
| Retailer and service occupation tax | 10,250,000 | 10,250,000 | 10,229,742 | (20,258) |
| State income tax | 7,210,000 | 7,210,000 | 7,991,868 | 781,868 |
| State highway maintenance | 72,200 | 72,200 | 75,814 | 3,614 |
| Health Department Basic Services Grant | 82,070 | 82,070 | 106,221 | 24,151 |
| Summer food inspections | 200 | 200 | 25,000 | 24,800 |
| Illinois tobacco free community | 26,000 | 26,000 | 25,000 | (1,000) |
| Illinois Surveillance Grant | 4,000 | 4,000 | 3,458 | (542) |
| Childs Aid Child Placement Grant | 15,600 | 12,600 | 32,906 | 20,306 |
| Other State County Grant | 91,000 | 91,000 | 77,037 | (13,963) |
| Fire Department training | 300 | 300 | - | (300) |
| CPD Grant | 6,000 | 6,000 | 1,583 | (4,417) |
| PEHP Grant | 14,100 | 14,100 | 49,803 | 35,703 |
| Lead/Paid Hazard Grant | 30,000 | 30,000 | 77,125 | 47,125 |
| Federal Grant/Aid | 39,333 | 39,333 | 18,700 | (20,633) |
| Commission on Aging Grant - Advocate | 161,700 | 161,700 | 412,667 | 250,967 |
| Vacant Property Grant | 55,000 | 55,000 | 115,517 | 60,517 |
| Civil Defense Grants (F.E.M.A.) | 37,500 | 37,500 | 58,648 | 21,148 |
| Narcotics enforcement revenue | - | - | 38,116 | 38,116 |
| Police training | 5,000 | 5,000 | 21,750 | 16,750 |
| eShare revenue | - | - | 2,178 | 2,178 |
| Police DUII reimbursement | 15,000 | 15,000 | 16,263 | 1,263 |
| HUD Emergency Shelter Grant | 135,000 | 135,000 | 133,362 | (1,638) |
| Other Federal Aid | 10,000 | 10,000 | - | (10,000) |
| Total Intergovernmental - Revenue from Other Agencies | 18,257,003 | 18,257,003 | 19,855,436 | 1,598,433 |
| Charges for Services | | | | |
| Recreation | | | | |
| Recreation - program | 5,549,409 | 5,549,409 | 5,867,376 | 317,967 |
| Recreation - other | - | - | 54,193 | 54,193 |
| Recreation - charges | 3,000 | 3,000 | - | (3,000) |
| Recreation - special events | 25,000 | 25,000 | 31,523 | 6,523 |
| Total Recreation Revenue | 5,577,409 | 5,577,409 | 5,953,092 | 375,683 |

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|---|------------------|------------------|------------------|---|
| Revenues - Continued | | | | |
| Charges for Services (Continued) | | | | |
| Other Charges for Services | \$ 200,000 | \$ 200,000 | \$ 211,696 | \$ 11,696 |
| Health clinic fees - food establishment | - | - | 5,000 | 5,000 |
| Sanitation classes | 10,000 | 10,000 | 12,308 | 2,308 |
| Temporary license fee | 5,000 | 5,000 | 4,450 | (550) |
| Food delivery vehicle | 41,000 | 41,000 | 39,272 | (1,728) |
| Beverage snack vending machine | 17,000 | 17,000 | 10,500 | (6,500) |
| Tobacco license | - | - | 225 | 225 |
| Beekeeper license | - | - | 4,394 | 4,394 |
| Birth and death records | 100,000 | 100,000 | (1,824) | (1,824) |
| Birth certificate | 30,000 | 30,000 | (30,564) | (6,564) |
| Death certificate | 6,300 | 6,300 | - | - |
| Funeral director license | 4,000 | 4,000 | (6,300) | (2,300) |
| Temp funeral director licenses | 33,500 | 33,500 | 57,388 | 24,088 |
| Parking enforcement reimbursement | 115,000 | 115,000 | 84,883 | (30,117) |
| Senior Taxi coupon sales | 1,000 | 1,000 | 1,040 | 40 |
| Fire cost recovery charge | 30,000 | 30,000 | 39,634 | 9,634 |
| Historic preservation | 5,000 | 5,000 | 10,522 | 5,522 |
| Tree preservation revenue | 2,150,000 | 2,150,000 | 2,112,492 | (37,508) |
| Ambulance service | 1,000 | 1,000 | - | (1,000) |
| Towing charges | 25,000 | 25,000 | 32,063 | 7,063 |
| Police report fees | 210,000 | 210,000 | 52,592 | (157,408) |
| Zoning fees | 100 | 100 | - | (100) |
| Fire building inspections | 25,000 | 25,000 | 12,140 | (12,860) |
| Fire report fee | 35,000 | 35,000 | 22,052 | (12,948) |
| Passport processing fee | 115,000 | 115,000 | 145,465 | 30,465 |
| Alarm panel subscription fees | - | - | 360 | 360 |
| Stokee animal board fee | 400 | 400 | 195 | (205) |
| Background check database providers | 80,000 | 80,000 | 30,022 | (49,978) |
| New pavement degradation | 7,000 | 7,000 | 380 | (6,620) |
| I Heart Evanston Trees project | 5,000 | 5,000 | 696 | (4,304) |
| Plan review | | | | |
| Total Other Service Charges | 3,251,300 | 3,251,300 | 2,887,581 | (463,719) |
| Total Charges for Services | 8,828,709 | 8,828,709 | 8,840,673 | 11,964 |
| Fines | | | | |
| Ticket fines - parking | 3,740,000 | 3,740,000 | 3,972,067 | 232,067 |
| Regular fines | 115,000 | 115,000 | 133,867 | 18,867 |
| Penalties | - | - | 47,842 | 47,842 |
| Animal ordinance penalties | 7,500 | 7,500 | - | (7,500) |
| Boat release fee | 45,000 | 45,000 | 134,651 | 89,651 |
| Police alarm fines | 115,000 | 115,000 | 122,275 | 7,275 |
| Police CTA detail | 400,000 | 400,000 | 542,297 | 142,297 |
| Police false alarm fines | - | - | (30) | (30) |
| Housing code violation fines | 60,000 | 60,000 | 31,527 | (28,473) |
| Permit penalty fees | 8,000 | 8,000 | 3,347 | (4,653) |
| Administrative adjudication fee | 210,000 | 210,000 | 120,394 | (89,606) |
| Total Fines | 4,700,500 | 4,700,500 | 5,108,237 | 407,737 |

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|------------------------------------|-----------------------|-----------------------|-----------------------|---|
| Revenues - Continued | | | | |
| Investment Income | \$ 55,100 | \$ 55,100 | \$ 210,357 | \$ 155,257 |
| Other Revenues | | | | |
| Police equipment reimbursement | 10,000 | 10,000 | 12,150 | 2,150 |
| Waste transfer station revenue | - | - | 7,000 | 7,000 |
| Aging well revenue | - | - | 2,000 | 2,000 |
| Holiday food drive | 10,000 | 10,000 | 12,415 | 2,415 |
| Women Out Walking | 5,000 | 5,000 | 2,775 | (2,225) |
| Property sales and rentals | 51,100 | 51,100 | 285,522 | 234,422 |
| Donation | 15,400 | 15,400 | 24,860 | 9,460 |
| Miscellaneous revenue | 443,800 | 443,800 | 349,782 | (94,018) |
| Market Link vouchers | 30,000 | 30,000 | 28,951 | (1,049) |
| Sale of other assets | 1,500 | 1,500 | 1,398 | (102) |
| Reimbursements - serve and protect | 92,000 | 92,000 | 63,187 | (28,813) |
| Reimbursements - sale use | 45,000 | 45,000 | 68,019 | 23,019 |
| Reimbursements - fire department | 30,000 | 30,000 | 93,413 | 63,413 |
| Reimbursements - police | - | - | 321,565 | 321,565 |
| Payment in lieu of taxes | 200,000 | 200,000 | 86,500 | (113,500) |
| Chargeback revenue | - | - | 363,466 | 363,466 |
| Private Elm Trees Insurance | 33,000 | 33,000 | 37,660 | 4,660 |
| Citizens CPR class fees | 6,500 | 6,500 | 16,823 | 10,323 |
| Parking permits - Ryan Field | 15,000 | 15,000 | - | (15,000) |
| Total Other Revenues | 988,300 | 988,300 | 1,777,486 | 789,186 |
| Total Revenues | \$ 106,739,767 | \$ 106,739,767 | \$ 108,643,055 | \$ 1,903,288 |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|----------------|----------------|-----------|
| Expenditures | | | | |
| General Management and Support | | | | |
| City Council | \$ 525,675 | \$ 525,675 | \$ 538,403 | \$ 12,728 |
| City Manager and Budget Management | 5,952,745 | 5,952,745 | 5,669,829 | (282,916) |
| City Clerk | 176,409 | 176,409 | 214,480 | 38,071 |
| Law Department | 625,579 | 625,579 | 685,473 | 59,894 |
| Administrative Services | 9,313,068 | 9,313,068 | 9,616,922 | 303,854 |
| Total General Management and Support | 16,593,476 | 16,593,476 | 16,725,107 | 131,631 |
| Public Safety | | | | |
| Police | 38,623,273 | 39,523,273 | 39,014,725 | (508,548) |
| Fire | 24,373,262 | 24,373,262 | 25,357,774 | 984,512 |
| Total Public Safety | 62,996,535 | 63,896,535 | 64,372,499 | 475,964 |
| Public Works | | | | |
| Public Works Director | 3,893,365 | 3,893,365 | 3,891,325 | (2,040) |
| Municipal Service Center | 1,737,544 | 1,737,544 | 1,823,272 | 85,728 |
| City Engineer | 277,362 | 277,362 | 244,342 | (33,020) |
| Traffic Engineer | 3,533,307 | 3,533,307 | 3,338,655 | (194,652) |
| Streets | 3,306,908 | 3,428,598 | 3,424,869 | (3,729) |
| Sanitation | 156,405 | 156,405 | 158,942 | 2,537 |
| Total Public Works | 12,904,891 | 13,026,581 | 12,881,405 | (145,176) |
| Health and Human Services Development | | | | |
| Health and Human Services Director | 539,844 | 539,844 | 569,986 | 30,142 |
| Health Department | 1,574,964 | 1,574,964 | 1,367,854 | (207,110) |
| Mental Health and Community Purchased Services | 201,281 | 201,281 | 170,069 | (31,212) |
| Human Relations | 817,471 | 881,526 | 881,526 | - |
| Total Health and Human Services Development | 3,133,560 | 3,197,615 | 2,989,435 | (208,180) |
| Recreation and Cultural Opportunities | | | | |
| Recreation | 11,023,485 | 11,023,485 | 11,240,579 | 217,094 |
| Ecology Center | 538,741 | 538,741 | 454,246 | (84,495) |
| Cultural Arts | 587,481 | 587,481 | 551,719 | (35,762) |
| Total Recreation and Cultural Opportunities | 12,149,707 | 12,149,707 | 12,246,544 | 96,837 |
| Housing and Economic Development | | | | |
| Community Development Administration | 863,007 | 863,007 | 661,658 | (201,349) |
| Planning and Zoning | 725,676 | 725,676 | 717,427 | (8,249) |
| Housing Rehabilitation and Property Standards | - | - | 621 | 621 |
| Building Code Compliance | 1,638,976 | 1,638,976 | 1,522,455 | (116,521) |
| Total Housing and Economic Development | 3,227,659 | 3,227,659 | 2,902,161 | (325,498) |
| Total Expenditures | \$ 111,005,828 | \$ 112,091,573 | \$ 112,117,151 | \$ 25,578 |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Crown Capital Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|-----------------|--------------|--------------|
| Revenues | \$ 50,000 | \$ 50,000 | \$ 534,207 | \$ 484,207 |
| Investment income | - | - | 5,000,000 | 5,000,000 |
| Miscellaneous | - | - | 1,250,000 | (250,000) |
| Contributions | 1,500,000 | 1,500,000 | - | - |
| Other | - | - | - | - |
| Total Revenues | 1,550,000 | 1,550,000 | 6,784,207 | 5,234,207 |
| Expenditures | | | | |
| Public works | - | - | 890,012 | 890,012 |
| Capital outlay | 23,670,000 | 33,141,798 | 31,777,910 | (1,363,888) |
| Debt Service | - | - | - | - |
| Fiscal agent fees | - | - | 171,063 | 171,063 |
| Total Expenditures | 23,670,000 | 33,141,798 | 32,838,985 | (302,813) |
| Excess (Deficiency) of Revenues Over Expenditures | (22,120,000) | (31,591,798) | (26,054,778) | 5,537,020 |
| Other Financing Sources (Uses) | | | | |
| Issuance of bonds | 16,105,498 | 16,105,498 | 12,750,000 | (3,355,498) |
| Premium on issuance of bonds | - | - | 2,728,206 | 2,728,206 |
| Transfers in | 1,250,000 | 1,250,000 | 1,000,000 | (250,000) |
| Transfers (out) | - | - | (302,813) | (302,813) |
| Total Other Financing Sources (Uses) | 17,355,498 | 17,355,498 | 16,175,393 | (1,180,105) |
| Net Change in Fund Balance | \$ (4,764,502) | \$ (14,236,300) | (9,879,385) | \$ 4,356,915 |
| Fund Balances | | | | |
| Beginning of Year | | | 17,525,535 | |
| End of Year | | | \$ 7,646,150 | |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

General Obligation Debt Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|---------------------------|--------------------|---------------------|
| Revenues | | | |
| Taxes | | | |
| Property taxes | | | |
| Current year levy, net | \$ 10,879,993 | \$ 10,581,996 | \$ (297,997) |
| Prior year levy, net | - | - | - |
| Investment income | 1,500 | 200,611 | 199,111 |
| Miscellaneous revenue | - | 87,456 | 87,456 |
| Total Revenues | 10,881,493 | 10,870,063 | (11,430) |
| Expenditures | | | |
| General management and support | | 34 | 34 |
| Debt Service | | | |
| Principal | 9,517,156 | 9,517,155 | (1) |
| Interest | 5,623,550 | 5,736,517 | 112,967 |
| Fiscal agent fees | 120,000 | 7,000 | (113,000) |
| Total Expenditures | 15,260,706 | 15,260,706 | - |
| Excess (Deficiency) of Revenues Over Expenditures | (4,379,213) | (4,390,643) | (11,430) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 4,764,201 | 4,390,093 | (374,108) |
| Total Other Financing Sources (Uses) | 4,764,201 | 4,390,093 | (374,108) |
| Net Changes in Fund Balances | \$ 384,988 | (550) | \$ (385,538) |
| Fund Balances | | | |
| Beginning of Year | | 417,981 | |
| End of Year | | \$ 417,431 | |

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.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2019

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.

| | Special Revenue | | | |
|--|---------------------|----------------------------|--------------------------|---------------------|
| | Motor Fuel Tax | Emergency Telephone System | Neighborhood Improvement | Affordable Housing |
| Assets | | | | |
| Cash and equivalents | \$ - | \$ 204,851 | \$ 171,864 | \$ 1,697,856 |
| Investments | 2,342,062 | 688,754 | - | 2,396,719 |
| Receivables | - | - | - | - |
| Property tax | - | - | - | - |
| Loans | - | - | - | 1,123,471 |
| Special assessments | - | - | - | - |
| Other | - | - | - | - |
| Due from other governments | 326,970 | 383,749 | - | - |
| Due from other funds | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Total Assets | \$ 2,669,032 | \$ 1,277,354 | \$ 171,864 | \$ 5,212,046 |
| Liabilities | | | | |
| Vouchers payable | \$ - | \$ 6,394 | \$ - | \$ 34,471 |
| Due to other governments | - | - | - | 128,501 |
| Due to component unit | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Total Liabilities | - | 6,394 | - | 162,972 |
| Deferred Inflows of Resources | | | | |
| Long-term notes receivable | - | - | - | 1,123,471 |
| Unavailable revenue - property taxes | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | 1,123,471 |
| Total Liabilities and Deferred Inflows of Resources | - | 6,394 | - | 1,286,443 |
| Fund Balances | | | | |
| Restricted for | | | | |
| Highway Maintenance | 2,669,032 | - | - | - |
| Emergency Telephone System | - | 1,270,960 | - | - |
| HUD Approved Projects | - | - | 171,864 | 3,925,603 |
| Neighborhood Improvements | - | - | - | - |
| Repairs | - | - | - | - |
| Debt Service | - | - | - | - |
| Towship | - | - | - | - |
| Capital Improvements | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total Fund Balances (Deficit) | 2,669,032 | 1,270,960 | 171,864 | 3,925,603 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,669,032 | \$ 1,277,354 | \$ 171,864 | \$ 5,212,046 |

