

**Final Official Statement Dated June 26, 2024**

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 may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” herein for a more complete discussion.



**\$31,580,000**  
**CITY OF EVANSTON**  
**Cook County, Illinois**  
**General Obligation Corporate Purpose Bonds, Series 2024**

**Dated Date of Delivery** **Book-Entry** **Due Serially December 1, 2025-2044**

The \$31,580,000 General Obligation Corporate Purpose Bonds, Series 2024 (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 December 1, 2024. 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<sup>(1)</sup>**

Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number	Principal Amount	Due Dec. 1	Interest Rate	Yield	CUSIP Number
\$ 960,000	2025	5.000%	3.470%	299228 KL9	\$1,565,000	2035*	5.000%	3.400%	299228 KW5
1,005,000	2026	5.000%	3.380%	299228 KM7	1,640,000	2036*	5.000%	3.470%	299228 KX3
1,060,000	2027	5.000%	3.320%	299228 KN5	1,725,000	2037*	5.000%	3.580%	299228 KY1
1,115,000	2028	5.000%	3.310%	299228 KP0	1,815,000	2038*	5.000%	3.590%	299228 KZ8
1,170,000	2029	5.000%	3.280%	299228 KQ8	1,905,000	2039*	5.000%	3.650%	299228 LA2
1,225,000	2030	5.000%	3.270%	299228 KR6	2,000,000	2040	4.000%	4.000%	299228 LB0
1,290,000	2031	5.000%	3.300%	299228 KS4	2,080,000	2041	4.000%	4.100%	299228 LC8
1,355,000	2032	5.000%	3.330%	299228 KT2	2,165,000	2042	4.000%	4.150%	299228 LD6
1,420,000	2033	5.000%	3.300%	299228 KU9	2,250,000	2043	4.000%	4.200%	299228 LE4
1,495,000	2034*	5.000%	3.320%	299228 KV7	2,340,000	2044	4.000%	4.250%	299228 LF1

\*These maturities have been priced to call.

**OPTIONAL REDEMPTION**

Bonds due December 1, 2025-2033, inclusive, are not subject to optional redemption. Bonds due December 1, 2034-2044, inclusive, are callable in whole or in part on any date on or after December 1, 2033, at a price of par and accrued interest. If less than all such 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) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 4-R-22 adopted by the City Council on January 10, 2022, (ii) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 19-R-23 adopted by the City Council on March 27, 2023, (iii) finance other capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2024 in the City’s Capital Improvement Plan, as adopted by the City Council, and (iv) pay the costs of issuing the Bonds. See “THE PROJECT” 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 July 11, 2024.

The City **does not** intend to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Final Official Statement is dated June 26, 2024, and has been prepared under the authority of the City. 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 Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. 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 and the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

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

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OFFICIAL BID FORM  
OFFICIAL NOTICE OF SALE

## 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.

<b>Issuer:</b>	City of Evanston, Cook County, Illinois.
<b>Issue:</b>	\$31,580,000 General Obligation Corporate Purpose Bonds, Series 2024.
<b>Dated Date:</b>	Date of delivery, expected to be on or about July 11, 2024.
<b>Interest Due:</b>	Each June 1 and December 1, commencing December 1, 2024.
<b>Principal Due:</b>	Each December 1, commencing December 1, 2025, through December 1, 2044, as detailed on the front page of this Final Official Statement.
<b>Optional Redemption:</b>	Bonds maturing on or after December 1, 2034, are callable at the option of the City on any date on or after December 1, 2033, at a price of par plus accrued interest. See <b>“OPTIONAL REDEMPTION”</b> herein.
<b>Authorization:</b>	The Bonds are authorized pursuant to and in accordance with the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois, and a bond ordinance adopted by the City Council of the City (the “City Council”) on the 28 <sup>th</sup> day of May, 2024 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”).
<b>Security:</b>	The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
<b>Credit Rating:</b>	The Bonds have been rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York (“S&P”). See <b>“INVESTMENT RATING”</b> herein.
<b>Purpose:</b>	The Bond proceeds will be used to (i) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 4-R-22 adopted by the City Council on January 10, 2022, (ii) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 19-R-23 adopted by the City Council on March 27, 2023, (iii) finance other capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2024 in the City’s Capital Improvement Plan, as adopted by the City Council, and (iv) pay the costs of issuing the Bonds. See <b>“THE PROJECT”</b> herein.
<b>Tax Exemption:</b>	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under <b>“TAX EXEMPTION”</b> in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>Bank Qualification:</b>	The Bonds <b>are not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
<b>Bond Registrar/Paying Agent:</b>	Zions Bancorporation, National Association, Chicago, Illinois.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about July 11, 2024.
<b>Book-Entry Form:</b>	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See <b>APPENDIX B</b> herein.
<b>Denomination:</b>	\$5,000 or integral multiples thereof.
<b>Municipal Advisors:</b>	Speer Financial, Inc., Chicago, Illinois, and Sycamore Advisors LLC, Chicago, Illinois.

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

Daniel Biss  
*Mayor*

**Council Members**

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

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

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

Krissie Harris  
*(2<sup>nd</sup> Ward)*

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

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

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

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

Juan Geracaris  
*(9<sup>th</sup> Ward)*

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**Officials**

Stephanie Mendoza  
*City Clerk*

Luke Stowe  
*City Manager*

Hitesh Desai  
*Chief Financial Officer/Treasurer*

Alexandra B. Ruggie, 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 \$31,580,000 General Obligation Corporate Purpose Bonds, Series 2024 (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 May 28, 2024 (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) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 4-R-22 adopted by the City Council on January 10, 2022, (ii) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 19-R-3 adopted by the City Council on March 27, 2023, (iii) finance other capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2024 in the City’s Capital Improvement Plan, as adopted by the City Council, and (iv) pay the costs of issuing the Bonds. See **“THE PROJECT”** herein.

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, other than interest due on the Bonds on December 1, 2024. The Bond Ordinance will be filed with the County Clerk (the “County Clerk”) of The County of Cook, Illinois (the “County”) and will serve as authorization to the County Clerk to extend and collect the Ad Valorem Property Taxes.

The Bond Ordinance establishes a bond fund for the repayment of the Bonds (the “Bond Fund”). Pursuant to the Bond Ordinance, the City may, before the deadline for the filing of an abatement of the Ad Valorem Property Taxes for any year, by proper proceedings abate all or a portion of the Ad Valorem Property Taxes for that year to the extent that sufficient funds of the City have been deposited into the Bond Fund for the payment of principal of and interest on the Bonds otherwise payable from such Ad Valorem Property Taxes.

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 property taxes. These alternative sources include sales taxes, water and sewer service charges, special assessments, parking revenues, Tax Increment Financing (“TIF”) increment, 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.

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## THE PROJECT

The Bond proceeds will be used to (i) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 4-R-22 adopted by the City Council on January 10, 2022, (ii) reimburse the City for its prior expenditures on certain capital projects detailed in Resolution 19-R-23 adopted by the City Council on March 27, 2023, (iii) finance other capital improvements at various locations throughout the City, including certain capital projects as detailed below for the year 2024 in the City’s Capital Improvement Plan, as adopted by the City Council (collectively, the “Project”) and to pay the costs of issuing the Bonds. The Project includes the following projects:

### Reimbursement for Prior Expenditures on 2022 Projects

<u>Project</u>	<u>Type</u>	<u>Amount</u>
Street Resurfacing - Poplar, South End (South of Colfax) to Livingston .....	Street Resurfacing, Water Main and Sewer .....	\$ 50,000
Bridge Inspection.....	Other Transportation .....	40,000
Ridge Avenue Intersection Improvements - Construction .....	Other Transportation .....	624,000
General Phase I Engineering .....	Other Transportation .....	22,000
Streetlight Pole and Fixture Replacement .....	Other Transportation .....	265,000
Sidewalk Improvement Program .....	Other Transportation .....	361,000
Traffic Calming, Bicycle and Pedestrian Improvements .....	Other Transportation .....	225,000
Beck Park Expansion/Shore School - Consulting Services .....	Parks .....	76,000
Tennis Court Resurfacing - James, Crown, Bent, Burnham Shores .....	Parks .....	450,000
Larimer Park Improvements - Consulting Services .....	Parks .....	25,000
Independence Park - Consulting Services.....	Parks .....	95,000
James Park - Improvements.....	Parks .....	492,000
Parks Contingency .....	Parks .....	100,000
Parks Strategic Master Plan - Consulting Services .....	Parks .....	215,000
Skate Park.....	Parks .....	1,250,000
Civic Center - Consulting Services .....	Facilities .....	100,000
Ecology Center Improvements .....	Facilities .....	323,000
Facilities Contingency .....	Facilities .....	735,000
Park Fieldhouses Interior/Restroom Improvements (Ackerman, Baker, Bent, Lagoon, Leahy, Lovelace) .....	Facilities .....	271,000
Service Center - Fuel System Replacement.....	Facilities .....	213,000
Public Art.....	Miscellaneous.....	45,000
Total Expenditures on 2022 Projects.....		\$ 5,977,000

### Reimbursement for Prior Expenditures on 2023 Projects

<u>Project</u>	<u>Type</u>	<u>Amount</u>
Chicago Ave, Howard to Davis.....	Street Resurfacing, Water Main and Sewer .....	\$ 450,000
Main Street Improvements, Maple to Hinman .....	Street Resurfacing, Water Main and Sewer .....	467,000
Oakton Corridor Traffic Calming Improvements .....	Street Resurfacing, Water Main and Sewer .....	3,150,000
Bus Stop ADA Improvements.....	Other Transportation .....	88,000
Lincoln Street Bridge .....	Other Transportation .....	70,000
Ridge Avenue Signal Retiming.....	Other Transportation .....	229,000
Traffic Signal, Central and Central Park .....	Other Transportation .....	89,000
Alley Paving - Special Assessment – North of Chancellor, East of Asbury .....	Other Transportation .....	36,000
General Phase I Engineering .....	Other Transportation .....	30,000
Streetlight Pole and Fixture Replacement .....	Other Transportation .....	107,000
Traffic Calming, Bicycle and Pedestrian Improvements .....	Other Transportation .....	100,000
Sidewalk Gap Infill.....	Other Transportation .....	300,000
Sidewalk Improvement Program .....	Other Transportation .....	300,000
Sidewalk - Safe Routes to School .....	Other Transportation .....	66,000
Arrington Lagoon - Retaining Wall.....	Parks .....	130,000
Beck Park Expansion/Shore School.....	Parks .....	160,000
James Park - Athletic Lighting North Fields.....	Parks .....	1,033,000
James Park - Pathway Reconstruction.....	Parks .....	175,000
Parks Contingency .....	Parks .....	50,000

(continued on following page)

**Reimbursement for Prior Expenditures on 2023 Projects**

(continued)