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
 Nonmajor Governmental Funds

December 31, 2019

| | Special Revenue | | | | | Total Special Revenue | | | |
|--------------|-----------------------------------|----------------------------|--------------------------------|-------------|---------------|-----------------------|--------------------|-----------|---------------|
| | Community Development Block Grant | Community Development Loan | Special Service District No. 4 | Reparations | Good Neighbor | | General Assistance | | |
| HOME | \$ 13,302 | \$ - | \$ 221,038 | \$ - | \$ 1,335 | \$ 1,255,161 | \$ 348,269 | \$ 15,576 | \$ 3,913,676 |
| | | | | | | | | | 5,437,111 |
| 4,964,924 | - | - | 1,844,287 | 592,665 | - | 1,080,000 | - | - | 1,672,665 |
| | | | | | | | | | 7,952,662 |
| 57,763 | 166,139 | - | - | - | - | - | - | - | 934,621 |
| | | | | | | | | | - |
| | | | | | | | | | - |
| \$ 5,035,989 | \$ 166,139 | \$ 2,065,325 | \$ 592,665 | \$ 1,335 | \$ 1,255,161 | \$ 1,443,845 | \$ - | \$ - | \$ 19,890,755 |
| | | | | | | | | | |
| \$ 63,380 | \$ 36,720 | \$ 30,876 | \$ 53,308 | \$ - | \$ 2,616 | \$ 223 | \$ 223 | \$ - | \$ 227,988 |
| | | | | | | | | | 128,501 |
| 160 | 66,122 | (37,223) | 172,885 | - | - | 581 | - | - | 202,525 |
| | | | | | | | | | - |
| | | | | | | | | | 1,000,000 |
| 63,340 | 102,842 | (63,477) | 226,193 | - | 1,002,616 | 804 | - | - | 1,559,014 |
| | | | | | | | | | |
| 4,964,924 | - | 1,844,287 | 592,665 | - | - | 1,080,000 | - | - | 7,952,682 |
| | | | | | | | | | 1,672,665 |
| 4,964,924 | - | 1,844,287 | 592,665 | - | - | 1,080,000 | - | - | 9,605,347 |
| 5,028,464 | 102,842 | 1,837,940 | 818,838 | - | 1,002,616 | 1,080,804 | - | - | 11,164,361 |
| | | | | | | | | | |
| | | | | | | | | | 2,669,032 |
| | | | | | | | | | 1,270,960 |
| 7,525 | 63,297 | 227,385 | - | - | - | - | - | - | 298,207 |
| | | | | | | | | | 4,097,467 |
| | | | | 1,335 | - | - | - | - | 1,335 |
| | | | | | | | | | 363,041 |
| | | | | | 252,545 | - | - | - | 252,545 |
| | | | | | | | | | - |
| | | | | | | | | | (226,193) |
| 7,525 | 63,297 | 227,385 | (226,193) | 1,335 | 252,545 | 363,041 | - | - | 8,726,394 |
| | | | | | | | | | |
| \$ 5,035,989 | \$ 166,139 | \$ 2,065,325 | \$ 592,665 | \$ 1,335 | \$ 1,255,161 | \$ 1,443,845 | \$ - | \$ - | \$ 19,890,755 |

| | Debt Service | | | Total |
|---|-------------------------------------|----------------------------|---------------------------------------|------------|
| | Chicago Main Tax Increment District | Special Service Area No. 6 | Dempster-Dodge Tax Increment District | |
| Assets | | | | |
| Cash and equivalents | \$ 686,753 | \$ 5,342 | \$ - | \$ 107,803 |
| Investments | - | - | - | - |
| Receivables | - | - | - | - |
| Property tax | - | 221,000 | - | - |
| Loans | - | - | - | - |
| Special assessments | - | - | - | - |
| Other | - | - | - | - |
| Due from other governments | - | - | - | - |
| Due from other funds | - | - | - | - |
| Advances to other funds | - | - | - | - |
| Total Assets | \$ 686,753 | \$ 226,342 | \$ - | \$ 107,803 |
| Liabilities | | | | |
| Vouchers payable | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | - | - | - | - |
| Due to component unit | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from other funds | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Total Liabilities | - | - | - | - |
| Deferred Inflows of Resources | | | | |
| Long-term notes receivable | - | - | - | - |
| Unavailable revenue - property taxes | - | 221,000 | - | - |
| Total Deferred Inflows of Resources | - | 221,000 | - | - |
| Total Liabilities and Deferred Inflows of Resources | - | 221,000 | - | - |
| Fund Balances | | | | |
| Restricted for | | | | |
| Highway Maintenance | - | - | - | - |
| Emergency Telephone System | - | - | - | - |
| HUD Approved Projects | - | - | - | - |
| Neighborhood Improvements | - | 5,342 | - | - |
| Repairs | - | - | - | - |
| Debt Service | 686,753 | - | - | 107,803 |
| Township | - | - | - | - |
| Capital Improvements | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned (deficit) | - | - | - | - |
| Total Fund Balances (Deficit) | 686,753 | 5,342 | - | 107,803 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 686,753 | \$ 226,342 | \$ - | \$ 107,803 |

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

| Howard Ridge Tax Increment District | Debt Service | | | | Capital Projects | | | | Total Nonmajor Governmental Funds |
|-------------------------------------|--------------------------------------|--------------------|----------------------|--------------------|------------------------|-----------------------------------|--|--|-----------------------------------|
| | West Evanston Tax Increment District | Total Debt Service | Capital Improvements | Special Assessment | Total Capital Projects | Total Nonmajor Governmental Funds | | | |
| \$ 1,646,152 | \$ 710,476 | \$ 799,898 | \$ 1,856,047 | \$ 598,512 | \$ 2,454,559 | \$ 7,168,133 | | | 20,300,333 |
| - | - | 221,000 | - | - | - | 1,893,665 | | | 7,932,682 |
| - | - | - | - | 482,723 | 482,723 | 482,723 | | | 482,723 |
| - | - | - | 40,800 | 4,281 | 45,081 | 45,081 | | | 45,081 |
| - | - | - | 390,913 | - | 390,913 | 1,325,354 | | | 1,325,354 |
| 1,025,998 | - | 1,025,998 | 4,000,000 | 51,068 | 1,077,066 | 4,000,000 | | | 4,000,000 |
| \$ 2,672,150 | \$ 710,476 | \$ 4,403,524 | \$ 16,520,409 | \$ 3,410,529 | \$ 19,930,938 | \$ 44,225,217 | | | |
| \$ 547,385 | \$ - | \$ 547,385 | \$ 2,488,032 | \$ - | \$ 2,488,032 | \$ 3,263,405 | | | 128,501 |
| - | - | - | - | - | - | - | | | - |
| - | - | - | 1,372,131 | - | 1,372,131 | 1,574,656 | | | 1,574,656 |
| - | - | - | - | - | - | - | | | - |
| 547,385 | - | 547,385 | 3,860,163 | - | 3,860,163 | 5,966,562 | | | |
| - | - | - | - | 482,723 | 482,723 | 841,5405 | | | 1,893,665 |
| - | - | 221,000 | - | - | - | - | | | - |
| - | - | 221,000 | - | 482,723 | 482,723 | 10,309,070 | | | |
| 547,385 | - | 768,385 | 3,860,163 | 482,723 | 4,342,886 | 16,275,632 | | | |
| - | - | - | - | - | - | - | | | - |
| - | - | - | - | - | - | 2,669,032 | | | 2,669,032 |
| - | - | - | - | - | - | 1,270,960 | | | 1,270,960 |
| - | - | 5,342 | - | 2,927,806 | 2,927,806 | 298,207 | | | 7,030,615 |
| - | - | - | - | - | - | 1,335 | | | - |
| 2,124,765 | 710,476 | 3,629,797 | - | - | - | 3,629,797 | | | 363,041 |
| - | - | - | - | - | - | 252,545 | | | - |
| - | - | - | 12,660,246 | - | 12,660,246 | (226,193) | | | - |
| 2,124,765 | 710,476 | 3,635,139 | 12,660,246 | 2,927,806 | 15,588,052 | 27,949,585 | | | |
| \$ 2,672,150 | \$ 710,476 | \$ 4,403,524 | \$ 16,520,409 | \$ 3,410,529 | \$ 19,930,938 | \$ 44,225,217 | | | |

| Revenues | Special Revenue | | | |
|---|-----------------|----------------------------|--------------------------|--------------------|
| | Motor Fuel Tax | Emergency Telephone System | Neighborhood Improvement | Affordable Housing |
| \$ - | \$ - | \$ 1,468,418 | \$ - | \$ 63,000 |
| - | - | - | - | - |
| 2,443,580 | - | - | - | 11,013 |
| - | - | - | - | - |
| 47,205 | 19,740 | 903 | 903 | 41,125 |
| - | - | - | - | 2,725,000 |
| - | - | - | - | 12,534 |
| 2,490,785 | 1,488,158 | 903 | 903 | 2,852,672 |
| Total Revenues | | | | |
| Expenditures | | | | |
| Current | | | | |
| General management and support | - | - | - | - |
| Public safety | - | 905,229 | - | - |
| Public works | 874,910 | - | - | - |
| Housing and economic development | - | - | 113 | 292,224 |
| Capital outlay | - | - | - | - |
| Debt service | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Fiscal agent fees | - | - | - | - |
| Total Expenditures | 874,910 | 905,229 | 113 | 292,224 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,615,875 | 582,929 | 790 | 2,560,448 |
| Other Financing Sources (Uses) | | | | |
| Issuance of bonds | - | - | - | - |
| Issuance of loans | - | - | - | - |
| Premium (discount) on bonds issued | - | - | - | - |
| Transfers in | (982,897) | (74,034) | - | - |
| Transfers (out) | (982,897) | (74,034) | - | - |
| Total Other Financing Sources (Uses) | 632,978 | 508,895 | 790 | 2,560,448 |
| Net Change in Fund Balances | 2,036,054 | 762,065 | 171,074 | 1,365,155 |
| Fund Balances (Deficit), January 1 | \$ 2,669,032 | \$ 1,270,960 | \$ 171,864 | \$ 3,925,603 |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2019

| HOME | Special Revenue | | | | | Debt Service | | | | |
|----------|-----------------------------------|----------------------------|--------------------------------|-------------|---------------|--------------------|-----------------------|-------------------------------------|----------------------------|---------------------------------------|
| | Community Development Block Grant | Community Development Loan | Special Service District No. 4 | Reparations | Good Neighbor | General Assistance | Total Special Revenue | Chicago Main Tax Increment District | Special Service Area No. 6 | Dempster-Dodge Tax Increment District |
| \$ - | \$ - | \$ - | \$ 447,638 | \$ - | \$ - | \$ 903,910 | \$ 2,882,966 | \$ 603,848 | \$ 223,306 | \$ 122,797 |
| 232,564 | 1,840,947 | - | - | - | - | - | 4,528,104 | - | - | - |
| 5,070 | - | 9,096 | 63 | - | 4,307 | 15,381 | 142,890 | 10,673 | 2,305 | 2,095 |
| - | - | - | - | 1,335 | 1,000,000 | - | 3,726,335 | - | - | - |
| 22,515 | 792 | 47,376 | - | - | 21,723 | - | 104,940 | - | - | - |
| 260,149 | 1,841,739 | 56,472 | 447,701 | 1,335 | 1,004,307 | 941,014 | 11,385,235 | 614,521 | 225,611 | 124,892 |
| - | - | - | - | - | 2,763,644 | 1,179,667 | 1,456,031 | - | - | - |
| - | - | - | - | - | - | - | 905,229 | - | - | - |
| - | - | - | - | - | - | - | 874,910 | - | - | - |
| 259,948 | 1,828,005 | 2,281 | 447,058 | - | - | - | 2,829,629 | 1,067 | 223,368 | 1,061 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| 259,948 | 1,828,005 | 2,281 | 447,058 | - | 2,763,644 | 1,179,667 | 6,065,799 | 1,067 | 223,368 | 1,061 |
| 201 | 13,734 | 54,191 | 643 | 1,335 | 727,943 | (238,653) | 5,319,436 | 613,454 | 2,243 | 123,831 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| - | (13,790) | - | - | - | (480,000) | - | (1,550,721) | (100,610) | - | (70,870) |
| - | (13,790) | - | - | - | (480,000) | - | (1,550,721) | (100,610) | - | (70,870) |
| 201 | (66) | 54,191 | 643 | 1,335 | 247,943 | (238,653) | 3,768,715 | 512,844 | 2,243 | 52,961 |
| 7,324 | 63,353 | 173,194 | (226,836) | - | 4,602 | 601,694 | 4,957,679 | 173,909 | 3,099 | 54,842 |
| \$ 7,525 | \$ 63,297 | \$ 227,385 | \$ (226,193) | \$ 1,335 | \$ 252,545 | \$ 363,041 | \$ 8,726,394 | \$ 686,753 | \$ 5,342 | \$ 107,803 |

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Motor Fuel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|---------------------------|---------------------|-------------------|
| Revenues | | | |
| Intergovernmental allotments | \$ 1,910,000 | \$ 2,443,580 | \$ 533,580 |
| Interest | 12,000 | 47,205 | 35,205 |
| Total Revenues | 1,922,000 | 2,490,785 | 568,785 |
| Expenditures | | | |
| Public Works | 1,206,000 | 874,910 | (331,090) |
| Excess (Deficiency) of Revenues Over Expenditures | 716,000 | 1,615,875 | 899,875 |
| Other Financing Sources (Uses) Transfers (out) | (982,897) | (982,897) | - |
| Other Financing Sources (Uses) - Net | (982,897) | (982,897) | - |
| Net Change in Fund Balance | \$ (266,897) | 632,978 | \$ 899,875 |
| Fund Balances Beginning of Year | | 2,036,054 | |
| End of Year | | \$ 2,669,032 | |

| Howard Ridge Tax Increment District | Debt Service | | Capital Projects | | | Total Nonmajor Governmental Funds |
|-------------------------------------|--------------------------------------|--------------------|----------------------|--------------------|------------------------|-----------------------------------|
| | West Evanston Tax Increment District | Total Debt Service | Capital Improvements | Special Assessment | Total Capital Projects | |
| \$ 680,510 | \$ 710,020 | \$ 2,340,481 | \$ - | \$ - | \$ - | \$ 5,223,447 |
| - | - | - | - | 230,526 | 230,526 | 230,526 |
| - | - | - | 894,216 | - | 894,216 | 5,422,320 |
| - | - | - | 84,261 | - | 84,261 | 84,261 |
| 39,159 | 11,794 | 66,026 | 448,753 | 66,589 | 515,342 | 724,258 |
| - | - | - | - | - | - | 3,726,335 |
| 48,795 | 11,311 | 60,106 | 123,682 | - | 123,682 | 288,728 |
| 768,464 | 733,125 | 2,466,613 | 1,550,912 | 297,115 | 1,848,027 | 15,699,875 |
| - | - | - | 1,023,648 | 1,232 | 1,024,880 | 2,480,911 |
| - | - | - | 543,353 | - | 543,353 | 1,448,582 |
| - | - | - | 1,201,241 | - | 1,201,241 | 2,076,151 |
| 607,606 | 1,805 | 834,907 | - | - | - | 3,664,536 |
| - | - | - | 8,017,042 | 1,477 | 8,018,519 | 8,018,519 |
| 48,812 | 600,000 | 648,812 | - | - | - | 648,812 |
| 1,031 | 11,225 | 12,256 | - | - | - | 12,256 |
| - | - | - | 93,276 | 3,060 | 96,336 | 96,336 |
| 657,449 | 613,030 | 1,495,975 | 10,878,560 | 5,769 | 10,884,329 | 18,446,103 |
| 111,015 | 120,095 | 970,638 | (9,327,648) | 291,346 | (9,036,302) | (2,746,228) |
| - | - | - | 6,770,000 | 250,000 | 7,020,000 | 7,020,000 |
| - | - | - | 1,425,108 | 52,626 | 1,477,734 | 1,477,734 |
| - | - | - | 198,181 | - | 198,181 | 198,181 |
| (203,112) | (30,000) | (404,592) | (303,644) | (286,935) | (590,599) | (2,545,912) |
| (203,112) | (30,000) | (404,592) | 8,089,645 | 15,671 | 8,105,316 | 6,150,003 |
| (92,097) | 90,095 | 566,046 | (1,238,003) | 307,017 | (930,986) | 3,403,775 |
| 2,216,862 | 620,381 | 3,069,093 | 13,898,249 | 2,620,789 | 16,519,038 | 24,545,810 |
| \$ 2,124,765 | \$ 710,476 | \$ 3,635,139 | \$ 12,660,246 | \$ 2,927,806 | \$ 15,588,052 | \$ 27,949,585 |

(See independent auditor's report.)
- 103 -

(See independent auditor's report.)
- 104 -

CITY OF EVANSTON, ILLINOIS

Emergency Telephone System Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|------------------------------|--------------|------------|
| Revenues | | | |
| Taxes and special assessments | \$ 1,312,800 | \$ 1,468,418 | \$ 155,618 |
| Interest | 7,000 | 19,740 | 12,740 |
| Total Revenues | 1,319,800 | 1,488,158 | 168,358 |
| Expenditures | | | |
| Public safety | 947,455 | 905,229 | (42,226) |
| Excess (Deficiency) of Revenues Over Expenditures | 372,345 | 582,929 | 210,584 |
| Other Financing Sources (Uses) Transfers (out) | (74,034) | (74,034) | - |
| Net Change in Fund Balance | \$ 298,311 | \$ 508,895 | \$ 210,584 |
| Fund Balance Beginning of Year | | 762,065 | |
| End of Year | | \$ 1,270,960 | |

(See independent auditor's report.)
 - 105 -

CITY OF EVANSTON, ILLINOIS

Neighborhood Improvement Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|------------------------------|------------|------------|
| Revenues | | | |
| Interest | \$ - | \$ 903 | \$ 903 |
| Expenditures | | | |
| Housing and economic development | - | 113 | 113 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 790 | 790 |
| Other Financing Sources (Uses) Transfers (out) | (100,000) | - | 100,000 |
| Total other financing sources (uses) | (100,000) | - | 100,000 |
| Net Change in Fund Balance | \$ (100,000) | \$ 790 | \$ 100,790 |
| Fund Balances Beginning of Year | | 171,074 | |
| End of Year | | \$ 171,864 | |

(See independent auditor's report.)
 - 106 -

CITY OF EVANSTON, ILLINOIS

Affordable Housing Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|-----------------------------------|---------------------------|---------------------|-------------------|
| Revenues | | | |
| Affordable housing demo tax | \$ 80,000 | \$ 63,000 | \$ (17,000) |
| Intergovernmental | - | 11,013 | 11,013 |
| Developer contributions | 2,525,000 | 2,725,000 | 200,000 |
| Interest | 4,500 | 41,125 | 36,625 |
| Miscellaneous | 5,600 | 12,534 | 6,934 |
| Total Revenues | 2,615,100 | 2,852,672 | 237,572 |
| Expenditures | | | |
| Housing and economic development | 1,027,697 | 292,224 | (735,473) |
| Net Change in Fund Balance | \$ 1,587,403 | 2,560,448 | \$ 973,045 |
| Fund Balance | | | |
| Beginning of Year | | 1,365,155 | |
| End of Year | | <u>\$ 3,925,603</u> | |

(See independent auditor's report.)
 - 107 -

CITY OF EVANSTON, ILLINOIS

HOME Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|-----------------------------------|---------------------------|-----------------|------------------|
| Revenues | | | |
| Intergovernmental allotments | \$ 741,269 | \$ 232,564 | \$ (508,705) |
| Interest | - | 5,070 | 5,070 |
| Miscellaneous | - | 22,515 | 22,515 |
| Total Revenues | 741,269 | 260,149 | (481,120) |
| Expenditures | | | |
| Housing and economic development | 741,269 | 259,948 | (481,321) |
| Net Change in Fund Balance | \$ - | 201 | \$ 201 |
| Fund Balance | | | |
| Beginning of Year | | 7,324 | |
| End of Year | | <u>\$ 7,525</u> | |

(See independent auditor's report.)
 - 108 -

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|------------------------------|------------------|------------------|
| Revenues | | | |
| Intergovernmental allotments grant from U.S. Department of Housing and Urban Development | \$ 2,631,080 | \$ 1,840,947 | \$ (790,133) |
| Miscellaneous | - | 792 | 792 |
| Total Revenues | <u>2,631,080</u> | <u>1,841,739</u> | <u>(789,341)</u> |
| Expenditures | | | |
| Housing and economic development | 1,998,605 | 1,828,005 | (170,600) |
| Total Expenditures | <u>1,998,605</u> | <u>1,828,005</u> | <u>(170,600)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 632,475 | 13,734 | (618,741) |
| Other Financing Sources (Uses) Transfers (out) | (632,475) | (13,790) | 618,685 |
| Other Financing Sources (Uses) - Net | <u>(632,475)</u> | <u>(13,790)</u> | <u>618,685</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>(56)</u> | <u>\$ (56)</u> |
| Fund Balance | | <u>63,353</u> | |
| Beginning of Year | | <u>\$ 63,297</u> | |
| End of Year | | | |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|------------------------------|----------------|--------------------|
| Administration/Planning CDBG administration | \$ 1,292,650 | \$ 259,622 | \$ (1,033,028) |
| Total Administration/Planning | <u>1,292,650</u> | <u>259,622</u> | <u>(1,033,028)</u> |
| Economic Development Evanston Community Development Corporation | 50,000 | - | (50,000) |
| Total Economic Development | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> |
| Housing | | | |
| Rehab construction administration | 214,455 | 136,495 | (77,960) |
| Targeted housing code enforcement | - | 336,071 | 336,071 |
| Total Housing | <u>214,455</u> | <u>472,566</u> | <u>258,111</u> |
| Neighborhood Revitalization | | | |
| Foster Field Park | - | 225,615 | 225,615 |
| Alley paving program | - | 323,516 | 323,516 |
| Street resurfacing | - | 4,940 | 4,940 |
| Mason Park | - | 11,000 | 11,000 |
| Clyde Brummel Park | - | 20,970 | 20,970 |
| Infant Welfare Society | - | 97,249 | 97,249 |
| Reba Replace Early Childhood Learning Center | - | 20,030 | 20,030 |
| McGaw YMCA | - | 56,400 | 56,400 |
| CJE Senior Life | - | 23,387 | 23,387 |
| Toddler Town Daycare HVAC | - | 9,855 | 9,855 |
| Special assessments | - | 12,462 | 12,462 |
| Total Neighborhood Revitalization | <u>-</u> | <u>805,424</u> | <u>805,424</u> |
| Public Services | | | |
| Girl Scouts Making Choices | - | 5,500 | 5,500 |
| Moram/Defender | - | 20,400 | 20,400 |
| Youth Job Center of Evanston | - | 27,399 | 27,399 |
| Summer youth | - | 43,400 | 43,400 |
| YWCA Domestic Violence | - | 35,000 | 35,000 |
| Connection for Homeless | - | 25,000 | 25,000 |
| Family Focus | - | 11,400 | 11,400 |
| Shore Community Services | - | 7,500 | 7,500 |
| Meals at Home | - | 14,200 | 14,200 |
| North Shore Senior Center | - | 8,600 | 8,600 |
| Evanston Schours | - | 11,200 | 11,200 |
| Open Studio Art | - | 4,800 | 4,800 |
| Interfaith Housing Program - Homeshare | - | 15,020 | 15,020 |
| Books and Breakfast | - | 5,620 | 5,620 |

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Community Development Block Grant Fund
 Schedule of Expenditures - Budget and Actual (Budgetary Basis)

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|---------------------------------|------------------------------|--------------|--------------|
| Public Services (Continued) | | | |
| The Harbor, Inc. | \$ - | \$ 5,200 | \$ 5,200 |
| Graffiti | - | 37,000 | 37,000 |
| Iwork/hous options | - | 13,000 | 13,000 |
| Other charges | - | 154 | 154 |
| Contributions to other agencies | 441,500 | - | (441,500) |
| Total Public Services | 441,500 | 290,393 | (151,107) |
| Total Expenditures | \$ 1,998,605 | \$ 1,828,005 | \$ (170,600) |

(See independent auditor's report.)
 - 111 -

CITY OF EVANSTON, ILLINOIS

Community Development Loan Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|----------------------------------|------------------------------|------------|-----------|
| Revenues | | | |
| Interest | \$ - | \$ 9,096 | \$ 9,096 |
| Miscellaneous | 250,000 | 47,376 | (202,624) |
| Total Revenues | 250,000 | 56,472 | (193,528) |
| Expenditures | | | |
| Housing and economic development | 250,000 | 2,281 | (247,719) |
| Net Change in Fund Balance | \$ - | \$ 54,191 | \$ 54,191 |
| Fund Balances | | | |
| Beginning of Year | | 173,194 | |
| End of Year | | \$ 227,385 | |

(See independent auditor's report.)
 - 112 -

CITY OF EVANSTON, ILLINOIS

Special Service District No. 4 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--------------------------------------|---------------------------|--------------|-------------|
| Revenues | | | |
| Property taxes | | | |
| Current year | \$ 525,000 | \$ 447,638 | \$ (77,362) |
| Investment income | - | 63 | 63 |
| Total Revenues | 525,000 | 447,701 | (77,299) |
| Expenditures | | | |
| Housing and economic development | 525,000 | 447,058 | (77,942) |
| Net Change in Fund Balance (Deficit) | \$ - | 643 | \$ 643 |
| Fund Balance (Deficit) | | | |
| Beginning of Year | | (226,836) | |
| End of Year | | \$ (226,193) | |

(See independent auditor's report.)
 - 113 -

CITY OF EVANSTON, ILLINOIS

Good Neighbor Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|---|---------------------------|--------------|------------|
| Revenues | | | |
| Miscellaneous | \$ 1,000,000 | \$ 1,000,000 | \$ - |
| Investment income | 2,000 | 4,307 | 2,307 |
| Total Revenues | 1,002,000 | 1,004,307 | 2,307 |
| Expenditures | | | |
| General management and support | 520,000 | 276,364 | (243,636) |
| Excess (Deficiency) of Revenues Over Expenditures | 482,000 | 727,943 | 245,943 |
| Other Financing Sources (Uses) | | | |
| Transfers (out) | (480,000) | (480,000) | - |
| Other Financing Sources (Uses) - Net | (480,000) | (480,000) | - |
| Net Change in Fund Balance | \$ 2,000 | 247,943 | \$ 245,943 |
| Fund Balance | | | |
| Beginning of Year | | 4,602 | |
| End of Year | | \$ 252,545 | |

(See independent auditor's report.)
 - 114 -

CITY OF EVANSTON, ILLINOIS

General Assistance Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|-----------------------------------|------------------------------|-------------------|------------------|
| Revenues | | | |
| Property taxes | \$ 925,000 | \$ 903,910 | \$ (21,090) |
| Investment income | 1,000 | 15,381 | 14,381 |
| Miscellaneous | 27,500 | 21,723 | (5,777) |
| Total Revenues | 953,500 | 941,014 | (12,486) |
| Expenditures | | | |
| General management and support | 1,273,776 | 1,179,667 | (94,109) |
| Net Change in Fund Balance | \$ (320,276) | (238,653) | \$ 81,623 |
| Fund Balance | | | |
| Beginning of Year | | 601,694 | |
| End of Year | | <u>\$ 363,041</u> | |

(See independent auditor's report.)
 - 115 -

CITY OF EVANSTON, ILLINOIS

Capital Improvements Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|------------------------------|----------------------|---------------------|
| Revenues | | | |
| Intergovernmental allotments | \$ 3,970,000 | \$ 894,216 | \$ (3,075,784) |
| Charges for services | - | 84,261 | 84,261 |
| Investment income | - | 448,753 | 448,753 |
| Miscellaneous | - | 123,682 | 123,682 |
| Total Revenues | 3,970,000 | 1,550,912 | (2,419,088) |
| Expenditures | | | |
| General management and support | - | 1,023,648 | 1,023,648 |
| Public safety | - | 543,353 | 543,353 |
| Public works | 648,393 | 1,201,241 | 552,848 |
| Capital outlay | 13,612,156 | 8,017,042 | (5,595,114) |
| Debt Service | | | |
| Fiscal agent fees | - | 93,276 | 93,276 |
| Total Expenditures | 14,260,549 | 10,878,560 | (3,381,989) |
| Excess (Deficiency) of Revenues Over Expenditures | (10,290,549) | (9,327,648) | 962,901 |
| Other Financing Sources (Uses) | | | |
| Issuance of bonds | 9,000,000 | 6,770,000 | (2,230,000) |
| Premium on issuance of bonds | - | 1,425,108 | 1,425,108 |
| Transfers in | 715,000 | 198,181 | (516,819) |
| Transfers (out) | - | (303,644) | (303,644) |
| Total Other Financing Sources (Uses) | 9,715,000 | 8,089,645 | (1,625,355) |
| Net Change in Fund Balance | \$ (575,549) | (1,238,003) | \$ (662,454) |
| Fund Balances | | | |
| Beginning of Year | | 13,898,249 | |
| End of Year | | <u>\$ 12,660,246</u> | |

(See independent auditor's report.)
 - 116 -

CITY OF EVANSTON, ILLINOIS

**Special Assessment Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variance |
|--|---------------------------|-------------------|-------------------|
| Revenues | | | |
| Special assessments | \$ 210,167 | \$ 230,526 | \$ 20,359 |
| Investment income | 8,000 | 66,589 | 58,589 |
| Total Revenues | 218,167 | 297,115 | 78,948 |
| Expenditures | | | |
| Current | | | |
| General management and support | - | 1,232 | 1,232 |
| Capital outlay | 650,000 | 1,477 | (648,523) |
| Debt Service | - | - | - |
| Principal | - | - | - |
| Interest | - | - | - |
| Fiscal agent fees | - | 3,060 | 3,060 |
| Total Expenditures | 650,000 | 5,769 | (644,231) |
| Excess (Deficiency) of Revenues Over Expenditures | (431,833) | 291,346 | 723,179 |
| Other Financing Sources (Uses) | | | |
| Issuance of bonds | 250,000 | 250,000 | - |
| Premium on issuance of bonds | - | 52,626 | 52,626 |
| Transfers (out) | (286,955) | (286,955) | - |
| Other Financing Sources (Uses) - Net | (36,955) | 15,671 | 52,626 |
| Net Change in Fund Balance | \$ (468,788) | \$ 307,017 | \$ 775,805 |
| Fund Balance | | | |
| Beginning of Year | | 2,620,789 | |
| End of Year | | \$ 2,927,806 | |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