<u>Project</u>	<u>Type</u>	<u>Amount</u>
Public Canoe Launch (including Eco Center Parking Lot) – Phase II Consulting Services.....	Parks .....	\$ 40,000
Animal Shelter Renovations .....	Facilities .....	2,360,000
Ecology Center - Renovation.....	Facilities .....	1,195,000
Facilities Contingency .....	Facilities .....	660,000
Roof Replacement (Ackerman, Baker, Dempster, Fire 5, Police Station).....	Facilities .....	350,000
Service Center - Renovations.....	Facilities .....	140,000
ADA Improvements .....	Miscellaneous.....	160,000
City Fleet Charging Infrastructure.....	Sustainability .....	100,000
2023 Water Main Replacement.....	Water.....	2,988,000
Green Bay Road Water Main (Central to Lincoln).....	Water.....	510,000
Total Expenditures on 2023 Projects.....		<u>\$15,533,000</u>

**2024 Capital Improvement Plan Projects**

<u>Project</u>	<u>Type</u>	<u>Amount</u>
East Filter Plant Reliability.....	Water.....	\$ 1,000,000
WTP - Standpipe Water Quality - Engineering .....	Water.....	300,000
WTP - Standpipe Water Quality - Construction .....	Water.....	1,200,000
WTP - East Filter (13, 14, &18) 30" Valves and Actuators and Install.....	Water.....	250,000
WTP - Shoreline Improvements - Engineering .....	Water.....	200,000
Distribution System - Retail Water Meter Replacement Program Phase 2 & MIU - Year 2.....	Water.....	1,100,000
WM - Water Main Replacement - Bond Funded.....	Water.....	5,221,000
WM - LSLR - WM - City Funded.....	Water.....	1,530,000
WM - LSLR Engineering (Pilot) .....	Water.....	550,000
WM - LSLR Engineering 2024 WM .....	Water.....	300,000
WM - General Phase I Engineering.....	Water.....	40,000
Total 2024 Capital Improvement Plan Projects .....		<u>\$11,691,000</u>

**SOURCES AND USES**

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

**SOURCES:**

Principal Amount.....	\$31,580,000.00
Reoffering Premium .....	<u>1,903,433.40</u>
Total Sources.....	<u>\$33,483,433.40</u>

**USES:**

Costs of the Project.....	\$33,201,000.00
Costs of Issuance(1) .....	<u>282,433.40</u>
Total Uses.....	<u>\$33,483,433.40</u>

Note: (1) Includes underwriter's discount, fixed costs of issuance and contingencies.

## OPTIONAL REDEMPTION

The Bonds due December 1, 2025-2033, inclusive, are not subject to optional redemption. The Bonds due December 1, 2034-2044, inclusive, are callable in whole or in part on any date on or after December 1, 2033, 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.

## 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.

### Finances of the State of Illinois

While the finances of the State of Illinois (the "State") have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 44%.

The State enacted full budgets for the State fiscal years ending June 30, 2018 (the “Fiscal Year 2018 Budget”), June 30, 2019 (the “Fiscal Year 2019 Budget”), June 30, 2020 (the “Fiscal Year 2020 Budget”), June 30, 2021 (the “Fiscal Year 2021 Budget”), June 30, 2022 (the “Fiscal Year 2022 Budget”), and June 30, 2023 (the “Fiscal Year 2023 Budget”). On June 7, 2023, the Governor signed the State’s budget (Public Act 103 006) for the fiscal year ending June 30, 2024 (the “Fiscal Year 2024 Budget”), which included a \$183 million surplus, additional contributions to the State pension system and the State’s Budget Stabilization (“rainy day”) Fund, which is set to surpass \$2 billion, and the elimination of the State’s bill backlog.

Under current law, the State shares a portion of sales tax, income tax, use tax and motor fuel tax revenue with municipalities, including the City. The State’s general fiscal condition and the underfunding of the State’s pension systems have materially adversely affected the State’s financial condition and may result in decreased or delayed revenues allocated to the City. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. Subsequent State budgets have not included any such reduction. The Fiscal Year 2018 Budget, and each budget thereafter 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 each State Fiscal Year thereafter.

The City does not know what future decisions will be made by the State or what potential impact on revenue it may have at this.

### **Future Pension Plan Funding Requirements**

The City participates in the Police Pension Plan and the Fire 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. 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 IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City. The State released an interim FY2023 report that reflected and expected growth in the net pension liability. As of June 30, 2023, the projected net pension liability was \$145.6 billion, an increase of \$5.7 billion or 4% when compared to FY2022.

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 Fire Pension Plan to satisfy contribution shortfalls by the City. The City has met or exceeded the annual required contribution amount for at least the last five years. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Fire 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”** 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 Rating**

The Bonds have received a credit rating from S&P. The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## **Secondary Market for the Bonds**

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

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

## **Continuing Disclosure**

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

## **Suitability of Investment**

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

## **Future Changes in Laws**

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

## **Factors Relating to Tax Exemption**

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

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

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

## **Bankruptcy**

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

## **Climate Change Risk**

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

## **THE CITY**

### **General Information**

The City constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront. The City has apartments, condominiums, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, and neighborhood commercial centers are also stable. It is a part of the Chicago-land economy and has a vigorous commercial and professional economy of its own. A 2020 Census population of approximately 78,000 is diverse by race, religion, age, education, economics, and occupation. With approximately 10,000 people per square mile, the City covers 7.8 square miles. The City has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and 5 beaches.

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

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

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

## **Northwestern University**

The City is the home of Northwestern University, with about 22,600 graduate and undergraduate students, and over 8,000 full and part-time employees at its Evanston campus, so named as it was established to serve the Northwest Territory. Northwestern University first platted the village which surrounded it. The State legislature named the village “Evanston” in honor of Dr. John Evans, the president of Northwestern University’s Board.

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

## **Government**

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

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

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

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

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

## **Administration**

Luke Stowe is the City Manager. Mr. Stowe has been the City Manager since 2022. 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, City Manager's Office, Community Development, Fire, Health and Human Services, Law, Library, Parks and Recreation, Police and Public Works.

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 2022 total equalized assessed value ("EAV") of \$3.75 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 884.18 (2024 budget full-time equivalent) employees and include: Police – Fraternal Order of Police (FOP) (expires on December 31, 2026); Firefighters - Local 742 of the International Association of Firefighters (IAFF) (expires on December 31, 2026); Police Sergeants - FOP (expires on December 31, 2026); 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, 2026.

The City has not experienced any work stoppage due to labor difficulties in more than 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.

### Population

The City’s population is essentially stable, having been near 75,000 since 1950.

#### City Population Trends(1)

Year	The City		The County		The State	
	Population	Percentage Change	Population	Percentage Change	Population	Percentage Change
1950 Census .....	73,641	N/A	4,508,792	N/A	8,712,176	N/A
1960 Census .....	79,283	7.66%	5,129,725	13.77%	10,081,158	15.71%
1970 Census .....	80,113	1.05%	5,492,369	7.07%	11,110,285	10.21%
1980 Census .....	73,706	(8.00%)	5,253,655	(4.35%)	11,426,596	2.85%
1990 Census .....	73,233	(0.64%)	5,105,067	(2.83%)	11,430,602	0.04%
2000 Census .....	74,239	1.37%	5,376,741	5.32%	12,419,293	8.65%
2010 Census .....	74,486	0.33%	5,194,675	(3.39%)	12,830,632	3.31%
2020 Census .....	78,110	4.87%	5,275,541	1.56%	12,812,508	(0.14%)

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

## Employment

Following are lists of large employers located in the City.

### City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Northwestern University .....	Higher Education .....	6,500
Northshore University Health System .....	Healthcare .....	4,652
PT Solutions Holdings .....	Physical Therapy .....	2,000
Evanston School District 65 .....	Education .....	1,500
KPFF, Inc. ....	Consulting Engineers.....	1,293
The City.....	Government.....	864
Presence Saint Francis Hospital.....	Healthcare .....	800
School District 202 .....	Education .....	663
FourGen Holdings, Inc. ....	Holding Company .....	631
Right at School, LLC.....	Education .....	586

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

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

### Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Northfield.....	Medline Industries, Inc. ....	Corporate Headquarters; Medical Equipment and Supplies .....	5,000
Skokie .....	DRIV Automotive, Inc. ....	Rubber Product Fabricators .....	1,300
Skokie .....	Skokie Hospital .....	General Hospital .....	1,200
Niles .....	Woodward, Inc. ....	Aerospace Components.....	1,000
Northfield.....	College Of American Pathologists.....	College .....	730
Morton Grove .....	John Crane, Inc.....	Corporate Headquarters; Mechanical Products .....	700
Morton Grove .....	Xylem.....	Pumps and Pumping Equipment .....	650
Skokie .....	Amazon.com Services, LLC .....	Warehouse Fulfillment and Logistical Services.....	600
Niles .....	Shure, Inc. ....	Corporate Headquarters; Microphones .....	600
Niles.....	Specialty Print Communications.....	Corporate Headquarters; Commercial Printing .....	510

Note: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory and a selective telephone survey.

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The following tables show employment by industry and by occupation for the City, the County, and the State as reported by the U.S. Bureau of the Census, American Community Survey (“ACS”), 5-Year Estimates, 2022, the most current statistical information available.

### Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining.....	52	0.1%	5,098	0.2%	64,950	1.0%
Construction.....	964	2.5%	123,190	4.7%	342,937	5.5%
Manufacturing.....	2,107	5.4%	242,737	9.3%	731,486	11.6%
Wholesale Trade.....	749	1.9%	64,144	2.5%	175,238	2.8%
Retail Trade.....	3,053	7.8%	240,182	9.2%	658,806	10.5%
Transportation and Warehousing, and Utilities.....	1,024	2.6%	200,420	7.7%	434,186	6.9%
Information.....	1,001	2.6%	51,552	2.0%	107,181	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing.	2,837	7.3%	217,240	8.4%	463,714	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services.....	7,315	18.8%	406,184	15.6%	786,872	12.5%
Educational Services and Health Care and Social Assistance.....	14,276	36.6%	606,870	23.3%	1,466,053	23.3%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	2,493	6.4%	225,094	8.7%	527,829	8.4%
Other Services, Except Public Administration.....	2,121	5.4%	124,868	4.8%	287,651	4.6%
Public Administration.....	996	2.6%	93,040	3.6%	233,544	3.7%
Total.....	38,988	100.0%	2,600,619	100.0%	6,280,447	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

### Employment by Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts.....	24,974	64.1%	1,158,970	44.6%	2,614,394	41.6%
Service.....	5,209	13.4%	428,545	16.5%	1,018,669	16.2%
Sales and Office.....	5,983	15.3%	512,407	19.7%	1,276,600	20.3%
Natural Resources, Construction, and Maintenance.....	846	2.2%	150,277	5.8%	448,841	7.1%
Production, Transportation, and Material Moving.....	1,976	5.1%	350,420	13.5%	921,943	14.7%
Total.....	38,988	100.0%	2,600,619	100.0%	6,280,447	100.0%

Notes: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

### 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
2020(2).....	7.7%	10.6%	9.3%
2021.....	4.8%	6.9%	6.1%
2022.....	3.9%	5.0%	4.6%
2023.....	3.6%	4.4%	4.5%
2024(3).....	3.7%	4.9%	5.0%

Notes: (1) Source: Illinois Department of Employment Security.  
(2) The City attributes the increase in unemployment rates to the COVID-19 pandemic.  
(3) Preliminary rates for the month of March 2024.