**Debt Service Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

| | Chicago Main Tax Incremental District | | Special Service Area No. 6 | |
|--|---------------------------------------|-------------------|----------------------------|-------------------|
| | Original Budget | Final Budget | Original Budget | Final Budget |
| Revenues | | | | |
| Taxes | \$ 225,000 | \$ 225,000 | \$ 221,000 | \$ 221,000 |
| Property taxes | - | - | 900 | 500 |
| Investment income | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Revenues | 225,000 | 225,000 | 221,900 | 222,500 |
| Expenditures | | | | |
| Housing and economic development | - | 1,067 | 221,500 | 223,368 |
| Debt Service | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | - | 1,067 | 221,500 | 223,368 |
| Excess (Deficiency) of Revenues Over Expenditures | 225,000 | 223,933 | 613,454 | (1,868) |
| Other Financing Sources (Uses) | | | | |
| Issuance of bonds | - | - | - | - |
| Premium (discount) on bonds issued | - | - | - | - |
| Transfers in (out) | (5,000) | (5,000) | - | - |
| General | (95,610) | (95,610) | - | - |
| Other | - | - | - | - |
| Total Other Financing Sources (Uses) | (100,610) | (100,610) | (100,610) | - |
| Net Changes in Fund Balances | \$ 124,390 | \$ 123,323 | \$ 512,844 | \$ (1,868) |
| Fund Balances | | | | |
| Beginning of Year | | | 173,909 | 3,009 |
| End of Year | | | \$ 686,753 | \$ 5,342 |

| Dempster-Dodge Tax Increment District | Howard Ridge Tax Increment District | | West Evanston Tax Increment District | | Total | |
|---------------------------------------|-------------------------------------|--------------|--------------------------------------|--------------|-----------------|--------------|
| | Original Budget | Final Budget | Original Budget | Final Budget | Original Budget | Final Budget |
| \$ 275,000 | \$ 275,000 | \$ 275,000 | \$ 220,000 | \$ 220,000 | \$ 1,596,000 | \$ 2,340,481 |
| - | 2,095 | 400 | 4,000 | 4,900 | 11,794 | 4,900 |
| - | - | - | 11,000 | 11,311 | 11,000 | 60,106 |
| \$ 275,000 | \$ 277,095 | \$ 275,400 | \$ 235,000 | \$ 235,911 | \$ 1,611,900 | \$ 2,466,613 |
| - | 1,061 | 400,000 | - | 31 | 1,805 | 739,864 |
| - | - | - | 600,000 | 600,000 | 600,000 | 648,812 |
| - | - | - | 13,000 | 11,225 | 13,000 | 12,256 |
| - | 1,061 | 400,000 | 613,031 | 613,031 | 1,352,864 | 1,495,975 |
| \$ 275,000 | \$ 278,156 | \$ 275,400 | \$ (378,000) | \$ (378,031) | \$ 250,036 | \$ 970,638 |
| - | - | - | - | - | - | - |
| (5,000) | (5,000) | (60,000) | (30,000) | (30,000) | (100,000) | (100,000) |
| (65,870) | (65,870) | (286,225) | (143,112) | - | (447,705) | (304,592) |
| (70,870) | (70,870) | (346,225) | (30,000) | (30,000) | (547,705) | (404,592) |
| \$ 204,130 | \$ 203,069 | \$ (90,825) | \$ (408,031) | \$ (408,031) | \$ (288,669) | \$ 566,046 |
| - | 54,842 | - | 2,216,862 | 620,381 | - | 3,069,093 |
| - | 107,803 | - | 2,124,765 | 710,476 | - | 3,635,139 |

ENTERPRISE FUNDS

Water Fund - To account for all activity related to providing water to the City's residents, as well as the Village of Skokie and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, debt service, and billing/collection.

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

Parking Fund - To account for all city-owned parking facilities/garages, lots, and metered spaces. Maple Avenue and Sherman Plaza Garage activities have been included in this fund beginning in FY09-10. All activities are accounted for including administration, operations, financing, and revenue collection.

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

CITY OF EVANSTON, ILLINOIS

Water Fund
 Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual |
|---|---------------------------|---------------|
| Operating Revenues | \$ 22,338,573 | \$ 16,510,511 |
| Charges for services | 511,116 | 1,277,850 |
| Miscellaneous | | |
| Total Operating Revenues | 22,849,689 | 17,788,361 |
| Operating Expenses Excluding Depreciation | | |
| Administration | 965,718 | 890,296 |
| Operations | | |
| Pumping | 2,519,537 | 2,384,647 |
| Filtration | 2,793,244 | 2,252,784 |
| Distribution | 34,862,829 | 2,883,846 |
| Meter maintenance | - | 121 |
| Other | 1,634,529 | 853,187 |
| Total Operating Expenses Excluding Depreciation | 42,775,857 | 9,264,881 |
| Operating Income (Loss) Before Depreciation | (19,926,168) | 8,523,480 |
| Depreciation | - | 2,648,980 |
| Operating Income (Loss) | (19,926,168) | 5,874,500 |
| Non-Operating Revenue (Expenses) | | |
| Investment income | 40,000 | 189,122 |
| Interest expense | (2,081,841) | (893,274) |
| Gain (loss) on disposal of capital assets | - | (72,586) |
| Issuance of bonds | 2,810,000 | - |
| Issuance of loans | 20,200,000 | - |
| Total Non-Operating Revenues (Expenses) | 20,968,159 | (776,738) |
| Income Before Transfers | 1,041,991 | 5,097,762 |
| Transfers | | |
| Transfers (out) | (3,799,559) | (3,799,559) |
| Total Transfers | (3,799,559) | (3,799,559) |
| Net Income (Loss) | \$ (2,757,568) | 1,298,203 |
| Net Position | | |
| Beginning of Year | | 69,160,056 |
| End of Year | | \$ 70,458,259 |

(See independent auditor's report.)
 - 120 -

CITY OF EVANSTON, ILLINOIS

Water Fund - Operation and Maintenance Account
 Schedule of Operating Revenues - Budget and Actual
 For the Fiscal Year Ended December 31, 2019

| | Original and Final Budget | Actual |
|-------------------------------------|---------------------------|---------------|
| Charges for Services, Net | | |
| Water Sales | \$ 8,688,573 | \$ 8,439,964 |
| Evanston | 5,500,000 | 1,579,064 |
| Skokie | 6,250,000 | 5,416,394 |
| Northwest Water Commission | 1,900,000 | 1,075,089 |
| Morton Grove Niles Water Commission | | |
| Total Charges for Services | 22,338,573 | 16,510,511 |
| Miscellaneous | | |
| Fees and outside work | 56,956 | 54,915 |
| Fees, merchandise, and other | 454,160 | 1,222,935 |
| Total Miscellaneous | 511,116 | 1,277,850 |
| Total Operating Revenues | \$ 22,849,689 | \$ 17,788,361 |

(See independent auditor's report.)
 - 121 -

CITY OF EVANSTON, ILLINOIS
 Internal Service Funds
 Combining Statement of Net Position
 December 31, 2019

| | Equipment Replacement | Fleet Services | Insurance | Total |
|--|-----------------------|-------------------|------------------------|-----------------------|
| Current Assets | | | | |
| Cash and cash equivalents | \$ 653,962 | \$ - | \$ 70,000 | \$ 723,962 |
| Receivables - other | - | 1,392,594 | - | 1,392,594 |
| Inventories | - | - | 1,958,508 | 2,231,472 |
| Prepaid items | 272,964 | - | - | - |
| Due from other governments | - | - | - | - |
| Due from other funds | - | - | - | - |
| Total Current Assets | 926,926 | 1,392,594 | 2,028,508 | 4,348,028 |
| Capital Assets | | | | |
| Capital assets being depreciated | 24,932,463 | 617,552 | - | 25,550,015 |
| Accumulated depreciation | (17,787,832) | (617,447) | - | (18,405,279) |
| Total Capital Assets | 7,144,631 | 105 | - | 7,144,736 |
| Total Assets | 8,071,557 | 1,392,699 | 2,028,508 | 11,492,764 |
| Deferred Outflows of Resources | | | | |
| OPEB items | - | 14,067 | - | 14,067 |
| Total Deferred Outflows of Resources | - | 14,067 | - | 14,067 |
| Total Assets and Deferred Outflows of Resources | 8,071,557 | 1,406,766 | 2,028,508 | 11,506,831 |
| Liabilities and Deferred Inflows of Resources | | | | |
| Current Liabilities | | | | |
| Vouchers payable | 6,400 | 250,971 | 48,913 | 306,284 |
| Due to other funds | 15,576 | 834,664 | 6,118,935 | 6,969,175 |
| Compensated absences payable | - | 17,571 | 5,442 | 22,813 |
| Total OPEB liability | - | 4,423 | - | 4,423 |
| Claims payable | - | - | 1,391,550 | 1,391,550 |
| Total Current Liabilities | 21,976 | 1,107,429 | 7,564,840 | 8,694,245 |
| Long-Term Liabilities | | | | |
| Compensated absences payable | - | 69,484 | 21,766 | 91,250 |
| Total OPEB liability | - | 108,891 | - | 108,891 |
| Claims payable | - | - | 6,035,000 | 6,035,000 |
| Total Long-Term Liabilities | - | 178,375 | 6,056,766 | 6,235,141 |
| Total Liabilities | 21,976 | 1,285,804 | 13,621,606 | 14,929,386 |
| Deferred Inflows of Resources | | | | |
| OPEB items | - | 5,384 | - | 5,384 |
| Total Deferred Inflows of Resources | - | 5,384 | - | 5,384 |
| Total Liabilities and Deferred Inflows of Resources | 21,976 | 1,291,188 | 13,621,606 | 14,934,770 |
| Net Position (Deficit) | | | | |
| Net investment in capital assets | 7,144,631 | 105 | - | 7,144,736 |
| Unrestricted (deficit) | 904,950 | 115,473 | (11,593,098) | (10,572,675) |
| Total Net Position (Deficit) | \$ 8,049,581 | \$ 115,578 | \$ (11,593,098) | \$ (3,427,939) |

(See independent auditor's report.)
 - 122 -

Equipment Replacement Fund - To account for the costs associated with the purchase of vehicles and equipment.

Fleet Services Fund - To account for the cost of operating the municipal service center maintenance facility for transportation vehicles/equipment used by city departments. Such costs are billed to the user departments.

Insurance Fund - To account for all costs related to general liability and workers' compensation claims. Health insurance premiums are also accounted for in this fund. This internal service fund uses "funding premium" payments from city operating funds to pay claim and premium costs incurred.

CITY OF EVANSTON, ILLINOIS

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended December 31, 2019

| | Equipment Replacement | Fleet Services | Insurance | Total |
|---|-----------------------|----------------|-----------------|----------------|
| Operating Revenues | | | | |
| Charges for services | \$ 1,272,608 | \$ 2,137,305 | \$ 4,251,601 | \$ 7,661,514 |
| General Fund | - | 192,213 | 282,082 | 474,295 |
| Sewer Fund | - | 322,362 | - | 322,362 |
| Solid Waste | - | 132,754 | 489,481 | 622,235 |
| Water Fund | 30,900 | 159,517 | 333,968 | 524,385 |
| Motor Vehicle Parking System Fund | 4,885 | 5,440 | - | 10,325 |
| Library Fund | - | - | - | - |
| Emergency Telephone System | - | 18,229 | 18,229 | 36,458 |
| Community Development Block Grant | 1,340 | 825 | - | 2,165 |
| HOME | - | - | 894 | 894 |
| Claims reimbursements | - | - | (25,626) | (25,626) |
| Health insurance contributions | - | - | 10,350,014 | 10,350,014 |
| Contributions from other funds | - | - | 2,968,983 | 2,968,983 |
| Employee contributions | - | 17,724 | 522,563 | 540,287 |
| Other contributions | - | - | - | - |
| Miscellaneous | - | 45 | - | 45 |
| Total Operating Revenues | 1,309,733 | 2,968,185 | 19,210,418 | 23,488,336 |
| Operating Expenses | | | | |
| General support | - | 1,038,976 | 505,770 | 1,544,746 |
| Major maintenance | 36,082 | 2,009,838 | - | 2,045,920 |
| General liability claims | - | 6,762,650 | - | 6,762,650 |
| Workers' compensation claims | - | 1,090,170 | - | 1,090,170 |
| Health insurance premiums | - | 13,640,965 | - | 13,640,965 |
| Total Operating Expenses | 36,082 | 3,048,814 | 21,999,555 | 25,084,451 |
| Operating Income (Loss) Before Depreciation | 1,273,651 | (80,629) | (2,789,137) | (1,596,115) |
| Depreciation | 1,490,126 | - | - | 1,490,126 |
| Operating Income (Loss) | (216,475) | (80,629) | (2,789,137) | (3,086,241) |
| Non-Operating Revenue (Expenses) | | | | |
| Investment income | 3,104 | - | - | 3,104 |
| Gain (loss) on sale of property | 31,618 | - | - | 31,618 |
| Total Non-Operating Revenues (Expenses) | 34,722 | - | - | 34,722 |
| Income (Loss) Before Transfers | (181,753) | (80,629) | (2,789,137) | (3,051,510) |
| Transfers | | | | |
| Transfers (out) | - | (35,114) | (10,114) | (45,228) |
| Total Transfers | - | (35,114) | (10,114) | (45,228) |
| Change in Net Position | (181,753) | (115,743) | (2,799,251) | (3,096,747) |
| Net Position (Deficit) - Beginning | 8,231,334 | 231,321 | (8,793,847) | (331,192) |
| Net Position (Deficit) - Ending | \$ 8,049,581 | \$ 115,578 | \$ (11,593,098) | \$ (3,427,939) |

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Internal Service Funds
Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

| | Equipment Replacement | Fleet Services | Insurance | Total |
|--|-----------------------|----------------|----------------|----------------|
| Cash Flows from Operating Activities | | | | |
| Receipts from customers and users | \$ - | \$ 45 | \$ 2,943,357 | \$ 2,943,402 |
| Receipts from (payments for) interfund services provided | 1,459,340 | 3,175,702 | 17,499,015 | 22,134,057 |
| Receipts from other agencies | - | 17,724 | 522,563 | 540,287 |
| Payments to suppliers | (234,437) | (2,107,429) | (595,770) | (2,847,636) |
| Payments to employees | - | (1,051,899) | (6,763,391) | (7,815,289) |
| Payments for insurance premiums | - | - | (13,685,660) | (13,685,660) |
| Net Cash from Operating Activities | 1,224,903 | 34,144 | 10,114 | 1,269,161 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Interfund transfers | - | (35,114) | (10,114) | (45,228) |
| Net Cash from Noncapital Financing Activities | - | (35,114) | (10,114) | (45,228) |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Sale of capital assets | 31,618 | - | - | 31,618 |
| Acquisition and construction of capital assets | (1,414,720) | - | - | (1,414,720) |
| Net Cash from Capital and Related Financing Activities | (1,383,102) | - | - | (1,383,102) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 809,057 | 970 | 70,000 | 880,027 |
| Cash and Equivalents | | | | |
| Beginning | \$ 653,962 | \$ - | \$ 70,000 | \$ 723,962 |
| Ending | \$ (216,475) | \$ (80,629) | \$ (2,789,137) | \$ (3,086,241) |
| Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities | | | | |
| Operating Income (loss) | \$ (216,475) | \$ (80,629) | \$ (2,789,137) | \$ (3,086,241) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | | | |
| Depreciation | 1,490,126 | - | - | 1,490,126 |
| Changes in assets and liabilities | | | | |
| Increase/decrease in accounts receivable | 134,031 | - | - | 134,031 |
| Interfund receivable | (95,655) | - | (1,592,139) | (1,687,814) |
| Prepaid expenses | - | (144,965) | - | (144,965) |
| Inventories | - | (13,562) | (741) | (14,903) |
| Compensated absences | - | 640 | - | 640 |
| Other items | (102,700) | 47,374 | (131,316) | (186,642) |
| Vouchers payable | 1,754,517 | 225,286 | 1,995,379 | 3,975,182 |
| Interfund payable | 15,576 | - | 2,768,950 | 2,784,526 |
| Claims payable | - | - | - | - |
| Net Cash from Operating Activities | \$ 1,224,903 | \$ 34,144 | \$ 10,114 | \$ 1,269,161 |

(See independent auditor's report.)

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

Combining Balance Sheet/Statement of Net Position
December 31, 2019

| | Operating | Endowment | Capital Improvement |
|---|---------------------|---------------------|---------------------|
| Assets | | | |
| Cash and investments | \$ 2,212,227 | \$ 4,447,514 | \$ 1,052,520 |
| Property taxes receivable | 7,252,000 | - | - |
| Other receivables | 95 | - | - |
| Due from primary government | - | - | 324,908 |
| Due from other funds | - | - | 1,055 |
| Net pension asset - IMRF | - | - | - |
| Capital assets not being depreciated | - | - | - |
| Capital assets net of accumulated depreciation | - | - | - |
| Total Assets | 9,464,322 | 4,447,514 | 1,378,483 |
| Deferred Outflows of Resources | | | |
| Pension items - IMRF | - | - | - |
| OPEB items | - | - | - |
| Total Deferred Outflows of Resources | | | |
| Total Assets and Deferred Outflows of Resources | \$ 9,464,322 | \$ 4,447,514 | \$ 1,378,483 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances/Net Position | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 141,623 | \$ - | \$ - |
| Accrued interest | - | - | - |
| Due to primary government | - | - | - |
| Due to other funds | 1,055 | - | - |
| Total Current Liabilities | 142,678 | - | - |
| Noncurrent Liabilities | | | |
| Due within one year | - | - | - |
| Due in more than one year | - | - | - |
| Total Noncurrent Liabilities | - | - | - |
| Total Liabilities | 142,678 | - | - |
| Deferred Inflows of Resources | | | |
| Pension items - IMRF | - | - | - |
| OPEB items | - | - | - |
| Unavailable property taxes | 7,252,000 | - | - |
| Total Deferred Inflows of Resources | 7,252,000 | - | - |
| Total Liabilities and Deferred Inflows of Resources | 7,394,678 | - | - |
| Fund Balances/Net Position | | | |
| Net investment in capital assets | - | - | - |
| Restricted for debt service | - | - | - |
| Restricted for capital improvements | - | - | 1,378,483 |
| Restricted for endowment | - | 4,447,514 | - |
| Unassigned/unrestricted | 2,069,644 | - | - |
| Total Fund Balances/Net Position | 2,069,644 | 4,447,514 | 1,378,483 |
| Total Liabilities, Deferred Inflows, and Fund Balances/Net Position | \$ 9,464,322 | \$ 4,447,514 | \$ 1,378,483 |

COMPONENT UNIT - PUBLIC LIBRARY

CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities
Governmental Fund

For Fiscal Year Ended December 31, 2019

| | Total | Adjustments | Statement of Net Position | |
|--------------|------------|-------------|------------------------------|---------|
| Debt Service | | | | |
| \$ | 1,144 | \$ | 7,713,405 | |
| 480,145 | 7,732,145 | - | 7,732,145 | |
| - | 95 | - | 95 | |
| - | 324,908 | - | 324,908 | |
| - | 1,055 | (1,055) | - | |
| - | - | 311,380 | 311,380 | |
| - | - | 11,927,654 | 11,927,654 | |
| 481,289 | 15,771,608 | 12,237,979 | 28,009,587 | |
| - | - | 2,389,078 | 2,389,078 | |
| - | - | 39,483 | 39,483 | |
| - | - | - | - | |
| - | - | 2,428,561 | 2,428,561 | |
| \$ | 481,289 | 15,771,608 | 14,666,540 | |
| | \$ | 30,438,148 | | |
| \$ | - | 141,623 | \$ | 141,623 |
| - | - | 21,458 | - | 21,458 |
| - | - | - | - | - |
| - | 1,055 | (1,055) | - | |
| - | 142,678 | 20,403 | 163,081 | |
| - | - | 302,009 | 302,009 | |
| - | - | 9,696,903 | 9,696,903 | |
| - | - | 9,998,912 | 9,998,912 | |
| - | 142,678 | 10,019,315 | 10,161,993 | |
| - | - | 514,884 | 514,884 | |
| - | - | 15,757 | 15,757 | |
| 480,145 | 7,732,145 | - | 7,732,145 | |
| 480,145 | 7,732,145 | 550,641 | 8,262,786 | |
| 480,145 | 7,874,823 | 10,549,956 | 18,424,779 | |
| - | - | 5,572,371 | 5,572,371 | |
| 1,144 | 1,144 | - | 1,144 | |
| - | 1,378,483 | (409,934) | 968,549 | |
| - | 4,447,514 | - | 4,447,514 | |
| - | 2,069,644 | (1,045,853) | 1,023,791 | |
| 1,144 | 7,896,785 | 4,116,584 | 12,013,369 | |
| \$ | 481,289 | 15,771,608 | 14,666,540 | |
| | \$ | 30,438,148 | | |

| | Operating | Endowment | Capital Improvement |
|--|-----------|-----------|------------------------|
| Revenues | | | |
| Property taxes | 6,739,362 | \$ | \$ |
| Intergovernmental | 204,769 | - | - |
| Grant revenue | 70,959 | - | - |
| Charges for services | 84,204 | - | - |
| Fines and forfeits | - | - | - |
| Other | 108,900 | 873,903 | - |
| Investment income | 383,085 | - | - |
| Donations | 169,706 | - | - |
| Miscellaneous | - | - | - |
| Total Revenues | 7,760,985 | 873,903 | - |
| Expenditures | | | |
| Current | | | |
| Community services | 7,389,495 | - | - |
| Capital Outlay | - | - | 1,788,877 |
| Debt Service | - | - | - |
| Payment Primary Government | - | - | - |
| Principal | - | - | - |
| Interest and fiscal changes | - | - | 22,463 |
| Total Expenditures | 7,389,495 | - | 1,811,340 |
| Excess (Deficiency) or Revenues Over Expenditures | 371,490 | 873,903 | (1,811,340) |
| Other Financing Sources (Uses) | | | |
| Issuance of bonds | - | - | 1,835,000 |
| Premium on bond issuances | - | - | 386,274 |
| Transfer in | 195,000 | - | - |
| Transfer (out) | - | (195,000) | - |
| Total Other Financing Sources (Uses) | 195,000 | (195,000) | 2,221,274 |
| Change in Fund Balance/Net Position | 566,490 | 678,903 | 409,934 |
| Fund Balances/Net Position Beginning of Year | 1,503,154 | 3,768,611 | 968,549 |
| Prior period adjustment | - | - | - |
| Beginning of Year, Restated | 1,503,154 | 3,768,611 | 968,549 |
| End of Year | 2,069,644 | 4,447,514 | 1,378,483 |

(See independent auditor's report.)

CITY OF EVANSTON LIBRARY COMPONENT UNIT
EVANSTON, ILLINOIS

Library Operating Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended December 31, 2019

| Debt Service | Total | Adjustments | Statement of Activities |
|--------------|--------------|-------------|-------------------------|
| \$ 350,000 | \$ 7,089,362 | \$ - | \$ 7,089,362 |
| - | 204,769 | - | 204,769 |
| - | 70,959 | - | 70,959 |
| - | 84,204 | - | 84,204 |
| - | 982,803 | - | 982,803 |
| - | 383,085 | - | 383,085 |
| - | 169,706 | - | 169,706 |
| 350,000 | 8,984,888 | - | 8,984,888 |
| - | 7,389,495 | 1,765,916 | 9,155,411 |
| - | 1,788,877 | (1,788,877) | - |
| - | - | - | - |
| 182,561 | 182,561 | (182,561) | - |
| 170,877 | 193,340 | (17,463) | 175,973 |
| 353,438 | 9,554,273 | (222,889) | 9,331,384 |
| (3,438) | (569,385) | 222,889 | (346,496) |
| - | 1,835,000 | (1,835,000) | - |
| - | 386,274 | (386,274) | - |
| - | 195,000 | (195,000) | - |
| - | (195,000) | 195,000 | - |
| - | 2,221,274 | (2,221,274) | - |
| (3,438) | 1,651,889 | (1,998,385) | (346,496) |
| 4,582 | 6,244,896 | 6,362,541 | 12,607,437 |
| - | - | (247,572) | (247,572) |
| 4,582 | 6,244,896 | 6,114,969 | 12,359,865 |
| 1,144 | 7,896,785 | 4,116,584 | 12,013,369 |

| Revenues | Original and Final Budget | Actual | Variance |
|---|---------------------------|--------------|-------------|
| Taxes | \$ 6,810,000 | \$ 6,739,362 | \$ (70,638) |
| Property taxes | | | |
| Intergovernmental | 223,000 | 204,769 | (18,231) |
| Grant revenue | 88,000 | 70,959 | (17,041) |
| Charges for services | 85,000 | 84,204 | (796) |
| Fines and forfeits | | | |
| Other | 10,000 | 108,900 | 98,900 |
| Investment income | 383,500 | 383,085 | (415) |
| Donations | 150,000 | 169,706 | 19,706 |
| Miscellaneous | | | |
| Total Revenues | 7,749,500 | 7,760,985 | 11,485 |
| Expenditures | 7,771,945 | 7,389,495 | (382,450) |
| General management and support | | | |
| Total Expenditures | 7,771,945 | 7,389,495 | (382,450) |
| Excess (Deficiency) of Revenues Over Expenditures | (22,445) | 371,490 | 393,935 |
| Other Financing Sources (Uses) | | | |
| Transfers in | 195,771 | 195,000 | (771) |
| Total Other Financing Sources (Uses) | 195,771 | 195,000 | (771) |
| Net Changes in Fund Balances | \$ 173,326 | \$ 566,490 | \$ 393,164 |
| Fund Balances | | | |
| Beginning of Year | | 1,503,154 | |
| End of Year | | \$ 2,069,644 | |

(See independent auditor's report.)
- 128 -

(See independent auditor's report.)
- 129 -

CITY OF EVANSTON, ILLINOIS
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2019

| CSFA Number | Program Name | State | Federal | Other | Total |
|-------------|---|--------------|--------------|----------------|----------------|
| 422-11-0970 | Open Space Land Acquisition & Development | \$ 160,000 | \$ - | \$ - | \$ 160,000 |
| 422-50-1655 | Historic Preservation Fund Grants-In-Aid | 7,000 | - | 4,115 | 11,115 |
| 444-26-1565 | Tobacco Enforcement Program | - | 3,410 | - | 3,410 |
| 478-00-0251 | Medical Assistance Program | 148 | - | - | 148 |
| 482-00-0258 | Environmental Health Beach Grant | - | 14,857 | - | 14,857 |
| 482-00-0263 | Public Health Emergency Preparedness | - | 62,054 | - | 62,054 |
| 482-00-0265 | Cities Readiness Initiative Cooperative Agreement | - | 43,571 | - | 43,571 |
| 482-00-0277 | VFC Compliance | - | - | - | - |
| 482-00-0894 | EMS Assistance Fund Grant | 2,856 | 38,116 | - | 40,172 |
| 482-00-0901 | Local Health Protection Grant | 106,221 | - | - | 106,221 |
| 482-00-0902 | Tanning Program | - | - | - | - |
| 482-00-0903 | Body Art Establishment Inspection Grant Program | - | - | - | - |
| 482-00-0994 | Vector Surveillance and Control Grants | 10,000 | - | - | 10,000 |
| 482-00-0911 | Illinois Tobacco-Free Communities | 31,250 | - | - | 31,250 |
| 482-00-1578 | Body Art and Tanning Inspection Program | 100 | - | - | 100 |
| 482-00-1583 | Lead Poisoning Prevention and Response | 32,900 | - | - | 32,900 |
| 493-60-1652 | NG9-1-1 Expenses Grant Program | - | - | - | - |
| 494-00-1002 | Safe Routes to School Program | - | - | - | - |
| 494-00-1003 | Congestion Mitigation and Air Quality Improvement Program | - | - | - | - |
| 494-00-1005 | Local Federal Bridge Program | - | - | - | - |
| 494-00-1488 | Motor Fuel Tax Program | 1,857,807 | - | - | 1,857,807 |
| 494-10-0343 | State and Community Highway Safety/National Priority Safety Program | - | 101,772 | - | 101,772 |
| 494-42-0495 | Local Surface Transportation Program | - | - | - | - |
| 503-00-0360 | Promotion of the Arts - Partnership Agreements | 30,200 | - | - | 30,200 |
| 586-18-0409 | Child Care & Adult Care Program | - | 62,409 | - | 62,409 |
| 586-18-0410 | Summer Food Service Program for Children | - | 149,333 | - | 149,333 |
| 588-00-0450 | Emergency Management Performance Grants | - | - | - | - |
| | Other Grants Programs and Activities | - | 2,990,496 | 148,741 | 3,139,237 |
| | All other costs not allocated | - | - | 157,300,900 | 157,300,900 |
| | TOTALS | \$ 2,237,682 | \$ 3,466,018 | \$ 157,455,756 | \$ 163,157,456 |

SUPPLEMENTAL DATA

(See independent auditor's report.)
- 130 -

CITY OF EVANSTON, ILLINOIS

Net Position by Component

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

| | 2011 | 2011* | 2012 | 2013 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | | |
| Net investment in capital assets | \$ 49,483 | \$ 57,663 | \$ 60,105 | \$ 47,214 | \$ 46,633 |
| Restricted | 23,187 | 31,559 | 31,754 | 24,720 | 25,446 |
| Unrestricted | 4,072 | (24,033) | (23,729) | (13,846) | (11,436) |
| Total Governmental Activities Net Position | \$ 76,742 | \$ 65,189 | \$ 68,130 | \$ 58,088 | \$ 60,643 |
| Business-Type Activities | | | | | |
| Net investment in capital assets | \$ 207,162 | \$ 215,755 | \$ 228,738 | \$ 239,243 | \$ 246,382 |
| Restricted | 1,624 | 1,034 | 710 | 712 | 649 |
| Unrestricted | 19,141 | 25,385 | 26,363 | 25,484 | 23,563 |
| Total Business-Type Activities Net Position | \$ 227,927 | \$ 242,174 | \$ 255,811 | \$ 265,439 | \$ 270,594 |
| Primary Government | | | | | |
| Net investment in capital assets | \$ 256,645 | \$ 273,418 | \$ 288,843 | \$ 286,457 | \$ 293,015 |
| Restricted | 24,811 | 32,593 | 32,464 | 25,432 | 26,095 |
| Unrestricted | 23,213 | 1,352 | 2,634 | 11,638 | 12,127 |
| Total Primary Government Net Position | \$ 304,669 | \$ 307,363 | \$ 323,941 | \$ 323,527 | \$ 331,237 |

* The City changed its fiscal year end to December 31, 2011.

** The City implemented GASB Statement No. 68 which resulted in a decrease in unrestricted net position.

*** The City implemented GASB Statement No. 75 which resulted in a decrease in unrestricted net position.

Source: City Finance Division

STATISTICAL SECTION

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

Contents

Page(s)

Financial Trends

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

131-140

Revenue Capacity

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

141-143

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.

144-148

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.

149-150

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.