## Building Permits

Residential building permits have averaged \$264,346,037 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
2019 .....	\$215,835,573
2020 .....	313,438,281
2021 .....	242,497,361
2022 .....	339,152,670
2023 .....	210,806,300

Note: (1) Source: the City.

## Housing

The U.S. Census Bureau reported that the median value of the City's owner-occupied homes was \$454,600. This compares to \$293,700 for the County and \$239,100 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 2022 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 .....	273	1.6%	40,965	3.4%	180,748	5.5%
\$50,000 to \$99,999 .....	207	1.2%	47,665	4.0%	324,962	9.8%
\$100,000 to \$149,999 .....	759	4.4%	92,280	7.8%	391,156	11.8%
\$150,000 to \$199,999 .....	926	5.4%	131,587	11.1%	435,868	13.2%
\$200,000 to \$299,999 .....	2,727	15.8%	300,493	25.3%	776,095	23.4%
\$300,000 to \$499,999 .....	4,774	27.6%	342,666	28.8%	785,156	23.7%
\$500,000 to \$999,999 .....	5,826	33.7%	181,218	15.2%	339,326	10.2%
\$1,000,000 or more .....	1,788	10.3%	52,071	4.4%	79,498	2.4%
Total .....	17,280	100.0%	1,188,945	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

### Mortgage Status(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage .....	10,800	62.5%	753,292	63.4%	2,054,273	62.0%
Housing Units without a Mortgage .....	6,480	37.5%	435,653	36.6%	1,258,536	38.0%
Total .....	17,280	100.0%	1,188,945	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

## Education and Employment

The 2022 ACS reported that over 69.3% of adult residents of the City have four or more years of college, compared to 37.7% nationally, and 95.77% have at least a high school education or higher.

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

<u>Education Level</u>	<u>Number</u>	<u>Percentage</u>
Graduate or Professional Degree .....	19,999	39.42%
Bachelor's Degree .....	15,163	29.89%
Associate's Degree .....	2,000	3.94%
Some College, No Degree .....	6,107	12.04%
High School Graduate .....	5,320	10.49%
9th to 12th Grade, No Diploma .....	1,368	2.70%
Less than 9th Grade .....	776	1.53%
Total .....	50,733	100.00%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The following table shows the proportion of the City residents holding certain job categories as reported by the 2022 ACS. Consistent with the high average level of educational attainment, over 64.1% of job holders who are City residents work in professional or managerial jobs, as compared to 44.6% in the County and 41.6% in the State.

### Select Occupation Categories(1)

<u>Type of Occupation</u>	<u>Number</u>	<u>Percentage</u>
Management, Business, Science and Arts .....	24,974	64.06%
Service Occupation .....	5,209	13.36%
Sales and Office Occupation .....	5,983	15.35%
Natural Resources, Construction and Maintenance ...	846	2.17%
Production, Transportation, Material Moving .....	1,976	5.07%
Total .....	38,988	100.00%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

## Income

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

<u>Ranking</u>	<u>County</u>	<u>2018 to 2022</u>
1 .....	DuPage County .....	\$55,107
2 .....	Lake County .....	53,677
3 .....	Monroe County .....	47,248
4 .....	McHenry County .....	46,322
<b>5 .....</b>	<b>Cook County .....</b>	<b>45,646</b>
6 .....	Kane County .....	44,523
7 .....	Will County .....	44,356
8 .....	Grundy County .....	42,192
9 .....	Menard County .....	41,497
10 .....	Piatt County .....	41,429

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The following shows the median family income for counties in the State.

### Ranking of Median Family Income(1)

County	Family Income	Ranking
DuPage County.....	\$131,901	1
Lake County.....	126,685	2
Monroe County.....	123,603	3
Will County.....	119,675	4
McHenry County.....	116,736	5
Kendall County.....	114,678	6
Kane County.....	112,260	7
<b>Cook County.....</b>	<b>97,520</b>	<b>15</b>

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The U.S. Census Bureau reported that the City had a median family income of \$146,789. This compares to \$97,520 for the County and \$99,215 for the State. As shown below, 35.1% 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 2022 ACS, the most current statistical information available.

### Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	237	1.5%	43,071	3.6%	92,548	3.0%
\$10,000 to \$14,999.....	111	0.7%	22,773	1.9%	51,680	1.6%
\$15,000 to \$24,999.....	491	3.0%	56,701	4.7%	127,333	4.1%
\$25,000 to \$34,999.....	456	2.8%	71,335	5.9%	160,445	5.1%
\$35,000 to \$49,999.....	1,087	6.7%	106,849	8.8%	267,949	8.5%
\$50,000 to \$74,999.....	1,520	9.3%	167,778	13.9%	455,252	14.5%
\$75,000 to \$99,999.....	1,891	11.6%	149,547	12.4%	423,500	13.5%
\$100,000 to \$149,999.....	2,523	15.5%	228,932	18.9%	660,439	21.1%
\$150,000 to \$199,999.....	2,278	14.0%	143,577	11.9%	385,443	12.3%
\$200,000 or more.....	<u>5,727</u>	<u>35.1%</u>	<u>220,107</u>	<u>18.2%</u>	<u>509,514</u>	<u>16.3%</u>
Total.....	16,321	100.0%	1,210,670	100.0%	3,134,103	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The U.S. Census Bureau reported that the City had a median household income of \$93,188. This compares to \$78,304 for the County and \$78,433 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 2022 ACS, the most current statistical information available.

### Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	1,772	5.7%	124,376	6.0%	261,983	5.3%
\$10,000 to \$14,999.....	952	3.1%	81,221	3.9%	173,630	3.5%
\$15,000 to \$24,999.....	1,338	4.3%	140,887	6.8%	332,403	6.7%
\$25,000 to \$34,999.....	1,823	5.9%	147,582	7.1%	350,966	7.1%
\$35,000 to \$49,999.....	3,013	9.8%	200,137	9.7%	500,799	10.1%
\$50,000 to \$74,999.....	3,978	12.9%	301,969	14.6%	766,671	15.4%
\$75,000 to \$99,999.....	3,334	10.8%	255,350	12.4%	639,046	12.9%
\$100,000 to \$149,999.....	4,690	15.2%	346,116	16.8%	876,255	17.6%
\$150,000 to \$199,999.....	3,028	9.8%	191,308	9.3%	467,313	9.4%
\$200,000 or more.....	<u>6,972</u>	<u>22.6%</u>	<u>277,302</u>	<u>13.4%</u>	<u>599,695</u>	<u>12.1%</u>
Total.....	30,900	100.0%	2,066,248	100.0%	4,968,761	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

## FINANCES

### Budget Process

The City's fiscal year 2024 began on January 1, 2024. The City Manager submitted to the City Council a proposed operating budget in October 2023 for the fiscal year 2024 commencing the following January 1. The City budget team started the budget process for fiscal year 2024 in late summer followed by meeting with all departments for their individual budgets. On December 11, 2023, the Council adopted Ordinance 82-0-23, approving the FY 2024 budget. The City operates under the Illinois Budget Act, adopting a budget by an ordinance. All Funds are included in the Ordinance

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

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

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

### Fund Accounting

The City uses funds to report on both its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain City functions or activities. Each fund is a separate, self-balancing accounting entity. In the City, there are three categories of funds: governmental, proprietary and fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2023, the City projected that 48.46% (\$143 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, General Obligation Debt, Parking, Water, and Sewer Funds.

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

## Financial Control Procedures

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

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

## Financial Statements and Independent Audits

The City annually presents its ACFR 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, 2022.

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, 2023. Copies of the City's ACFR are available at the City's website. The ACFR for the fiscal year ended December 31, 2023, is 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 ACFR and certain additional financial and operating data within 270 days after the close of the City's fiscal year. See **APPENDIX D** 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 \$13.51 million and the home-rule sales tax produced \$10.46 million for the State’s fiscal year ended June 30, 2024. The State sales taxes payable to the City have grown at approximately 40% for the last five years.

## Retail Activity

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

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

State Fiscal Year Ending <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>
2020 .....	\$10,516,115	\$6,570,646	\$17,086,761	1.37%(3)
2021 .....	9,956,852	6,987,099	16,943,951	(0.84%)
2022 .....	12,410,484	9,571,106	21,981,590	29.73%
2023 .....	13,060,132	10,317,275	23,377,407	6.35%
2024 .....	13,514,497	10,455,647	23,970,144	2.54%

- 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 2020 percentage is based on a total 2019 sales tax distribution of \$16,855,188.

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</u>	<u>Amount</u>
2019 .....	\$1,744,366
2020 .....	1,500,129
2021 .....	2,870,429
2022 .....	5,516,675
2023 .....	4,087,124

Note: (1) Source: the City.

## Utility Taxes

The City collects utility taxes on natural gas, electricity, and telephone charges. Utility taxes generated \$6.2 million for the fiscal year ended December 31, 2023, compared to \$6.9 million for the fiscal year ended December 31, 2022, \$6.1 million for the fiscal year ended December 31, 2021, \$5.9 million for the fiscal year ended December 31, 2020, and \$6.4 million for the fiscal year ended December 31, 2019.