151-156

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

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years
(amounts expressed in thousands)

| | 2011 | 2011* | 2012 | 2013 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Expenses | | | | | |
| Governmental Activities | | | | | |
| General management and support | \$ 17,517 | \$ 17,911 | \$ 22,508 | \$ 18,892 | \$ 13,811 |
| Public safety | 53,226 | 43,465 | 52,740 | 57,090 | 58,795 |
| Public works | 15,626 | 12,399 | 11,099 | 13,782 | 25,825 |
| Health and human resource development | 4,541 | 3,547 | 3,200 | 3,601 | 3,837 |
| Recreational and cultural opportunities | 20,142 | 15,607 | 17,438 | 16,433 | 9,358 |
| Housing and economic development | 10,857 | 11,630 | 19,101 | 11,123 | 12,443 |
| Interest | 5,595 | 3,114 | 1,786 | 377 | 3,919 |
| Total Governmental Activities Expenses | 127,504 | 107,673 | 127,872 | 121,298 | 127,988 |
| Business-Type Activities | | | | | |
| Water | 8,713 | 7,450 | 10,172 | 11,193 | 11,977 |
| Sewer | 8,784 | 7,083 | 7,872 | 7,649 | 7,293 |
| Solid waste | - | 4,317 | 4,612 | 4,732 | 4,856 |
| Motor vehicle parking system | 8,425 | 6,673 | 8,297 | 8,369 | 7,856 |
| Total Business-Type Activities Expenses | 25,922 | 25,523 | 30,953 | 31,943 | 31,982 |
| Total Primary Government Expenses | \$153,426 | \$133,196 | \$158,825 | \$153,241 | \$159,970 |
| Program Revenues | | | | | |
| Governmental Activities | | | | | |
| Charges for services | | | | | |
| General management and support | \$ 12,796 | \$ 9,219 | \$ 9,478 | \$ 8,917 | \$ 9,374 |
| Culture and recreation | 5,265 | 4,587 | 9,934 | 5,236 | 5,360 |
| Other activities | 9,377 | 8,523 | 11,349 | 12,179 | 15,253 |
| Operating grants and contributions | 9,851 | 9,861 | 13,453 | 10,102 | 7,151 |
| Capital grants and contributions | 8,026 | 3,941 | 2,017 | 2,956 | 501 |
| Total Governmental Activities Program Revenues | 45,315 | 36,131 | 46,231 | 39,390 | 37,639 |
| Business-Type Activities | | | | | |
| Charges for services | | | | | |
| Water | 13,738 | 12,369 | 14,967 | 14,658 | 15,052 |
| Sewer | 13,393 | 11,377 | 14,115 | 13,510 | 12,785 |
| Solid waste | - | 2,900 | 3,490 | 3,651 | 3,971 |
| Motor vehicle parking system | 5,987 | 4,928 | 6,663 | 6,255 | 6,080 |
| Operating grants and contributions | - | - | 395 | 939 | 15 |
| Total Business-Type Activities Program Revenues | 33,118 | 31,574 | 39,630 | 39,013 | 37,903 |
| Total Primary Government Program Revenues | \$ 78,433 | \$ 67,705 | \$ 85,861 | \$ 78,403 | \$ 75,542 |

| | 2015** | 2016 | 2017 | 2018*** | 2019 |
|--------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| \$ 47,953 | \$ 51,588 | \$ 51,575 | \$ 52,536 | \$ 53,784 | \$ 53,784 |
| 16,409 | 18,523 | 11,990 | 8,708 | 15,554 | 15,554 |
| (136,007) | (170,270) | (164,614) | (194,435) | (181,451) | (181,451) |
| \$ (71,645) | \$ (100,159) | \$ (101,049) | \$ (133,191) | \$ (112,113) | |
| \$ 255,622 | \$ 268,851 | \$ 278,446 | \$ 283,981 | \$ 289,023 | \$ 289,023 |
| 22,785 | 18,928 | 14,249 | 11,896 | 9,883 | 9,883 |
| \$ 278,407 | \$ 287,779 | \$ 292,695 | \$ 295,877 | \$ 298,906 | \$ 298,906 |
| \$ 303,575 | \$ 320,439 | \$ 330,021 | \$ 336,517 | \$ 342,807 | \$ 342,807 |
| 16,409 | 18,523 | 11,990 | 8,708 | 15,554 | 15,554 |
| (113,222) | (151,342) | (150,365) | (182,539) | (171,568) | (171,568) |
| \$ 206,762 | \$ 187,620 | \$ 191,646 | \$ 162,686 | \$ 186,793 | \$ 186,793 |

CITY OF EVANSTON, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years
(amounts expressed in thousands)

| | 2011 | 2011* | 2012 | 2013 | 2014 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (82,189) | \$ (71,542) | \$ (81,641) | \$ (81,908) | \$ (90,349) |
| Business-Type Activities | 7,196 | 6,051 | 8,677 | 7,070 | 5,921 |
| Total Primary Government Net Expense | \$ (74,993) | \$ (65,491) | \$ (72,964) | \$ (74,838) | \$ (84,428) |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities | \$ 47,040 | \$ 33,399 | \$ 47,874 | \$ 46,349 | \$ 48,579 |
| Taxes | 15,577 | 13,495 | 15,888 | 16,965 | 17,362 |
| Property taxes | 557 | 32 | 398 | 79 | (258) |
| Sales taxes | 27,501 | 21,244 | 25,348 | 27,369 | 26,612 |
| Investment earnings | (99) | (8,180) | (4,926) | (2,586) | 610 |
| Miscellaneous | 90,576 | 59,990 | 84,582 | 88,176 | 92,905 |
| Transfers | | | | | |
| Total Governmental Activities | | | | | |
| Business-Type Activities | | | | | |
| Property taxes | - | - | - | - | - |
| Investment earnings | 23 | 16 | 34 | 33 | (156) |
| Gains on sale of capital assets | - | - | - | - | - |
| Miscellaneous | - | - | - | (61) | - |
| Transfers | 99 | 8,180 | 4,926 | 2,586 | (610) |
| Total Business-Type Activities | 122 | 8,196 | 4,960 | 2,538 | (766) |
| Changes in Net Position | | | | | |
| Governmental Activities | 8,387 | (11,552) | 2,941 | 6,268 | 2,556 |
| Business-Type Activities | 7,318 | 14,247 | 13,657 | 9,628 | 5,155 |
| Total Primary Government | \$ 15,705 | \$ 2,695 | \$ 16,578 | \$ 15,896 | \$ 7,711 |

* The City changed its fiscal year end to December 31, 2011.

Source: City Finance Division

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------|------------------|-------------------|-------------------|------------------|------|
| \$ 12,493 | \$ 18,163 | \$ 20,890 | \$ 20,016 | \$ 19,444 | |
| 57,443 | 55,625 | 61,191 | 80,789 | 56,755 | |
| 20,011 | 13,668 | 24,793 | 22,718 | 26,584 | |
| 2,911 | 3,319 | 3,354 | 3,455 | 2,895 | |
| 14,794 | 14,380 | 14,744 | 14,061 | 11,081 | |
| 10,532 | 21,063 | 7,023 | 9,129 | 6,907 | |
| 3,757 | 3,779 | 3,354 | 4,683 | 5,454 | |
| 121,941 | 129,997 | 135,349 | 154,851 | 129,120 | |
| 10,748 | 11,450 | 12,239 | 12,964 | 12,880 | |
| 6,608 | 6,683 | 6,540 | 6,735 | 6,492 | |
| 5,150 | 4,967 | 4,907 | 4,852 | 5,079 | |
| 7,862 | 8,532 | 8,575 | 9,321 | 9,585 | |
| 30,368 | 31,632 | 32,261 | 33,872 | 34,036 | |
| \$152,309 | \$161,629 | \$ 167,610 | \$ 188,723 | \$163,156 | |
| \$ 8,629 | \$ 10,094 | \$ 8,145 | \$ 8,985 | \$ 8,768 | |
| 5,572 | 5,560 | 5,669 | 6,037 | 6,119 | |
| 11,268 | 15,739 | 12,712 | 11,945 | 10,917 | |
| 5,535 | 6,809 | 5,931 | 5,244 | 5,775 | |
| 275 | 368 | 325 | 125 | 8,630 | |
| 31,279 | 38,570 | 32,782 | 32,336 | 40,209 | |
| 15,722 | 16,419 | 17,588 | 15,642 | 17,789 | |
| 12,511 | 13,049 | 12,478 | 11,920 | 10,780 | |
| 4,004 | 4,031 | 4,061 | 4,083 | 4,668 | |
| 6,164 | 6,688 | 6,530 | 6,621 | 10,640 | |
| - | 38,400 | - | - | - | |
| 38,401 | 78,587 | 40,657 | 38,266 | 43,877 | |
| \$ 69,680 | \$117,157 | \$ 73,439 | \$ 70,602 | \$ 84,086 | |

CITY OF EVANSTON, ILLINOIS

Fund Balances, Governmental Funds

Last Ten Fiscal Years
(amounts expressed in thousands)

| | 2011 | 2011* | 2012 | 2013 | 2014 |
|---|------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reserved/Restricted | 1,995 | - | - | - | - |
| Unreserved/Restricted | 20,009 | - | - | - | - |
| Assigned | - | 7,590 | 6,848 | 6,362 | 5,347 |
| Unassigned | - | 10,803 | 10,186 | 10,001 | 9,636 |
| Total General Fund | \$ 22,004 | \$ 18,393 | \$ 17,034 | \$ 16,363 | \$ 14,983 |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 28,738 | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in | 10,907 | - | - | - | - |
| Special Revenue Funds | 9,665 | - | - | - | - |
| Capital Projects Funds | - | 1,419 | - | - | 407 |
| Nonspendable | - | 32,353 | 32,431 | 25,359 | 26,003 |
| Restricted | - | 806 | 2,150 | 3,507 | 3,540 |
| Committed | - | 10,074 | 5,307 | 8,372 | 10,467 |
| Assigned | - | (175) | 1,105 | (149) | (153) |
| Unassigned | - | - | - | - | - |
| Total All Other Governmental Funds | \$ 49,310 | \$ 44,477 | \$ 40,993 | \$ 37,496 | \$ 41,287 |

* The City changed its fiscal year end to December 31, 2011.

Notes:

1. Fund balances for debt service have been included in the reserved amounts.
2. Starting fiscal year ending December 31, 2011, financials are presented per the new reporting standards of GASB 54.

Source: City Finance Division

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| \$ (90,662) | \$ (91,427) | \$ (102,567) | \$ (122,515) | \$ (88,911) | \$ (88,911) |
| 8,033 | 46,955 | 8,396 | 4,394 | 9,841 | 9,841 |
| \$ (82,629) | \$ (44,472) | \$ (94,171) | \$ (118,121) | \$ (79,070) | \$ (79,070) |
| \$ 45,840 | \$ 45,610 | \$ 46,563 | \$ 47,102 | \$ 44,163 | \$ 44,163 |
| 17,758 | 17,932 | 16,071 | 16,963 | 16,905 | 16,905 |
| 30 | 118 | 235 | 778 | 1,669 | 1,669 |
| 30,950 | 33,217 | 35,011 | 38,786 | 39,051 | 39,051 |
| 631 | 434 | 3,797 | 1,480 | 8,203 | 8,203 |
| 95,209 | 97,311 | 101,677 | 105,109 | 109,991 | 109,991 |
| - | - | - | 410 | 820 | 820 |
| 27 | 59 | 114 | 234 | 565 | 565 |
| - | - | - | - | 7 | 7 |
| 301 | (245) | 203 | - | - | - |
| (631) | (434) | (3,797) | (1,480) | (8,203) | (8,203) |
| (303) | (620) | (3,480) | (836) | (6,811) | (6,811) |
| 4,547 | 5,884 | (890) | (17,406) | 21,080 | 21,080 |
| 7,730 | 46,335 | 4,916 | 3,558 | 3,030 | 3,030 |
| \$ 12,277 | \$ 52,219 | \$ 4,026 | \$ (13,848) | \$ 24,110 | \$ 24,110 |

CITY OF EVANSTON, ILLINOIS

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(amounts expressed in thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------|------------------|------------------|------------------|------------------|--------|
| \$ | 118 | \$ - | \$ 300 | \$ 310 | \$ 415 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,672 | 5,046 | 4,180 | 4,303 | 4,330 | |
| 4,914 | 6,622 | 8,868 | 9,242 | 11,145 | |
| \$ 10,586 | \$ 11,668 | \$ 13,348 | \$ 13,855 | \$ 15,890 | |
| \$ - | \$ - | \$ - | \$ - | \$ - | |
| - | - | - | - | - | |
| - | - | - | - | - | |
| 2,158 | - | - | - | - | |
| 16,409 | 18,523 | 11,418 | 25,651 | 15,933 | |
| 2,556 | 2,996 | - | - | - | |
| 5,517 | 7,668 | 12,301 | 17,065 | 20,306 | |
| (221) | (252) | (204) | (227) | (226) | |
| \$ 26,419 | \$ 28,935 | \$ 23,515 | \$ 42,489 | \$ 36,013 | |

| | 2011 | 2011* | 2012 | 2013 | 2014 | 2015 |
|--|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|
| Revenues | | | | | | |
| Taxes | \$ 73,559 | \$ 56,466 | \$ 79,331 | \$ 78,254 | \$ 77,933 | \$ 75,747 |
| Licenses, fees, and permits | 8,661 | 6,776 | 10,470 | 10,617 | 14,503 | 12,184 |
| Special assessments | 429 | 235 | 293 | 275 | 167 | 8,312 |
| Intergovernmental | 26,456 | 23,183 | 29,252 | 27,844 | 24,300 | 3,554 |
| Charges for services | 9,786 | 6,283 | 7,763 | 7,723 | 7,793 | 23,834 |
| Fines and penalties | 4,003 | 3,280 | 3,470 | 3,449 | 3,358 | 148 |
| Investment earnings | 555 | 22 | 397 | 94 | 89 | 30 |
| Other revenues | 6,390 | 4,133 | 2,915 | 1,906 | 1,791 | 1,722 |
| Total Revenues | 129,839 | 100,378 | 133,891 | 130,162 | 129,934 | 125,531 |
| Expenditures | | | | | | |
| General management and support | 23,463 | 13,594 | 18,532 | 17,611 | 13,314 | 13,444 |
| Public safety | 50,352 | 42,140 | 54,611 | 56,431 | 59,425 | 59,654 |
| Public works | 14,053 | 7,574 | 9,380 | 11,982 | 19,821 | 19,815 |
| Health and human development | 4,541 | 3,588 | 3,200 | 3,601 | 3,837 | 3,141 |
| Recreation and cultural opportunities | 17,399 | 16,192 | 14,309 | 14,775 | 10,524 | 11,087 |
| Housing and economic development | 11,345 | 11,999 | 19,095 | 11,305 | 9,348 | 13,292 |
| Capital outlay | 7,112 | 5,832 | 8,523 | 5,948 | 6,286 | 9,151 |
| Debt service | | | | | | |
| Principal | 7,650 | 10,106 | 13,055 | 34,259 | 10,040 | 20,833 |
| Interest | 4,878 | 4,384 | 5,175 | 4,996 | 4,411 | 4,413 |
| Fiscal agent fees | 12 | 79 | 76 | 127 | 43 | 16 |
| Total Governmental Activities Expenditure | 140,805 | 115,488 | 145,956 | 161,035 | 137,049 | 154,846 |
| Net (Expense)/Revenue | (10,966) | (15,110) | (12,065) | (30,873) | (7,115) | (29,315) |
| Governmental Activities | | | | | | |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from borrowing | \$ 13,393 | \$ 15,420 | \$ 12,618 | \$ 34,982 | \$ 9,989 | \$ 22,377 |
| Capitalized interest income | 120 | - | - | - | - | - |
| Transfers in | 5,727 | 5,839 | 9,271 | 8,182 | 9,202 | 10,308 |
| Transfers (out) | (6,184) | (14,593) | (14,668) | (11,879) | (9,665) | (9,315) |
| Total Other Financing Sources (Uses) | 13,056 | 6,666 | 7,221 | 31,285 | 9,526 | 23,370 |
| Net Changes in Fund Balance | \$ 2,090 | \$ (8,444) | \$ (4,844) | \$ 412 | \$ 2,411 | \$ (5,945) |
| Debt Service as a Percentage of | | | | | | |
| Noncapital Expenditures | 9.36% | 13.29% | 13.26% | 25.31% | 11.05% | 17.62% |

* The City changed its fiscal year end to December 31, 2011.

Source: City Finance Division

| | 2016 | 2017 | 2018 | 2019 |
|-----------------|------------------|------------------|------------------|------|
| \$ 76,047 | \$ 78,157 | \$ 81,281 | \$ 78,645 | |
| 17,933 | 13,358 | 11,664 | 10,012 | |
| 169 | 260 | 199 | 230 | |
| 24,886 | 22,627 | 23,004 | 25,278 | |
| 8,791 | 8,713 | 10,053 | 8,925 | |
| 3,612 | 3,468 | 3,765 | 5,108 | |
| 118 | 235 | 778 | 1,669 | |
| 3,892 | 3,843 | 5,220 | 12,130 | |
| <u>135,448</u> | <u>130,661</u> | <u>135,964</u> | <u>141,997</u> | |
| 17,064 | 18,152 | 18,330 | 19,206 | |
| 62,252 | 64,347 | 65,533 | 65,821 | |
| 13,477 | 14,041 | 22,069 | 15,848 | |
| 3,021 | 3,111 | 3,142 | 2,989 | |
| 11,894 | 12,371 | 12,789 | 12,247 | |
| 10,477 | 7,225 | 9,006 | 6,567 | |
| 9,953 | 14,953 | 11,399 | 39,796 | |
| 19,661 | 24,253 | 17,557 | 10,166 | |
| 4,276 | 4,040 | 4,536 | 5,749 | |
| 14 | 2 | 537 | 274 | |
| <u>152,089</u> | <u>162,495</u> | <u>164,898</u> | <u>178,663</u> | |
| <u>(16,641)</u> | <u>(31,834)</u> | <u>(28,934)</u> | <u>(36,666)</u> | |
| \$ 19,652 | \$ 26,558 | \$ 46,892 | \$ 23,976 | |
| - | - | - | - | |
| 16,011 | 17,428 | 20,698 | 14,405 | |
| (15,542) | (15,893) | (19,174) | (6,156) | |
| <u>20,121</u> | <u>28,093</u> | <u>48,416</u> | <u>32,225</u> | |
| <u>\$ 3,480</u> | <u>\$(3,741)</u> | <u>\$ 19,482</u> | <u>\$(4,441)</u> | |
| 16.84% | 19.18% | 14.39% | 11.46% | |

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 |
|-----------------|----------------------|---------------|---------------------|---------------------|-------------------|--------------------------------|--------------------|----------------|
| 2009 | \$ 2,464,394,619 | \$ 15,956 | \$ 615,808,511 | \$ 125,104,411 | \$ 665,872 | \$ 3,305,980,369 | \$ 9,017,968,107 | 1.204 |
| 2010 | 2,233,194,054 | 15,956 | 623,156,869 | 184,687,438 | 829,709 | 3,041,884,086 | 9,125,652,258 | 1.264 |
| 2011 | 2,106,690,657 | 15,956 | 513,880,731 | 111,899,205 | 881,024 | 2,227,367,573 | 8,182,102,719 | 1.391 |
| 2012 | 1,944,932,067 | 15,956 | 462,671,239 | 106,007,084 | 995,206 | 2,514,621,552 | 7,543,864,666 | 1.351 |
| 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 | 6,753,709,325 | 1.856 |
| 2015 | 1,751,252,888 | 15,467 | 410,670,248 | 32,549,681 | 1,333,241 | 2,196,021,525 | 6,888,064,375 | 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 | 1.762 |
| 2017 | 2,178,182,897 | 15,467 | 527,589,667 | 32,680,857 | 1,591,232 | 2,740,060,120 | 8,220,180,360 | 1.501 |
| 2018 | 2,150,065,734 | 15,467 | 537,739,734 | 31,050,996 | 1,708,983 | 2,720,580,914 | 8,161,742,742 | 1.604 |

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.

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 | Years | Amount | |
| 2009 | \$ 39,779,364 | \$ 38,018,159 | 95.57% | \$ | 464,506 | \$ 38,482,665 |
| 2010 | 41,479,398 | 39,412,004 | 95.02% | | 764,463 | 40,176,467 |
| 2011 | 43,397,590 | 42,064,756 | 96.93% | | 348,189 | 42,412,945 |
| 2012 | 43,330,121 | 41,776,375 | 96.41% | | 559,130 | 42,335,505 |
| 2013 | 43,869,798 | 42,762,685 | 97.48% | | 338,420 | 43,101,105 |
| 2014 | 45,557,079 | 44,280,493 | 97.20% | | 270,619 | 44,551,112 |
| 2015 | 46,394,914 | 44,974,845 | 96.94% | | 205,607 | 45,180,452 |
| 2016 | 47,538,529 | 46,723,672 | 98.29% | | 97,249 | 46,820,921 |
| 2017 | 48,161,247 | 46,866,198 | 97.31% | | 197,415 | 47,063,613 |
| 2018 | 49,712,625 | 49,032,839 | 98.63% | | 217,133 | 49,249,972 |
| 2019 | 55,139,563 | See Note | See Note | See Note | See Note | See Note |

Note: Levy Year 2019 is collected through December 31, 2020

Source: City Finance Division

CITY OF EVANSTON, ILLINOIS

Principal Property Taxpayers

Current Year and Nine Years Ago

| Tax Payer | 2018 Levy | | | 2009 Levy | | |
|-------------------------|--------------------------------------|------|--------------------------------------|--------------------------------------|------|--------------------------------------|
| | Total Equalized Assessed Value (EAV) | Rank | Percentage of Total City Taxable EAV | Total Equalized Assessed Value (EAV) | Rank | Percentage of Total City Taxable EAV |
| Orrington TT LLC Gollob | \$ 27,343,999 | 1 | 1.01% | \$ 38,719,188 | 1 | 1.32% |
| Merity International | 24,956,628 | 2 | 0.93% | 26,660,467 | 2 | 0.96% |
| MSP 909 Davis Street | 18,975,228 | 3 | 0.73% | 20,454,027 | 3 | 0.74% |
| MB Sherman Highlands | 18,635,861 | 4 | 0.68% | 17,153,477 | 4 | 0.58% |
| Evanston LLC | 13,073,091 | 5 | 0.48% | 16,184,339 | 5 | 0.55% |
| FDS/ David Alperstein | 12,644,289 | 6 | 0.46% | 15,851,793 | 6 | 0.54% |
| Azarn of Evanston Inc | 12,190,066 | 7 | 0.45% | 13,665,739 | 7 | 0.47% |
| Evansville LLC | 12,121,567 | 8 | 0.45% | 13,198,415 | 8 | 0.45% |
| 800 Davis Owner LLC | 11,966,642 | 9 | 0.44% | 11,676,667 | 9 | 0.42% |
| 800 Davis Owner LLC | 10,533,359 | 10 | 0.37% | 11,601,647 | 10 | 0.39% |
| Total | \$ 157,668,128 | | 5.80% | \$ 188,743,581 | | 6.42% |
| Total EAV | \$ 2,720,580,914 | | | \$ 2,938,397,892 | | |

Source: Cook County

CITY OF EVANSTON, ILLINOIS

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

| Fiscal Year Ended | Population | (1) Equalized Assessed Valuation | | Gross Obligation Bonded Debt | Debt Service Monies Available | (3) Debt Payable From Other Revenues | Net General Obligation Debt | Total Personal Income | Debt to Equalized Valuation | Net Debt to Total Personal Income | Net General Obligation Debt Per Capita |
|-------------------|------------|----------------------------------|----------------|------------------------------|-------------------------------|--------------------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------------------|--|
| | | Valuation | Valuation | | | | | | | | |
| 2010 | 74,486 | \$ 3,305,989,369 | \$ 153,535,000 | \$ 50,097,260 | \$ 5,309,064 | \$ 98,128,676 | \$ 3,157,759,484 | 4.64% | 4.88% | 1,317.41 | |
| 2011* | 74,486 | 3,044,884,087 | 157,695,000 | 47,111,060 | 2,659,020 | 107,954,920 | 3,197,311,550 | 5.18% | 4.95% | 1,449.33 | |
| 2012 | 74,486 | 2,727,367,573 | 154,159,999 | 44,899,176 | 16,085,747 | 93,175,076 | 3,176,902,386 | 5.65% | 4.85% | 1,250.91 | |
| 2013 | 74,619 | 2,514,621,552 | 147,942,869 | 40,042,921 | 12,520,761 | 95,379,187 | 3,113,477,775 | 5.88% | 4.75% | 1,278.22 | |
| 2014 | 75,570 | 2,200,697,038 | 146,624,679 | 34,614,357 | 12,200,139 | 69,801,183 | 3,262,347,500 | 6.66% | 4.49% | 1,320.65 | |
| 2015 | 75,603 | 2,346,021,525 | 145,149,125 | 34,547,425 | 12,200,139 | 74,599,973 | 3,262,347,500 | 6.44% | 4.49% | 1,411.51 | |
| 2016 | 75,603 | 2,406,021,525 | 145,000,185 | 34,547,425 | 74,599,973 | 106,715,026 | 3,236,052,370 | 5.72% | 4.39% | 1,411.51 | |
| 2017 | 75,472 | 2,670,411,769 | 143,470,868 | 37,104,152 | 241,781 | 106,124,635 | 3,131,617,040 | 6.22% | 4.33% | 1,406.15 | |
| 2018 | 75,557 | 2,740,060,120 | 170,540,858 | 417,987 | 39,701,503 | 130,421,368 | 3,472,297,492 | 6.32% | 4.91% | 1,724.13 | |
| 2019 | 75,557 | 2,720,580,914 | 183,563,418 | 417,431 | 42,263,176 | 140,882,811 | 3,472,297,492 | 6.75% | 5.29% | 1,864.59 | |

* The City changed its fiscal year end to December 31, 2011.

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

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 | Percentage of Personal Income | (1) Per Capita |
|-------------------|--------------------------|--------------------------------|---------------|--------------------------|---------------------|---------------|--------------------------|-------------------------------|----------------|
| | General Obligation Bonds | Special Service District Bonds | Capital Lease | General Obligation Bonds | Water Revenue Bonds | IEPA Loans | | | |
| 2010 | \$ 109,078,880 | \$ 2,155,000 | \$ 708,532 | \$ 40,236,120 | \$ 1,720,000 | \$ 95,370,544 | \$ 249,269,966 | 8.59% | \$ 3,358 |
| 2011* | 115,432,139 | 1,840,000 | 363,759 | 36,312,561 | 1,170,000 | 87,059,150 | 241,127,909 | 7.57% | 3,251 |
| 2012 | 120,739,706 | 1,840,000 | - | 35,115,794 | 1,170,000 | 79,081,272 | 237,946,772 | 7.44% | 3,195 |
| 2013 | 119,423,742 | 1,515,000 | - | 33,221,257 | 595,000 | 70,375,366 | 225,130,367 | 7.09% | 3,022 |
| 2014 | 119,000,744 | 1,175,000 | - | 30,411,358 | 305,000 | 64,658,382 | 215,673,379 | 6.93% | 2,890 |
| 2015 | 117,752,440 | 795,000 | - | 30,566,097 | - | 58,412,659 | 208,834,300 | 6.40% | 2,763 |
| 2016 | 116,091,162 | 405,000 | - | 31,911,608 | - | 51,901,172 | 201,970,220 | 6.69% | 2,767 |
| 2017 | 122,151,162 | - | - | 30,926,350 | - | 45,256,237 | 192,273,749 | 5.95% | 2,544 |
| 2018 | 144,702,821 | - | - | 26,476,050 | - | 40,328,108 | 188,955,320 | 5.70% | 2,504 |
| 2019 | 154,954,665 | - | - | 28,608,753 | - | 40,691,551 | 224,254,969 | 6.46% | 2,968 |

* The City changed its fiscal year end to December 31, 2011.

Notes: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Demographic 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, 2019

| | Total Outstanding | Percentage of Debt Applicable to the City | The City's Share of Debt |
|--|-------------------------|--|-----------------------------|
| Direct debt - bonds, notes, and contracts outstanding | \$ 148,164,608 | 100.00% | \$ 148,164,608 |
| Other bonded debt by taxing body | | | |
| High School District 202 | 26,865,000 | 90.34% | 24,269,841 |
| School District 65 | 71,646,067 | 90.34% | 64,725,057 |
| Community College District 535 | 32,130,000 | 12.00% | 3,855,600 |
| Cook County | 2,950,121,751 | 1.82% | 53,692,216 |
| Cook County Forest Preserve District | 92,605,000 | 1.82% | 1,685,411 |
| Metropolitan Water Reclamation District | 2,679,240,889 | 1.86% | 49,833,881 |
| Skokie Park District | 3,076,000 | 0.62% | 19,071 |
| Total Overlapping Debt | 5,855,684,707 | | 198,081,077 |
| | \$ 6,003,849,315 | | \$ 346,245,685 |

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

Source: Cook County Clerk's Offices

CITY OF EVANSTON, ILLINOIS

Legal Debt Margin

December 31, 2019

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 Principal | Debt Service Interest | Coverage |
| 2011 | \$ 13,752,681 | \$ 7,191,577 | \$ 6,561,104 | \$ 550,000 | \$ 71,269 | 10.56 |
| 2011* | 12,368,533 | 6,146,652 | 6,221,881 | - | 24,672 | 252.18 |
| 2012 | 14,967,204 | 8,430,599 | 6,536,605 | 575,000 | 37,687 | 10.67 |
| 2013 | 14,657,748 | 8,175,707 | 6,482,041 | 290,000 | 19,688 | 20.93 |
| 2014 | 15,051,732 | 7,938,838 | 7,112,894 | 305,000 | 6,672 | 22.82 |
| 2015 | N/A | N/A | N/A | - | - | NA |
| 2016 | N/A | N/A | N/A | - | - | NA |
| 2017 | N/A | N/A | N/A | - | - | NA |
| 2018 | N/A | N/A | N/A | - | - | NA |
| 2019 | N/A | N/A | N/A | - | - | NA |

N/A - The City has no revenue bonds outstanding after December 31, 2014.

* The City changed its fiscal year end to December 31, 2011.

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

Source: Various city departments

CITY OF EVANSTON, ILLINOIS

Demographic and Economic Statistics

Last Ten Years

| Calendar Year | Population | Total Personal Income | Per Capita Personal Income | Median Age | Education % of Population with HS Diploma or Higher | School Enrollment | Unemployment Rate |
|---------------|------------|-----------------------|----------------------------|------------|---|-------------------|-------------------|
| 2010 | 74,486 | \$ 3,157,759,484 | \$ 42,394 | 34.3 | 94.0% | 9,550 | 7.9% |
| 2011 | 74,486 | 3,197,311,550 | 42,925 | 34.3 | 94.0% | 11,369 | 7.3% |
| 2012 | 74,486 | 3,176,902,386 | 42,651 | 35.1 | 93.6% | 11,418 | 6.8% |
| 2013 | 74,619 | 3,113,477,775 | 41,725 | 34.4 | 93.9% | 10,293 | 6.7% |
| 2014 | 75,570 | 3,262,734,750 | 43,175 | 34.4 | 93.9% | 10,429 | 4.2% |
| 2015 | 75,570 | 3,124,063,800 | 41,340 | 34.4 | 93.9% | 11,088 | 4.5% |
| 2016 | 75,603 | 3,235,082,370 | 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 | 75,557 | 3,472,297,492 | 45,956 | 36.0 | 93.4% | 10,899 | 3.1% |

Source: Various Government agencies

CITY OF EVANSTON, ILLINOIS

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

| Function/Program | 2011 | 2011* | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| City Clerk | 2.00 | 3.00 | 2.80 | 2.70 | 2.70 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| City Manager's Office | 22.00 | 8.00 | 12.00 | 12.00 | 14.00 | 13.00 | 28.50 | 32.00 | 30.00 | 27.50 |
| Legal | 7.00 | 7.00 | 7.00 | 8.00 | 7.00 | 8.00 | 8.00 | 4.50 | 4.50 | 4.50 |
| Administrative Services | 50.50 | 67.00 | 68.30 | 59.00 | 49.00 | 51.00 | 57.20 | 57.70 | 55.70 | 53.10 |
| Community Development | 28.00 | 27.00 | 27.00 | 24.00 | 21.00 | 19.00 | 21.50 | 26.25 | 22.00 | 23.50 |
| Police | 219.00 | 222.00 | 225.00 | 220.00 | 227.00 | 227.00 | 225.50 | 225.80 | 220.00 | 217.00 |
| Fire | 107.00 | 108.00 | 110.00 | 106.00 | 110.00 | 110.00 | 110.00 | 110.00 | 110.00 | 110.00 |
| Human and Health Services | 15.90 | 17.00 | 17.70 | 20.00 | 21.10 | 22.10 | 21.10 | 21.10 | 21.75 | 17.75 |
| Recreation, Parks, and Forestry | 132.00 | 105.00 | 105.21 | 69.00 | 69.64 | 74.23 | 77.13 | 78.83 | 76.13 | 75.46 |
| Public Works | 58.80 | 49.00 | 49.25 | 97.00 | 108.45 | 107.45 | 84.25 | 84.25 | 72.50 | 70.00 |
| Total General Government | 642.20 | 613.00 | 624.26 | 617.20 | 629.39 | 633.78 | 635.18 | 642.43 | 614.58 | 600.81 |
| Library | 52.00 | 52.00 | 56.38 | 63.00 | 63.13 | 66.45 | 66.87 | 73.88 | 71.05 | 69.81 |
| Neighborhood Stabilization Program | 1.00 | 1.00 | 2.00 | 1.00 | 1.31 | 0.50 | 0.45 | 0.30 | 0.15 | - |
| Housing Rehabilitation | - | - | - | - | - | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 |
| General Assistance Fund | - | - | - | - | - | 4.00 | 4.00 | 4.00 | 4.25 | 4.25 |
| HOME Fund | - | - | - | - | - | 0.40 | 0.50 | 0.50 | 0.35 | 0.35 |
| Emergency Telephone System | 5.00 | 5.00 | 5.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| CDBG | 2.00 | 3.00 | 1.53 | 3.00 | 2.60 | 2.60 | 2.80 | 2.50 | 2.75 | 2.90 |
| Economic Development Fund | 5.00 | 6.00 | 7.00 | 5.00 | 6.25 | 6.25 | - | - | - | - |
| Capital Improvements Fund | 1.00 | - | - | - | - | - | - | - | - | - |
| Maple Ave. Garage | - | - | - | - | - | - | - | - | 4.50 | 4.50 |
| Parking Fund | 14.00 | 15.00 | 15.50 | 15.50 | 15.50 | 15.50 | 15.50 | 15.50 | 18.00 | 19.00 |
| Water | 42.00 | 41.00 | 42.50 | 40.00 | 42.50 | 44.50 | 44.50 | 44.50 | 45.75 | 45.25 |
| Sewer | 12.00 | 11.00 | 13.00 | 11.00 | 13.33 | 11.33 | 11.33 | 11.33 | 12.25 | 12.25 |
| Solid Waste | - | 6.00 | 10.00 | 8.00 | 9.66 | 9.66 | 9.66 | 9.66 | 10.50 | 11.50 |
| Fleet Services | 11.00 | 12.00 | 12.00 | 10.00 | 12.00 | 12.50 | 12.50 | 12.00 | 9.50 | 9.90 |
| Insurance Fund | 3.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.50 | 5.50 | 5.50 |
| Total Other Functions | 148.00 | 156.00 | 168.91 | 164.50 | 176.28 | 185.44 | 179.86 | 186.42 | 191.30 | 191.96 |
| Total All Funds | 790.20 | 769.00 | 793.17 | 781.70 | 805.67 | 819.22 | 815.04 | 828.85 | 805.88 | 792.77 |

* The City changed its fiscal year end to December 31, 2011.