## MAJOR INITIATIVES – FISCAL YEAR 2024

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

### City Manager’s Office:

- Communications
- Increase the number of videos produced for social media/newsletters.
- Increase Instagram following by 15%.
- Relaunch the VolunteerEvanston Platform.
- Re-establish inclusive, internal staff engagement events.
- Increase communication platform, branding, and social media trainings for staff.
- Cultural Arts
- Implementing the 2-year strategic plan for arts and culture in Evanston.
- Hosting Arts and Culture Town Halls across Evanston.
- Applying for grant funding through the Cultural Arts Fund.
- Economic Development
- Implementation of Evanston Thrives Recommendations
- Launching the business directory featuring MWEDBE and LGQTQIA+ categories
- City owned land utilization strategies aligned with CARP and Affordable Housing goals
- Finance and Accounting
- The adoption and adherence to GASB96 for annual audit reporting with the 2023 Annual Audit.
- Working with the Finance and Budget Committee and City Departments to improve projections and forecasts in all City Funds.
- Working with Departments to improve the 2025 Budget Planning Process.
- Organizational Performance and Equity

- Developing a new Evanston Organizational Performance and Equity Framework through co-design and embedding in organizational culture and processes.
- Providing all staff with professional learning experiences focused on equity-based leadership and centering an equity lens in their work.
- Centering targeted universalism in policies and budgets including an Affirmative Action Policy, Pay Equity Ordinance, and Evanston Equity Index to drive equitable allocation formulas.
- Purchasing
- Updating the Bid/RFP/RFQ Templates and Forms
- Reparations
- See "Reparations Fund" within "All Funds"
- Revenue and Collections
- Introduction of Zendesk to streamline email notifications and requests
- Restructuring the office layout and work distribution to become more efficient
- Ongoing implementation and troubleshooting of the kiosks
- Sustainability
- See "Sustainability Fund" within "All Funds"

#### Law Department:

- Work with IT and the Collector's Office to bring the application and payment process for liquor licensing to an online platform.
- In conjunction with the City Policy Coordinator, monitor pending legislation that can or will have an impact on the City, its operations and residents.
- In conjunction with the City Manager's Office, conduct a comprehensive review of the City Code, looking for conflicts within the Code and with state law.
- Identify opportunities for training and education for staff to increase knowledge surrounding real estate and land use.
- If fully staffed, work with the Collector's Office to recover money owed to the City to increase revenues.

#### Administrative Services:

- FFM staff will continue to expand on its use of the VueWorks program in order to better plan maintenance, replacements and improvements at our City Facilities in a manner that is proactive rather than reactive.
- Parking staff will be reviewing a parking study report prepared by a consultant and bringing forward any thoughtful changes to City Council for review.
- Parking staff will be evaluating revenues in order to recommend increases to monthly lot permit parking as well as residential parking districts, areas that have not had a fee increase in many years
- IT staff will continue to work on improving cybersecurity posture in an ongoing effort to ensure the City assets are kept safe, and continue to work on the City's website ensuring accessibility.
- FFM will review and share the information obtained through the Fleet Electrification and Rightsizing Study to develop and implement in a phased manner and pace a strategy that is financially responsible.
- The IT Division will deploy a web based public portal to promote transparency, efficiency and reduce FOIA requests and plan to migrate the City's contract database to the public portal along with other department records.
- The IT Division would like to open a project management bureau to shepherd along internal and external projects requiring technological input and resource management.

Community Development:

- Implement Updated Permit Software (continuous).
- Initiate New Comprehensive Plan & Zoning Code process
- Implement programs and projects under the American Rescue Plan Act (ARPA)
- Fund a non-congregate shelter and implement tenant-based rental assistance with HOME-ARP
- Implement rental housing inspection and registration/licensing programs for standard rental leases, vacation rentals, and shared housing providers
- Monitor and inspect vacant and dangerous buildings to mitigate impact on neighborhoods
- Enhance communication with housing providers and property managers.
- Implement landlord tenant and inclusionary housing waitlist programs.
- Continue and refine the funding process to address inequities in access to social services, including providing mental health support services to clients in case management programs
- Assess and amend the Inclusionary Housing Ordinance to increase its effectiveness
- Update the Residential Tenant Landlord Ordinance, including consideration of Just Cause
- Complete the federally required Assessment of Fair Housing and 2025-2029 Consolidated Plan
- Fund capital improvement projects: alley paving, sidewalk and park improvements, non-profit facilities improvements
- Update the website and marketing materials to improve customer service, outreach, and accessibility for Housing and Community Development related programs
- Affordable housing projects using City-owned properties: 1811 Church, 504 South Boulevard
- Expand tools to address the housing needs of low-, moderate-, and middle-income residents.

Police:

- Fill vacant positions with competent, qualified personnel as quickly as possible.
- Research and evaluate Tyler's Enterprise Public Safety system.
- Development and implementation of a new 911 Continuity of Operations Center during system failure in case of needed backup.
- Review and implementation of new performance evaluations.
- Research and development of a master plan for the replacement or complete renovation of the Evanston Police Department Building in conjunction with City Departments and stakeholders.

Fire:

- Enhancing lifeguard protocols, using lessons learned after a successful first season.
- Contract with a vendor to better organize, update and review policies and procedures, General Orders, Standard Operating Procedures, etc., ensuring up to date with local, State and Federal policies.
- Equip all stations with security cameras to ensure the safety of the stations, employees, and equipment.
- If approved in FY2024 Budget Process, replace, and update major medical equipment from Stryker Corporation through ALS360.
- If approved in FY2024 Budget Process, increasing ambulance fee rates.

#### Health and Human Services:

- Continue to prioritize the response to COVID-19, MDRO's and other disease outbreaks in the community including schools, facilities housing high-risk populations such as in our long-term care facilities and congregate settings. The response will also include vaccination efforts coordinated by the Department.
- Acquisition of additional grants to support operations and activities of the Department.
- Create a clearinghouse of data to better measure health equity achievements.
- Continue to be leaders in progressive tobacco cessation policies and implement strategies in Evanston to deter unhealthy behaviors.
- Continuing to incorporate the City's EPLAN in City operations and goals thereby using it as a tool to make significant positive impacts to equity and disparity issues in the community.
- Begin enforcement of the plastic bag ordinance for establishments less than 10,000 sq ft
- Improve licensing and inspecting efficiency by partnering with Byrne Software in order to work on Accela

#### Parks and Recreation:

- Year-round outdoor recreation programs, collaborating with affiliate groups to accomplish new programming.
- Implement new Community Affiliates Program to mirror current Sports Affiliate Program, strengthening partnerships with community and social service partners.
- Continued implementation of free Starlight Concert and Movie Series in all nine wards with an increase in community engagement to select musical performers and movie titles.
- Explore and test new recreation software system for special events, park/field permits, and facility rentals.
- Revival of special events with the addition of the Special Events Coordinator, expanding events throughout the nine wards.
- Creation of Food/Concession Service in five Parks and Recreation spaces.
- Continued increase in diversity of recreational programs offered including programs that are more inclusive and accessible.
- Create workable volunteer program across the Department.
- Strengthen partnership with Canal Shores to expand golf programs.
- Further develop partnerships with District 65 to offer year-round programs.
- Create Department-wide safety plan for all recreation spaces.
- Establish work plan, including objectives that are SMART (Specific, Measurable, Achievable, Relevant, Time Bound) for each Division that will be used to implement Parks and Strategic Green Space Plan.

#### Public Works:

- Complete construction of the Main Street corridor improvement project from Maple Avenue to Hinman Avenue.
- Complete Leon Place reconstruction project
- Complete phase II design engineering for the Green Bay Road Project from McCormick Blvd. to Isabella Street.
- Complete roadway rating analysis and develop a five year street resurfacing plan.
- Start the Phase I Engineering for Lincoln Street Bridge replacement project
- Start phase II design engineering for Chicago Avenue corridor project from Howard to Davis Street
- Complete Park Strategic Master Plan.
- Complete construction of the Animal Shelter.

- Construct new access to the Dog beach.
- Complete construction of Ecology Center Renovation.
- Replace North Fuel Island at the Service Center.
- Continue Implementation of the Sidewalk Improvement and Sidewalk Gap Infill Programs.
- Continue incorporation of CARP goals into City infrastructure projects.
- Begin implementing recommendations from the Stormwater Master Plan and develop long-term goals for stormwater mitigation.
- Finalize development of the Lead Service Line Replacement Program in compliance with State of Illinois regulatory requirements.
- To establish and maintain a section pruning program and prune all trees on a seven year cycle by completing pruning of trees in 1/7th of the City.
- Replace approximately 65 light fixtures in street light poles with new LED fixtures in conformance with the Street Light Master Plan.
- Install ComEd meters in four street light power centers to get them off of dusk to dawn charges.

Library:

- Continue engagement with community members to inform library services and provide programs, especially in Wards 5, 8 and 9.
- Continue to invite patrons to self identify race/ethnicity and language spoken at home when registering for a library card or attending a program.
- Continue to offer STEM learning opportunities for youth, especially those from communities underrepresented in the STEM fields.
- Continue to partner with community members and organizations to bring cultural and arts programming to the community, such as 1619: The Journey of a People.

Overall, General Fund expenditures were at 112% of budgeted expenditures with only Community Development reporting less than 100% expenditures for FY 2023; while the Health Department, Police Department and Fire Department reported slightly higher than budgeted numbers. The higher than budgeted results were partially related to higher than budgeted wage increases for both union and non-union employees. The City's four collective bargaining contracts are in place through December 31, 2026.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for its annual 2024 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.

## 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, the City will have outstanding \$197,205,000 principal amount of general obligation debt. Approximately 28% of this indebtedness, \$55,901,681 (including \$14,445,000 of the Bonds) is expected to be retired from sources other than City-wide general taxes. The City also has outstanding \$53,309,670 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, 2023. The City currently has a \$20,386,000 Water Infrastructure Finance and Innovation Act (“WIFIA”) loan outstanding. The WIFIA loan is secured by the full faith and credit of the City as well as a pledge of net revenues of the City’s Water System. The City expects to make its first draw on the loan in summer 2024.

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 general obligation debt. Of the Bonds, \$14,445,000 of principal is expected to be retired from sources other than the Ad Valorem Property Taxes. After issuance of the Bonds, the City will have \$141,303,319 in aggregate principal of property tax supported general obligation debt, including \$17,135,000 of principal of the Bonds. See “**Statement of Bonded Indebtedness**” below.

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

Series 2013A .....	\$ 7,265,000
Series 2013B .....	1,815,000
Series 2014 .....	7,610,000
Series 2015A .....	8,890,000
Series 2016A .....	9,680,000
Series 2016B .....	2,520,000
Series 2017A .....	10,650,000
Series 2017B .....	3,790,000
Series 2017C .....	4,030,000
Series 2018A .....	23,220,000
Series 2018B .....	16,180,000
Series 2018C .....	4,285,000
Series 2018D .....	3,205,000
Series 2019A .....	12,070,000
Series 2019B .....	11,120,000
Series 2020 .....	26,310,000
Series 2021 .....	12,985,000
The Bonds .....	<u>31,580,000</u>
Total .....	\$197,205,000

Note: (1) Source: the City.