Source: City of Evanston HR Division

CITY OF EVANSTON, ILLINOIS

Principal Employers

Current Year and Nine Years Ago

| Employer | 2019 | | | 2010 | | |
|--------------------------------------|---------------|-----|------|---------------|-----|------|
| | Employees | % | Rank | Employees | % | Rank |
| Northshore University Health System | 4,641 | 29% | 1 | 5,470 | 36% | 1 |
| Northwestern University | 5,700 | 35% | 2 | 3,600 | 24% | 2 |
| Evanston School District 65 | 1,482 | 9% | 3 | 2,000 | 13% | 3 |
| Presence Saint Francis Hospital | 1,200 | 7% | 4 | 1,200 | 8% | 4 |
| City of Evanston | 792 | 5% | 5 | 850 | 6% | 5 |
| School District 202 | 615 | 3% | 6 | 650 | 4% | 6 |
| Rotary International | 591 | 2% | 7 | 518 | 3% | 7 |
| West Minister Pl., McGaw Care Center | 455 | 3% | 8 | 475 | 3% | 8 |
| C.E. Nehfolt & Co. | 390 | 2% | 9 | 231 | 2% | 9 |
| Whole Foods | 328 | 2% | 10 | 180 | 1% | 10 |
| Total | 16,194 | | | 15,174 | | |

Source: City Economic Development Division

CITY OF EVANSTON, ILLINOIS

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

Last Ten Levy Years

| Government Unit | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| City of Evanston | 1.365 | 1.592 | 1.551 | 1.760 | 1.856 | 1.766 | 1.762 | 1.501 | 1.604 | 1.604 |
| Consolidated Elections | - | 0.025 | - | - | - | - | - | - | - | - |
| Cook County | 0.423 | 0.462 | 0.531 | 0.560 | 0.591 | 0.568 | 0.552 | 0.533 | 0.489 | 0.489 |
| Cook County Forest Preserve District | 0.051 | 0.058 | 0.063 | 0.069 | 0.073 | 0.069 | 0.069 | 0.063 | 0.060 | 0.06 |
| Metropolitan Water Reclamation District | 0.274 | 0.320 | 0.370 | 0.417 | 0.440 | 0.430 | 0.426 | 0.406 | 0.396 | 0.396 |
| North Shore Mosquito Abatement District | 0.009 | 0.010 | 0.010 | 0.007 | 0.007 | 0.011 | 0.012 | 0.010 | 0.010 | 0.010 |
| Evanston Township | 0.046 | 0.011 | 0.010 | 0.053 | 0.056 | - | - | - | - | - |
| Community College 535 | 0.160 | 0.196 | 0.219 | 0.256 | 0.270 | 0.258 | 0.271 | 0.231 | 0.246 | 0.246 |
| School District 202 | 1.819 | 2.061 | 2.308 | 2.689 | 2.836 | 2.659 | 2.792 | 2.332 | 2.462 | 2.462 |
| School District 65 | 2.655 | 2.818 | 3.149 | 3.671 | 3.872 | 3.686 | 3.810 | 3.676 | 3.891 | 3.891 |
| Total Tax Rate for Property not in Park District or Special Service District | 6.802 | 7.553 | 8.211 | 9.482 | 10.001 | 9.447 | 9.694 | 8.752 | 9.158 | 9.158 |
| Percent of Total Tax Rate Levied by the City | 20.07% | 21.08% | 18.89% | 18.56% | 18.56% | 18.69% | 18.18% | 17.15% | 17.51% | 17.51% |

Source: Cook County Assessor's office

CITY OF EVANSTON, ILLINOIS

Water Sold by Type of Customer

Last Ten Fiscal Years
(in 100 cubic feet)

| Type of Customer | 2011 | 2011* | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Residential | \$ 2,187,244 | \$ 1,804,433 | \$ 2,276,492 | \$ 2,189,588 | \$ 2,065,980 | \$ 2,098,160 | \$ 1,998,740 | \$ 2,285,759 | \$ 2,344,686 | \$ 2,206,023 |
| Industrial | 16,732 | 14,732 | 14,732 | 16,672 | 16,672 | 16,672 | 16,672 | 16,672 | 16,672 | 16,672 |
| Commercial | 1,153,049 | 924,621 | 1,177,431 | 1,105,077 | 1,033,334 | 1,045,291 | 2,131,154 | 1,115,326 | 1,082,464 | 1,154,232 |
| Government | 75,308 | 50,129 | 66,561 | 61,908 | 53,732 | 55,485 | 82,066 | 67,547 | 72,082 | 69,065 |
| Total | \$ 3,430,696 | \$ 2,794,735 | \$ 3,475,242 | \$ 3,368,965 | \$ 3,167,373 | \$ 3,210,208 | \$ 4,415,341 | \$ 3,481,319 | \$ 3,516,517 | \$ 3,445,499 |
| Total direct rate per 100 cubic feet | \$ 1.52 | \$ 1.52 | \$ 1.75 | \$ 1.80 | \$ 1.98 | \$ 2.18 | \$ 2.18 | \$ 2.31 | \$ 2.47 | \$ 2.74 |

* The City changed its fiscal year end to December 31, 2011.

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Water Sold by Major Customers

Last Ten Fiscal Years

| | 2011 | 2011* | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Type of Customer | | | | | | | | | | |
| Evanston residents/businesses | \$ 5,377,297 | \$ 4,719,084 | \$ 6,124,221 | \$ 5,915,560 | \$ 6,301,307 | \$ 6,975,785 | \$ 6,820,350 | \$ 7,280,260 | \$ 7,640,457 | \$ 8,235,089 |
| Village of Skokie | 2,885,096 | 2,304,066 | 2,989,109 | 2,772,424 | 2,805,425 | 2,854,684 | 2,941,912 | 3,661,338 | 5,773,487 | 5,572,511 |
| Northwest Water Commission | 4,781,645 | 3,710,381 | 5,033,996 | 5,183,425 | 5,074,770 | 5,183,491 | 5,695,812 | 5,898,670 | 5,963,424 | 5,416,394 |
| Monten Grove and Viles | - | - | - | - | - | - | - | - | 19,830 | 1,075,082 |
| Total | \$ 13,044,038 | \$ 10,733,731 | \$ 14,147,326 | \$ 13,871,409 | \$ 14,181,502 | \$ 15,013,860 | \$ 15,458,074 | \$ 16,830,268 | \$ 19,397,098 | \$ 20,299,083 |

* The City changed its fiscal year end to December 31, 2011.

Source: City Utilities Department

CITY OF EVANSTON, ILLINOIS

Operating Indicators by Function/Programs

Last Ten Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Police | 214 | 180 | 230 | 131 | 97 | 80 | 130 | 122 | 140 | 73 |
| Violent offenses | 2,119 | 2,144 | 2,078 | 1,980 | 1,959 | 1,872 | 1,681 | 1,777 | 1,708 | 1,979 |
| Property offenses | 35,991 | 51,969 | 44,875 | 42,551 | 44,177 | 46,749 | 42,763 | 38,225 | 36,642 | 39,357 |
| 911 calls received | 8,917 | 9,063 | 9,330 | 9,373 | 9,617 | 9,630 | 10,267 | 10,658 | 10,014 | 10,256 |
| Fire | 157 | 157 | 154 | 129 | 120 | 99 | 114 | 90 | 111 | 69 |
| Emergency responses | 680 | 620 | 640 | 660 | 740 | 760 | - | 1,125 | 1,275 | 446 |
| Fires extinguished | - | - | - | - | - | - | 6,441 | 6,456 | 6,419 | 6,678 |
| Inspections | - | - | - | - | - | - | - | - | - | - |
| EMA Responses (reported beginning 2016) | - | - | - | - | - | - | - | - | - | - |
| Other Public Works | 3.4 | 3.4 | 3.4 | 3.4 | 4.9 | 2.7 | 2.9 | 2.9 | 2.9 | 1.9 |
| Street resurfacing (estimated miles) | 18,966 | 20,075 | 16,761 | 16,367 | 16,270 | 15,531 | 27,226 | 22,896 | 24,263 | 22,054 |
| Parks and Recreation | 460 | 457 | 541 | 445 | 448 | 404 | 229 | 371 | 572 | 641 |
| Athletic field usage (hours) | 471,262 | 436,382 | 426,342 | 400,034 | 401,300 | 481,626 | 534,533 | 540,696 | 514,756 | 582,567 |
| Library | 951,667 | 891,769 | 989,638 | 1,056,243 | 1,074,972 | 1,071,401 | 1,078,633 | 1,040,380 | 1,207,419 | 1,191,600 |
| Permit fees issued | 29 | 16 | 4 | - | 18 | 9 | 3 | 5 | 7 | 15 |
| Volumes in collection | 38 | 28 | 66 | 51 | 70 | 23 | 28 | 31 | 32 | 28 |
| Water main breaks | 38,91 | 38,39 | 39,85 | 35,81 | 36,79 | 36,63 | 39,645 | 40,606 | 41,122 | 43,151 |
| Average daily consumption (millions of gallons) | 57,02 | 65,95 | 69,21 | 56,95 | 48,91 | 50,59 | 55,084 | 58,047 | 55,291 | 60,248 |
| Peak daily consumption (millions of gallons) | | | | | | | | | | |

Note: Indicators are not available for general government functions

CITY OF EVANSTON, ILLINOIS

Capital Assets Statistics by Function

Last Ten Years

COMPLIANCE SECTION

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of stations | 164 | 164 | 164 | 164 | 164 | 164 | 165 | 165 | 165 | 166 |
| Budgeted sworn officers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Fire Stations | 147 | 147 | 147 | 147 | 147 | 147 | 147 | 147 | 147 | 147 |
| Other Public Works | 5,641 | 5,641 | 5,641 | 5,641 | 5,641 | 5,641 | 5,736 | 5,718 | 5,736 | 5,641 |
| Streets (miles) | | | | | | | | | | |
| Streetslights | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| Parks and Recreation | | | | | | | | | | |
| Average | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 60 |
| Playgrounds | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 16 |
| Baseball/softball diamonds | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Soccer/football fields | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 7 |
| Community centers | | | | | | | | | | |
| Water | 157 | 157 | 157 | 157 | 157 | 156.4 | 155.6 | 155.3 | 155.8 | 157.5 |
| Water mains (miles) | 1,399 | 1,399 | 1,399 | 1,399 | 1,477 | 1,484 | 1,490 | 1,502 | 1,508 | 1,511 |
| Fire hydrants | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Storage capacity (millions of gallons) | | | | | | | | | | |

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

Source: Various city departments

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142**

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

We have examined management's assertion that the City of Evanston, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2019. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2019, is fairly stated in all material respects.

Naperville, Illinois
July 14, 2020

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

City of Evanston
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2020 (the “*Bonds*”), to the amount of \$27,960,000, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

| YEAR | AMOUNT (\$) | RATE (%) |
|------|-------------|----------|
| 2022 | 240,000 | 5.00 |
| 2023 | 1,410,000 | 5.00 |
| 2024 | 1,640,000 | 5.00 |
| 2025 | 1,730,000 | 5.00 |
| 2026 | 1,815,000 | 5.00 |
| 2027 | 1,905,000 | 5.00 |
| 2028 | 2,000,000 | 5.00 |
| 2029 | 2,195,000 | 2.00 |
| 2030 | 1,835,000 | 2.00 |
| 2031 | 1,875,000 | 2.00 |
| 2032 | 745,000 | 2.00 |
| 2033 | 795,000 | 2.00 |
| 2034 | 815,000 | 2.00 |
| 2035 | 830,000 | 2.00 |
| 2037 | 3,110,000 | 2.00 |
| 2040 | 5,020,000 | 2.00 |

the Bonds due on December 1, 2037, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

| YEAR | PRINCIPAL AMOUNT (\$) |
|------|-----------------------------|
| 2036 | 1,540,000 |
| 2037 | 1,570,000 (stated maturity) |

the Bonds due on December 1, 2040, being subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued

interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

| YEAR | PRINCIPAL AMOUNT (\$) |
|------|-----------------------------|
| 2038 | 1,625,000 |
| 2039 | 1,655,000 |
| 2040 | 1,740,000 (stated maturity) |

and the Bonds due on or after December 1, 2029, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2028, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

**CITY OF EVANSTON
COOK COUNTY, ILLINOIS**

FORM OF CONTINUING DISCLOSURE UNDERTAKING

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by the City of Evanston, Cook County, Illinois (the “*City*”), in connection with the issuance of \$27,960,000 General Obligation Corporate Purpose Bonds, Series 2020 (the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 27th day of July, 2020 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “*Ordinance*”).

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information is defined in the Official Statement.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated August 10, 2020, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the City will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the City remains legally liable for the payment of such Bonds; *provided, however,* that the City will not be required to make such filings under new CUSIP Numbers unless the City has been notified in writing by the Participating Underwriter or the City’s financial advisor that new CUSIP Numbers have been assigned to the Bonds. The City will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Financial Information at least annually to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all

documents to be filed with EMMA, including financial statements and other externally prepared reports.

5. **REPORTABLE EVENTS DISCLOSURE.** Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. **CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION.** The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

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

7. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to

be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance.

9. **FUTURE CHANGES TO THE RULE.** As set forth in Section 1 of this Agreement, the City has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the City shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the City shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. **DISSEMINATION AGENT.** The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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

12. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. **RECORDKEEPING.** The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By _____
Mayor

Date: September 3, 2020

[SIGNATURE PAGE TO CONTINUING DISCLOSURE UNDERTAKING]

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2020. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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

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

EXHIBIT III
CUSIP NUMBERS

| YEAR OF MATURITY | CUSIP NUMBER (299228) |
|---------------------|-----------------------------|
| 2022 | HU3 |
| 2023 | HV1 |
| 2024 | HW9 |
| 2025 | HX7 |
| 2026 | HY5 |
| 2027 | HZ2 |
| 2028 | JA5 |
| 2029 | JB3 |
| 2030 | JC1 |
| 2031 | JD9 |
| 2032 | JE7 |
| 2033 | JF4 |
| 2034 | JG2 |
| 2035 | JH0 |
| 2037 | JK3 |
| 2040 | JN7 |