**General Obligation Bonded Debt(1)(2)**  
 (Principal Only)

(Page 1 of 2)

Calendar Year	Series 2013A (Dec. 1)	Series 2013B (Dec. 1)	Series 2014 (Dec. 1)	Series 2015A (Dec. 1)	Series 2016A (Dec. 1)	Series 2016B (Dec. 1)	Series 2017A (Dec. 1)	Series 2017B (Dec. 1)	Series 2017C (Dec. 1)	Series 2018A (Dec. 1)	Series 2018B (Dec. 1)	Series 2018C (Dec. 1)
2024 .....	\$ 685,000	\$ 895,000	\$ 600,000	\$ 625,000	\$ 670,000	\$ 815,000	\$ 645,000	\$ 905,000	\$ 270,000	\$ 750,000	\$ 770,000	\$ 780,000
2025 .....	710,000	920,000	590,000	645,000	685,000	840,000	670,000	935,000	280,000	785,000	810,000	820,000
2026 .....	740,000	0	620,000	645,000	715,000	865,000	695,000	960,000	290,000	825,000	850,000	860,000
2027 .....	645,000	0	650,000	675,000	690,000	0	720,000	990,000	305,000	865,000	895,000	895,000
2028 .....	670,000	0	670,000	700,000	700,000	0	690,000	0	310,000	910,000	940,000	930,000
2029 .....	700,000	0	690,000	730,000	715,000	0	715,000	0	325,000	955,000	985,000	0
2030 .....	730,000	0	710,000	750,000	730,000	0	735,000	0	340,000	1,005,000	1,035,000	0
2031 .....	760,000	0	735,000	775,000	745,000	0	755,000	0	355,000	1,055,000	1,085,000	0
2032 .....	790,000	0	755,000	795,000	770,000	0	780,000	0	365,000	1,105,000	1,140,000	0
2033 .....	835,000	0	780,000	820,000	785,000	0	800,000	0	380,000	1,140,000	1,175,000	0
2034 .....	0	0	810,000	850,000	805,000	0	825,000	0	395,000	1,175,000	1,215,000	0
2035 .....	0	0	0	880,000	825,000	0	845,000	0	415,000	1,215,000	1,255,000	0
2036 .....	0	0	0	0	845,000	0	870,000	0	0	1,260,000	1,295,000	0
2037 .....	0	0	0	0	0	0	905,000	0	0	1,300,000	1,340,000	0
2038 .....	0	0	0	0	0	0	0	0	0	1,350,000	1,390,000	0
2039 .....	0	0	0	0	0	0	0	0	0	1,395,000	0	0
2040 .....	0	0	0	0	0	0	0	0	0	1,445,000	0	0
2041 .....	0	0	0	0	0	0	0	0	0	1,500,000	0	0
2042 .....	0	0	0	0	0	0	0	0	0	1,560,000	0	0
2043 .....	0	0	0	0	0	0	0	0	0	1,625,000	0	0
2044 .....	0	0	0	0	0	0	0	0	0	0	0	0
Total .....	\$7,265,000	\$1,815,000	\$7,610,000	\$8,890,000	\$9,680,000	\$2,520,000	\$10,650,000	\$3,790,000	\$4,030,000	\$23,220,000	\$16,180,000	\$4,285,000

Notes: (1) Source: the City.  
 (2) Mandatory sinking fund payments shown for term bonds.

(Continued on following page)

**General Obligation Bonded Debt(1)(2)**  
 (Principal Only)

(Page 2 of 2)

Calendar Year	Series 2018D	Series 2019A	Series 2019B	Series 2020	Series 2021	The Bonds	Total Outstanding Debt	Cumulative Principal Retired	
	(Dec. 1)	(Dec. 1)	(Dec. 1)	(Dec. 1)	(Dec. 1)	(Dec. 1)		Amount	Percent
2024 .....	\$ 160,000	\$ 365,000	\$ 470,000	\$ 1,640,000	\$ 1,120,000	\$ 0	\$ 12,165,000	\$ 12,165,000	6.17%
2025 .....	165,000	385,000	495,000	1,730,000	1,145,000	960,000	13,570,000	25,735,000	13.05%
2026 .....	175,000	400,000	520,000	1,815,000	820,000	1,005,000	12,800,000	38,535,000	19.54%
2027 .....	180,000	420,000	545,000	1,905,000	845,000	1,060,000	12,285,000	50,820,000	25.77%
2028 .....	190,000	445,000	570,000	2,000,000	870,000	1,115,000	11,710,000	62,530,000	31.71%
2029 .....	195,000	465,000	600,000	2,195,000	900,000	1,170,000	11,340,000	73,870,000	37.46%
2030 .....	205,000	490,000	630,000	1,835,000	945,000	1,225,000	11,365,000	85,235,000	43.22%
2031 .....	210,000	515,000	660,000	1,875,000	995,000	1,290,000	11,810,000	97,045,000	49.21%
2032 .....	220,000	540,000	695,000	745,000	1,010,000	1,355,000	11,065,000	108,110,000	54.82%
2033 .....	225,000	565,000	730,000	795,000	445,000	1,420,000	10,895,000	119,005,000	60.35%
2034 .....	235,000	595,000	765,000	815,000	455,000	1,495,000	10,435,000	129,440,000	65.64%
2035 .....	245,000	625,000	805,000	830,000	465,000	1,565,000	9,970,000	139,410,000	70.69%
2036 .....	255,000	655,000	845,000	1,540,000	470,000	1,640,000	9,675,000	149,085,000	75.60%
2037 .....	265,000	690,000	885,000	1,570,000	480,000	1,725,000	9,160,000	158,245,000	80.24%
2038 .....	280,000	725,000	930,000	1,625,000	490,000	1,815,000	8,605,000	166,850,000	84.61%
2039 .....	0	760,000	975,000	1,655,000	500,000	1,905,000	7,190,000	174,040,000	88.25%
2040 .....	0	795,000	0	1,740,000	510,000	2,000,000	6,490,000	180,530,000	91.54%
2041 .....	0	835,000	0	0	520,000	2,080,000	4,935,000	185,465,000	94.05%
2042 .....	0	880,000	0	0	0	2,165,000	4,605,000	190,070,000	96.38%
2043 .....	0	920,000	0	0	0	2,250,000	4,795,000	194,865,000	98.81%
2044 .....	0	920,000	0	0	0	2,340,000	2,340,000	197,205,000	100.00%
<b>Total .....</b>	<b>\$3,205,000</b>	<b>\$12,070,000</b>	<b>\$11,120,000</b>	<b>\$26,310,000</b>	<b>\$12,985,000</b>	<b>\$31,580,000</b>	<b>\$197,205,000</b>		

Notes: (1) Source: the City.  
 (2) Mandatory sinking fund payments shown for term bonds.

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

**General Obligation Bonds(1)(2)**  
 (Principal and Interest)

Calendar Year	Sub-Total Debt Service(3)	The Bonds		Total Debt Service
		Principal	Interest	
12/1/2024 .....	\$18,314,176	\$ 0	\$ 571,919	\$ 18,886,096
12/1/2025 .....	18,266,521	960,000	1,470,650	20,697,171
12/1/2026 .....	16,932,731	1,005,000	1,422,650	19,360,381
12/1/2027 .....	15,870,271	1,060,000	1,372,400	18,302,671
12/1/2028 .....	14,773,721	1,115,000	1,319,400	17,208,121
12/1/2029 .....	13,912,471	1,170,000	1,263,650	16,346,121
12/1/2030 .....	13,515,543	1,225,000	1,205,150	15,945,693
12/1/2031 .....	13,518,778	1,290,000	1,143,900	15,952,678
12/1/2032 .....	12,343,313	1,355,000	1,079,400	14,777,713
12/1/2033 .....	11,790,395	1,420,000	1,011,650	14,222,045
12/1/2034 .....	10,929,899	1,495,000	940,650	13,365,549
12/1/2035 .....	10,094,329	1,565,000	865,900	12,525,229
12/1/2036 .....	9,439,458	1,640,000	787,650	11,867,108
12/1/2037 .....	8,572,738	1,725,000	705,650	11,003,388
12/1/2038 .....	7,674,913	1,815,000	619,400	10,109,313
12/1/2039 .....	5,937,063	1,905,000	528,650	8,370,713
12/1/2040 .....	4,963,388	2,000,000	433,400	7,396,788
12/1/2041 .....	3,185,200	2,080,000	353,400	5,618,600
12/1/2042 .....	2,657,400	2,165,000	270,200	5,092,600
12/1/2043 .....	2,656,000	2,250,000	183,600	5,089,600
12/1/2044 .....	0	2,340,000	93,600	2,433,600
Total .....	\$215,348,305	\$31,580,000	\$17,642,869	\$264,571,175

- Notes: (1) Source: the City.  
 (2) Totals do not add up due to rounding.  
 (3) Includes the City's outstanding general obligation bonds Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A, Series 2019B, Series 2020 and Series 2021.

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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)		Total Net Debt Service
	Principal	Interest	Principal	Interest	
12/1/2024	\$ 12,165,000	\$ 6,721,096	\$ 2,855,038	\$ 1,666,689	\$ 14,364,369
12/1/2025	13,570,000	7,127,171	3,357,902	1,972,699	15,366,570
12/1/2026	12,800,000	6,560,381	3,285,515	1,839,946	14,234,920
12/1/2027	12,285,000	6,017,671	3,315,500	1,710,249	13,276,922
12/1/2028	11,710,000	5,498,121	3,332,196	1,579,903	12,296,022
12/1/2029	11,340,000	5,006,121	3,330,238	1,449,550	11,566,333
12/1/2030	11,365,000	4,580,693	3,527,440	1,326,612	11,091,641
12/1/2031	11,810,000	4,142,678	3,668,431	1,196,515	11,087,731
12/1/2032	11,065,000	3,712,713	3,346,310	1,066,884	10,364,519
12/1/2033	10,895,000	3,327,045	3,237,237	949,811	10,034,997
12/1/2034	10,435,000	2,930,549	3,210,376	830,766	9,324,407
12/1/2035	9,970,000	2,555,229	3,130,150	713,193	8,681,886
12/1/2036	9,675,000	2,192,108	2,824,924	596,622	8,445,562
12/1/2037	9,160,000	1,843,388	2,686,160	495,761	7,821,467
12/1/2038	8,605,000	1,504,313	2,735,492	397,067	6,976,754
12/1/2039	7,190,000	1,180,713	2,113,772	295,939	5,961,002
12/1/2040	6,490,000	906,788	1,905,000	218,000	5,273,788
12/1/2041	4,935,000	683,600	950,000	161,600	4,507,000
12/1/2042	4,605,000	487,600	990,000	123,600	3,979,000
12/1/2043	4,795,000	294,600	1,030,000	84,000	3,975,600
12/1/2044	2,340,000	93,600	1,070,000	42,800	1,320,800
<b>Total</b>	<b>\$197,205,000</b>	<b>\$67,366,175</b>	<b>\$55,901,681</b>	<b>\$18,718,205</b>	<b>\$189,951,289</b>

- Notes: (1) Source: the City.  
(2) Includes the City's outstanding general obligation bonds Series 2013A, Series 2013B, Series 2014, Series 2015A, Series 2016A, Series 2016B, Series 2017A, Series 2017B, Series 2017C, Series 2018A, Series 2018B, Series 2018C, Series 2018D, Series 2019A, Series 2019B, Series 2020, Series 2021 and the Bonds.  
(3) Does not include Series 2016B, Series 2018A and Series 2019A.

**Detailed Overlapping Bonded Debt(1)**

	Outstanding Debt(2)	Applicable to the City	
		Percent(3)	Amount
<b>Schools:</b>			
School District Number 65	\$ 55,463,965	91.19%	\$ 50,577,667
High School District Number 202	25,840,000	91.19%	23,563,532
Community College District Number 535	54,930,000	12.77%	7,012,489
<b>Total Schools</b>			<b>\$ 81,153,688</b>
<b>Others:</b>			
Cook County	\$2,093,131,750	2.03%	\$ 42,492,721
Cook County Forest Preserve District	90,940,000	2.03%	1,846,175
Metropolitan Water Reclamation District	2,503,179,075	2.06%	51,654,947
Skokie Park District	23,916,363	0.75%	180,265
<b>Total Others</b>			<b>\$ 96,174,108</b>
<b>Total Schools and Others Overlapping Bonded Debt</b>			<b>\$177,327,796</b>

- Notes: (1) Source: Cook County Clerk and the MSRB's Electronic Municipal Market Access system (“EMMA”).  
(2) Outstanding debt as of March 19, 2024.  
(3) Percentages based on 2022 EAVs, the most current available.

### Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2020 Census Pop. 78,110)
		Equalized Assessed	Estimated Actual	
City EAV of Taxable Property, 2023(2)	\$ 3,845,100,807	100.00%	33.33%	\$ 49,226.74
Estimated Actual Value, 2023(2)	11,535,302,421	300.00%	100.00%	147,680.23
Direct Bonded Debt(3)	\$ 197,205,000	5.13%	1.71%	\$ 2,524.71
Less: Direct Debt (Supporting by Other Sources)	(55,901,681)	(1.45%)	(0.48%)	(715.68)
Direct Debt (Property Tax Supported)(3)	\$ 141,303,319	3.67%	1.22%	\$ 1,809.03
Self-Imposed Direct Limit (Property Tax Supported)(4)	\$ 155,000,000	4.03%	1.34%	\$ 1,984.38
<b>Overlapping Bonded Debt:(5)</b>				
Schools	\$ 81,153,688	2.11%	0.70%	\$ 1,038.97
All Others	96,174,108	2.50%	0.83%	1,231.26
Total Overlapping Bonded Debt	\$ 177,327,796	4.61%	1.54%	\$ 2,270.23
Total Net Direct & Overlapping Bonded Debt(3)	\$ 318,631,115	8.29%	2.76%	\$ 4,079.26

- Notes: (1) Source: Cook County Clerk and the City.  
 (2) Excludes TIF valuations.  
 (3) Includes the Bonds.  
 (4) See above for a discussion of the City's self-imposed debt limit. Direct Bonded Debt (Supported by Other Sources) is not subject to the self-imposed debt limit.  
 (5) Overlapping bonded debt as of March 19, 2024.

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

### General Obligation Debt Trends(1)

Fiscal Year	Governmental Activities	Business-Type Activities	Library Component Unit	Total General Obligation
2019	\$154,954,665	\$28,608,753	\$6,481,578	\$190,044,996
2020	149,227,117	35,903,953	6,258,930	191,390,000
2021	147,880,465	34,457,947	6,026,587	188,364,999
2022	138,486,406	33,336,712	5,761,881	177,584,999
2023	128,514,844	31,624,005	5,486,151	165,625,000

Note: (1) Source: the City.

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## 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 five years.

### Historical EAV(1)

<u>Tax Year</u>	<u>EAV(2)</u>	<u>Percentage Change</u>
2019(4) .....	\$3,432,148,547	26.15%(3)
2020 .....	3,461,647,470	0.86%
2021 .....	3,220,856,133	(6.96%)
2022(4) .....	3,750,665,439	16.45%
2023 .....	3,845,100,807	2.52%

- Notes: (1) Source: Cook County Clerk.  
 (2) Does not include TIF incremental values.  
 (3) Percent change based on 2018 EAV of \$2,720,580,914.  
 (4) Triennial reassessment years.

For the 2022 levy year, the City's EAV was comprised of 80.14% residential, 1.00% industrial, 18.80% commercial, and less than 1% farm and railroad property valuations.

### Equalized Assessed Valuation(1)(2)

<u>Property Class</u>	<u>Levy Years</u>				
	<u>2019(3)</u>	<u>2020</u>	<u>2021</u>	<u>2022(3)</u>	<u>2023</u>
Residential .....	\$2,653,214,356	\$2,686,706,545	\$2,492,953,368	\$3,005,718,395	
Farm .....	15,467	15,467	15,467	15,467	Details Not Available
Commercial .....	742,361,383	735,655,726	690,224,247	705,199,673	
Industrial .....	34,692,634	37,326,126	35,719,445	37,413,363	
Railroad .....	1,864,707	1,943,606	1,943,606	2,318,541	
Total .....	<u>\$3,432,148,547</u>	<u>\$3,461,647,470</u>	<u>\$3,220,856,133</u>	<u>\$3,750,665,439</u>	<u>\$3,845,100,807</u>
Percent Change +/- .....	26.15%(4)	0.86%	(6.96%)	16.45%	2.52%

- Notes: (1) Source: Cook County Clerk.  
 (2) Does not include TIF incremental values.  
 (3) Triennial reassessment year.  
 (4) Percentage change based on 2018 EAV of \$2,720,580,914.

## 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 2022, the City has designated five TIF districts as listed below. The total incremental EAV of these districts for this tax year totaled \$70,202,965. The EAV for these districts at the time the districts were so designated (the base or “frozen” value) was \$107,023,731.

### Increment Financing Districts(1)(2)

Location/Name of TIF	Year Established	Year Expires	Base EAV	2022 EAV	Incremental EAV
Area 5.....	2004	2027	\$ 11,416,635	\$ 25,742,249	\$14,325,614
Area 6.....	2005	2028	37,477,570	62,243,805	24,766,235
Area 9 Five Fifths.....	2021	2044	35,823,529	47,465,328	11,641,799
Chicago/Main.....	2012	2035	11,489,118	25,385,996	13,896,878
Dempster/Dodge.....	2011	2034	10,816,879	16,389,318	5,572,439
Total .....			\$107,023,731	\$177,226,696	\$70,202,965

- Notes: (1) Source: Cook County Clerk and the City.  
 (2) The 2022 EAV is the most current available for this purpose.

### EAV of Tax Increment Financing Districts(1)(2)

	2018	2019	2020	2021	2022
Frozen Value.....	\$65,761,846	\$ 71,200,202	\$ 71,200,202	\$107,023,731	\$107,023,731
Incremental Value .....	14,165,065	53,252,726	55,661,871	46,731,507	70,202,965
Total EAV(3).....	\$79,926,911	\$124,452,928	\$126,862,073	\$153,755,238	\$177,226,696

- Notes: (1) Source: Cook County Clerk.  
 (2) The 2022 EAV is the most current available for this purpose.  
 (3) 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. When a TIF is also a general obligation bond, the bonds may have, in addition to their other claims for payment, a claim for payment from the amounts on deposit in the special tax allocation fund for that TIF district.

## Special Service Areas

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

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

## Property Tax Rates

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

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

	Levy Years				
	2019	2020	2021	2022	2023
<b>City Rates:</b>					
Corporate .....	\$0.316	\$0.273	\$0.336	\$0.310	\$0.309
Bond and Interest .....	0.399	0.437	0.455	0.375	0.364
Garbage .....	0.040	0.040	0.043	0.037	0.036
Police Pension .....	0.326	0.331	0.348	0.286	0.279
Fire Pension .....	0.269	0.278	0.296	0.264	0.257
IMRF .....	<u>0.063</u>	<u>0.054</u>	<u>0.040</u>	<u>0.025</u>	<u>0.024</u>
Total City Rates .....	\$1.413	\$1.413	\$1.518	\$1.296	\$1.269
<b>Other:(2)</b>					
Cook County .....	\$0.454	\$0.453	\$0.446	\$0.431	\$0.386
Cook County Forest Preserve District.....	0.059	0.058	0.058	0.081	0.075
Metropolitan Water Reclamation District.....	0.389	0.378	0.382	0.374	0.345
Consolidated Elections .....	0.030	0.000	0.019	0.000	0.032
City of Evanston - Library Fund .....	0.218	0.216	0.233	0.208	0.221
City of Evanston - General Assistance.....	0.033	0.039	0.042	0.036	0.029
North Shore Mosquito Abatement District...	0.009	0.009	0.009	0.008	0.008
Elementary School District 65.....	3.185	3.258	3.593	3.230	3.322
Evanston Township High School 202 .....	2.024	2.072	2.286	2.060	2.112
Oakton Community College District 535 .....	<u>0.221</u>	<u>0.227</u>	<u>0.252</u>	<u>0.221</u>	<u>0.227</u>
Total Rate.....	\$8.035	\$8.123	\$8.838	\$7.945	\$8.026

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 2023 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
2018 .....	2019 .....	\$49,712,625	\$49,249,972	99.07%
2019 .....	2020 .....	55,139,563	54,803,025	99.39%
2020 .....	2021 .....	55,711,545	56,375,019	101.19%
2021 .....	2022 .....	55,711,545	57,632,110	103.45%
2022 .....	2023 .....	55,711,545	57,351,692	102.94%

Note: (1) Source: the City.

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

**Principal Taxpayers(I)**

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2022 EAV(2)</u>
Rotary International.....	Non-Profit Organization .....	\$ 43,896,539
Orrington TT LLC Golub.....	Commercial Buildings and Public Parking Garage.....	43,432,792
FDS/David Alperstein.....	Real Property .....	26,796,438
TIAA PK Evanston Inc.....	Apartment Building, Super Maker, Retail Store.....	24,026,464
Omni Orrington Hotel.....	Hotel.....	22,547,402
1890 Maple LLC.....	Apartments.....	22,139,362
MB Sherman Highlands.....	Real Property .....	22,129,304
FSP 909 Davis Street.....	Real Property .....	20,110,907
900 950 Church Street.....	Real Property .....	20,011,934
Azzurri of Evanston.....	Shopping Center.....	16,389,318
Total.....		\$261,480,460
Ten Largest Taxpayers as a Percent of the City's 2022 EAV (\$3,750,665,439).....		6.97%

- Notes: (1) Source: Cook County Clerk, except for taxpayer descriptions which are based on publicly available information available to the City.  
 (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 2022 EAV is the most current available.

**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 2022 tax levy year. The City will next be reassessed for the 2025 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 Cook 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>
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237

## 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 \$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.

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

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.

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 first installment penalty date has historically been the first business day in March. Pursuant to Public Act 102-1112, the first installment penalty date for levy year 2022 was changed from March 1, 2023 to April 1, 2023. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
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	October 1, 2020
2020	October 1, 2021
2021	December 30, 2022
2022	December 1, 2023

As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, for the 2021 tax year (for amounts payable in calendar year 2022), the distribution of amounts related to second installment County property tax bills for calendar year 2022 were delayed. The City did not experience any cash flow issues due to such delay.

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. In the future, the County may provide for tax bills to be payable in four installments instead of two.

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.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law, as amended (the “Limitation Law”), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

**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, other than as described under “**AUTHORIZATION, PURPOSE AND SECURITY**” herein. The City also covenanted that it and its officers will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the City, collected and deposited as provided in the Bond Ordinance.

## FINANCIAL INFORMATION

### Introduction

The Annual Comprehensive Financial Report (Annual Report) of the City for the fiscal year ended December 31, 2023, is hereby submitted. The Annual report is prepared by the City's Finance Division in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Evanston for the period of January 1, 2023 to December 31, 2023. 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Summary of Financial Information**

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

The following summary of financial information is taken from the ACFR of the City for fiscal years ended December 31, 2019 through December 31, 2023. This summary does not purport to be complete, copies of which are available upon request. Reference should be made to the ACFR for fiscal year ended December 31, 2023 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, 2023 (the "2023 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 2023 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2023 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 2023 Audit has not been updated since the date of the 2023 Audit. The inclusion of the Excerpted Financial Information and 2023 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 2023 Audit. Questions or inquiries relating to financial information of the City since the date of the 2023 Audit should be directed to the City.

## Statement of Net Position(I) Governmental Activities

Audited as of December 31

	2019	2020	2021	2022	2023
<b>ASSETS:</b>					
Cash and Equivalents .....	\$ 15,356,403	\$ 30,159,541	\$ 37,042,826	\$ 55,461,423	\$ 34,923,544
Investments .....	39,997,847	15,719,663	44,300,255	63,803,631	82,215,248
Receivables, Net of Allowance for Uncollectibles:					
Property Taxes .....	46,888,583	47,691,027	47,651,420	58,518,338	48,209,794
Utility Taxes .....	694,112	642,025	1,006,255	836,618	648,337
Notes .....	400,000	200,000	100,000	75,000	75,000
Loans .....	7,932,682	8,268,718	9,462,720	9,787,673	9,470,772
Special Assessments .....	482,723	534,032	436,380	661,093	835,099
Accrued Interest .....	0	0	0	2,247	552
Leases .....	0	0	0	2,183,885	625,334
Other .....	974,586	1,212,035	934,649	1,059,869	1,491,868
Due From Other Governments .....	9,131,085	8,119,534	11,140,685	11,823,538	10,628,083
Due From Component Unit .....	0	261,892	0	0	0
Internal Balances .....	(816,877)	3,259,460	3,079,334	(2,872,563)	(2,189,205)
Inventories .....	1,407,988	1,601,988	1,625,141	1,767,552	1,776,576
Prepaid Items .....	2,231,472	3,259,527	5,390,479	6,149,830	6,029,273
Net Pension Asset - IMRF .....	0	2,414,619	20,626,546	39,092,326	0
Capital Assets:					
Capital Assets Not Being Depreciated .....	87,412,008	40,405,297	43,148,179	48,888,893	55,956,089
Capital Assets Being Depreciated, Net .....	131,245,836	186,226,767	181,423,792	179,867,736	175,739,981
Total Assets .....	<u>\$ 343,338,448</u>	<u>\$ 349,976,125</u>	<u>\$ 407,368,661</u>	<u>\$ 477,107,089</u>	<u>\$ 426,436,345</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension Items - Police .....	\$ 22,189,652	\$ 13,164,327	\$ 10,158,365	\$ 26,898,174	\$ 9,964,173
Pension Items - Fire .....	15,614,276	9,989,183	7,785,759	20,103,248	13,002,707
OPEB Items .....	2,466,349	4,308,383	3,549,031	3,739,191	3,906,968
Pension Items - IMRF .....	17,493,657	5,268,102	4,179,370	4,836,971	19,036,860
Total Deferred Outflows of Resources .....	<u>\$ 57,763,934</u>	<u>\$ 32,729,995</u>	<u>\$ 25,672,525</u>	<u>\$ 55,577,584</u>	<u>\$ 45,910,708</u>
Total Assets and Deferred Outflows of Resources .....	<u>\$401,102,382</u>	<u>\$382,706,120</u>	<u>\$433,041,186</u>	<u>\$ 532,684,673</u>	<u>\$ 472,347,053</u>
<b>LIABILITIES:</b>					
Vouchers Payable .....	\$ 16,577,344	\$ 7,932,806	\$ 7,676,737	\$ 11,418,736	\$ 19,652,638
Accrued Payroll .....	2,261,457	3,122,598	1,822,555	2,687,584	2,289,226
Accrued Interest .....	487,754	614,684	470,769	901,222	442,015
Due to Other Governments .....	128,501	770,279	1,139,518	3,449,453	4,475,106
Due to Component Unit .....	324,908	0	70,303	203,328	188,291
Due to Fiduciary Fund .....	33,398	59,189	92,273	4,065,865	429,444
Unearned Revenue .....	1,075,374	0	16,786,827	30,714,206	23,633,581
Noncurrent Liabilities:					
Due Within One Year .....	16,025,178	13,329,264	12,334,763	12,647,588	13,744,790
Due in More Than One Year .....	410,052,020	380,744,311	357,744,292	410,206,378	377,237,369
Total Liabilities .....	<u>\$ 446,965,934</u>	<u>\$ 406,573,131</u>	<u>\$ 398,138,037</u>	<u>\$ 476,294,360</u>	<u>\$ 442,092,460</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Pension Items - Police Pension .....	\$ 7,823,290	\$ 18,095,147	\$ 24,920,320	\$ 1,243,238	\$ 2,156,892
Pension Items - Fire Pension .....	6,779,910	11,154,371	13,116,970	1,032,060	0
Pension Items - IMRF .....	3,770,156	9,727,187	18,495,730	29,626,683	717,799
OPEB Items .....	986,277	3,295,880	2,951,890	5,648,654	5,010,944
Leases .....	0	0	0	2,148,626	598,260
Property Taxes Levied for Future Periods .....	46,888,583	47,673,467	47,169,012	47,366,662	47,251,160
Total Deferred Inflows of Resources .....	<u>\$ 66,248,216</u>	<u>\$ 89,946,052</u>	<u>\$ 106,653,922</u>	<u>\$ 87,065,923</u>	<u>\$ 55,735,055</u>
Total Liabilities and Deferred Inflows of Resources .....	<u>\$ 513,214,150</u>	<u>\$ 496,519,183</u>	<u>\$ 504,791,959</u>	<u>\$ 563,360,283</u>	<u>\$ 497,827,515</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets .....	\$ 53,783,908	\$ 65,388,067	\$ 69,635,907	\$ 80,017,854	\$ 93,847,182
Restricted .....	15,555,267	19,843,337	23,472,163	62,604,468	25,274,487
Unrestricted .....	(181,450,943)	(199,044,467)	(164,858,843)	(173,297,932)	(144,602,131)
Total Net Position .....	<u>\$ (112,111,768)</u>	<u>\$ (113,813,063)</u>	<u>\$ (71,750,773)</u>	<u>\$ (30,675,610)</u>	<u>\$ (25,480,462)</u>

Note: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.

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

	For the Fiscal Year Ended December 31				
	2019	2020	2021	2022	2023
<b>GOVERNMENTAL ACTIVITIES:</b>					
General Management and Support .....	\$ (10,634,147)	\$ (10,425,696)	\$ (9,792,283)	\$ (13,107,026)	\$ (20,194,639)
Public Safety .....	(51,408,088)	(76,894,452)	(52,823,372)	(61,604,451)	(71,693,893)
Public Works .....	(17,792,490)	(11,862,804)	(8,918,498)	(14,894,604)	(24,701,728)
Health and Human Resource Development.....	(1,839,648)	(2,993,669)	(2,703,281)	(1,302,802)	(4,603,602)
Recreational and Cultural Opportunities .....	(4,700,095)	3,722,830	(1,853,532)	(3,860,019)	(4,232,988)
Housing and Economic Development.....	2,915,784	(10,859,818)	(1,569,578)	34,990	(8,445,976)
Interest.....	(5,453,818)	(5,252,478)	(4,429,823)	(5,161,464)	(3,854,428)
Total Governmental Activities .....	\$ (88,912,502)	\$(114,566,087)	\$( 82,090,367)	\$ (99,895,376)	\$(137,727,254)
<b>GENERAL REVENUES:</b>					
Taxes:					
Property Tax.....	\$ 44,162,966	\$ 51,655,091	\$ 53,268,947	\$ 52,498,104	\$ 54,425,981
Other Taxes .....	9,257,763	6,796,543	7,588,822	9,856,593	10,544,622
Personal Property Replacement Taxes .....	1,744,366	1,500,129	2,870,429	5,516,675	4,087,124
Sales and Home Rule Tax.....	16,905,373	16,444,775	21,497,119	23,443,235	23,725,230
Utility Tax .....	6,372,647	5,856,287	6,084,133	6,878,514	6,176,206
Liquor Tax .....	3,367,406	2,878,922	3,078,034	3,291,166	3,772,043
Parking Tax.....	3,271,175	2,423,938	2,845,047	2,952,826	2,952,554
Real Estate Transfer Tax.....	2,671,279	3,251,428	6,227,230	5,496,306	3,310,770
Intergovernmental .....	0	0	4,800,000	7,659,448	7,434,037
Income Tax .....	7,991,868	8,202,429	10,141,121	12,826,057	12,558,980
Investment Income .....	1,669,433	422,559	73,715	1,334,450	5,808,554
Miscellaneous .....	4,373,920	3,213,994	3,408,489	4,427,582	2,914,585
Transfers.....	8,203,268	10,218,697	2,269,571	4,789,583	5,211,716
Total General Revenues.....	\$ 109,991,464	\$112,864,792	\$ 124,152,657	\$140,970,539	\$142,922,402
Change in Net Position.....	\$ 21,078,962	\$ (1,701,295)	\$ 42,062,290	\$ 41,075,163	\$ 5,195,148
Net Position - Beginning of Year.....	\$(133,190,730)(2)	\$(112,111,768)	\$(113,813,063)	\$ (71,750,773)	\$ (30,675,610)
Net Position - End of Year.....	\$(112,111,768)	\$(113,813,063)	\$( 71,750,773)	\$ (30,675,610)	\$ (25,480,462)

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.  
 (2) As restated.

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## General Fund Balance Sheet (1)

	Audited as of December 31				
	2019	2020	2021	2022	2023
<b>ASSETS:</b>					
Cash and Equivalents .....	\$ 7,227,257	\$12,936,503	\$13,815,407	\$ 20,492,652	\$ 5,712,759
Investments.....	1,508,466	698,440	9,800,308	28,658,014	43,862,173
Receivables:					
Property Taxes.....	32,472,987	31,408,539	31,884,164	38,866,175	33,038,341
Utility.....	694,112	642,025	1,006,255	836,618	648,337
Notes .....	400,000	200,000	100,000	75,000	75,000
Accrued Interest.....	0	0	0	1,994	347
Leases .....	0	0	0	1,744,059	270,454
Other.....	929,505	1,141,203	934,649	1,054,875	1,491,868
Due From Other Governments .....	7,805,551	6,937,382	9,790,479	10,687,563	9,499,314
Due From Component Unit.....	0	261,892	0	0	0
Due From Other Funds .....	7,318,558	5,833,888	4,696,477	5,190,166	1,009,276
Advances to Other Funds.....	0	0	0	0	4,300,000
Inventories .....	15,394	19,606	25,028	28,062	32,258
Total Assets .....	<u>\$58,371,830</u>	<u>\$60,079,478</u>	<u>\$72,052,767</u>	<u>\$107,635,178</u>	<u>\$99,940,127</u>
<b>LIABILITIES:</b>					
Vouchers Payable .....	\$ 3,194,607	\$ 2,184,536	\$ 3,811,894	\$ 2,384,223	\$ 3,053,940
Accrued Payroll .....	2,261,457	3,122,598	1,822,555	2,687,584	2,289,226
Accrued Interest.....	0	0	0	0	39,005
Due to Other Funds.....	0	0	29,635	0	5,280,149
Due to Component Unit.....	324,908	0	70,303	203,328	188,291
Due to Other Governments .....	0	629,652	990,895	3,296,277	4,296,596
Due to Fiduciary Funds .....	33,398	59,189	92,273	4,065,865	429,444
Advances from Other Funds.....	4,119,200	4,000,000	0	0	0
Unearned Revenue .....	75,374	0	0	0	0
Total Liabilities .....	<u>\$10,008,944</u>	<u>\$ 9,995,975</u>	<u>\$ 6,817,555</u>	<u>\$ 12,637,277</u>	<u>\$15,576,651</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes Levied for Future Periods .....	\$32,472,987	\$31,408,539	\$31,564,390	\$ 32,157,402	\$32,407,402
Leases .....	0	0	0	1,717,293	257,342
Total Deferred Inflows of Resources.....	<u>\$32,472,987</u>	<u>\$31,408,539</u>	<u>\$31,564,390</u>	<u>\$ 33,874,695</u>	<u>\$32,664,744</u>
Total Liabilities and Deferred Inflows of Resources .....	<u>\$42,481,931</u>	<u>\$41,404,514</u>	<u>\$38,381,945</u>	<u>\$ 46,511,972</u>	<u>\$48,241,395</u>
<b>FUND BALANCES:</b>					
Nonspendable.....	\$ 415,394	\$ 219,606	\$ 125,028	\$ 103,062	\$ 4,407,258
Assigned .....	4,329,586	1,573,248	1,807,260	3,344,571	14,588,779
Unassigned .....	11,144,919	16,882,110	31,738,534	57,675,573	32,702,695
Total Fund Balances .....	<u>\$15,889,899</u>	<u>\$18,674,964</u>	<u>\$33,670,822</u>	<u>\$ 61,123,206</u>	<u>\$51,698,732</u>
Total Liabilities, Deferred Inflows, and Fund Balances...	<u>\$58,371,830</u>	<u>\$60,079,478</u>	<u>\$72,052,767</u>	<u>\$107,635,178</u>	<u>\$99,940,127</u>

Note: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.

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## General Fund Statement of Revenues, Expenditures and Changes in Fund Balances(1)

	For the Fiscal Year Ended December 31				
	2019	2020	2021	2022	2023
<b>REVENUES:</b>					
Taxes .....	\$ 62,839,205	\$ 61,844,183	\$ 69,949,398	\$ 76,461,370	\$ 71,051,672
Licenses and Permits .....	10,011,661	11,852,700	11,032,555	12,562,065	9,845,981
Intergovernmental .....	19,855,436	20,623,159	24,444,948	28,225,468	27,779,639
Charges for Service.....	8,840,673	7,878,650	10,593,430	13,945,833	13,009,442
Fines and Forfeits .....	5,108,237	2,982,548	3,643,890	3,790,046	4,094,917
Investment Income .....	210,357	69,081	33,432	309,972	2,384,515
Miscellaneous .....	1,777,486	1,925,810	1,721,344	2,290,941	2,213,712
Total Revenues .....	<u>\$108,643,055</u>	<u>\$107,176,131</u>	<u>\$121,418,997</u>	<u>\$137,585,695</u>	<u>\$130,379,878</u>
<b>EXPENDITURES:</b>					
Current:					
General Management and Support.....	\$ 16,725,107	\$ 17,519,219	\$ 18,565,384	\$ 19,318,298	\$ 22,608,932
Public Safety .....	64,372,499	65,564,462	65,932,688	64,482,767	79,003,597
Public Works .....	12,881,405	11,566,570	11,865,594	13,320,046	13,908,332
Health and Human Resource Development.....	2,989,435	3,749,232	4,473,366	4,781,077	5,961,497
Recreational and Cultural Opportunities .....	12,246,544	9,351,125	11,036,243	11,351,700	12,982,724
Housing and Economic Development.....	2,902,161	3,131,019	3,283,128	3,062,160	3,467,120
Debt Service:					
Interest.....	0	0	0	0	39,005
Total Expenditures .....	<u>\$112,117,151</u>	<u>\$110,881,627</u>	<u>\$115,156,403</u>	<u>\$116,316,048</u>	<u>\$137,971,207</u>
Excess (Deficiency) of Revenues Over Expenditures .....	\$ (3,474,096)	\$ (3,705,496)	\$ 6,262,594	\$ 21,269,647	\$ (7,591,329)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In.....	\$ 8,817,013	\$ 9,369,103	\$ 9,183,260	\$ 8,775,706	\$ 7,733,940
Transfers Out .....	<u>(3,308,066)</u>	<u>(2,878,542)</u>	<u>(449,996)</u>	<u>(2,592,969)</u>	<u>(9,567,085)</u>
Total Other Financing Sources (Uses).....	\$ 5,508,947	\$ 6,490,561	\$ 8,733,264	\$ 6,182,737	\$ (1,833,145)
Net Change in Fund Balances.....	\$ 2,034,851	\$ 2,785,065	\$ 14,995,858	\$ 27,452,384	\$ (9,424,474)
Fund Balances - Beginning of Year .....	<u>\$ 13,855,048</u>	<u>\$ 15,889,899</u>	<u>\$ 18,674,964</u>	<u>\$ 33,670,822</u>	<u>\$ 61,123,206</u>
Fund Balances - End of Year .....	<u>\$ 15,889,899</u>	<u>\$ 18,674,964</u>	<u>\$ 33,670,822</u>	<u>\$ 61,123,206</u>	<u>\$ 51,698,732</u>

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.

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## Overview of Budget for Fiscal Years 2022, 2023 and 2024

The total budget of the City for the fiscal year ending December 31, 2022 was \$360.4 million. The General Fund portion of the total budget for fiscal year ending December 31, 2022 was \$117.9 million. The City ended the fiscal year ending December 31, 2022 with a surplus of \$27.4 million.

The total budget of the City for the fiscal year ending December 31, 2023 was \$397.2 million. The General Fund portion of the total budget for fiscal year ending December 31, 2023 was \$127.7 million. The City ended the fiscal year ending December 31, 2024 with an operating deficit of \$9.4 million which was largely driven by higher than budgeted wage increases, transfers to the Insurance and Fleet Funds, and the cash funding of various capital funding projects. Positive variances in General Fund revenues is expected to have offset a portion of the expense overruns.

The total budget of the City for the fiscal year ending December 31, 2024 is \$449.0 million. The General Fund portion of the total budget for fiscal year ending December 31, 2024 is \$145.5 million.

### General Budget Financial Information(1)

	Budget Twelve Months Ending <u>12/31/2024</u>
<b>REVENUES:</b>	
Property Taxes .....	\$ 29,047,402
Other Taxes .....	66,300,000
Other Revenue .....	11,833,293
Licenses, Permits and Fees .....	7,336,450
Charges for Services .....	11,655,200
Interfund Transfers.....	9,623,390
Fines and Forfeitures .....	3,725,000
Intergovernmental Revenue .....	3,967,034
Interest Income .....	<u>500,000</u>
Total Revenues.....	\$143,987,769
<b>EXPENDITURES:</b>	
General Government .....	\$ 27,809,809
Community Development.....	4,687,076
Police.....	35,221,511
Fire Management and Support.....	22,110,663
Health .....	1,817,273
Library .....	0
Parks, Recreation and Community Service .....	14,547,351
Public Works Agency .....	15,868,893
Non-Departmental.....	<u>21,864,968</u>
Total Expenditures .....	\$143,927,543
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$ 60,226

Note: (1) Source: the City.

## Insurance Coverage

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

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

### Illinois Municipal Retirement Fund

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

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

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

#### *Plan Membership.*

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	440
Active employees	<u>532</u>
Total	1,698

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. These benefit provisions and all other requirements are established by state statute.

Note: (1) Source: the City's audited financial statement for fiscal year ending December 31, 2023.

*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, 2023 was 3.3% of covered payroll, down from 4.6% in 2022, 8.1% in 2021 and 8.7% in 2020.

*Actuarial Assumptions.* The City’s net pension liability was measured as of December 31, 2022 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, 2022
Actuarial cost method	Entry-age normal
<u>Assumptions</u>	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

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

*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	\$34,344,217	\$6,776,891	\$(15,032,165)
Library	3,642,971	718,841	(1,594,498)
Total	\$37,987,188	\$7,495,732	\$(16,626,663)

## Illinois Municipal Retirement Fund

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

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
<b>Balances at January 1, 2022</b>	<b>\$274,421,785</b>	<b>\$328,145,831</b>	<b>\$(53,724,046)</b>
Changes for the period			
Service Cost	3,688,135	-	3,688,135
Interest	19,445,021	-	19,445,021
Difference between expected and actual experience	(635,408)	-	(635,408)
Changes in assumptions	-	-	-
Employer contributions	-	2,000,416	(2,000,416)
Employee contributions	-	1,891,800	(1,891,800)
Net investment income	-	(42,076,770)	42,076,770
Benefit payments and refunds	(16,117,334)	(16,117,334)	-
Administrative expense	-	-	-
Other (net transfer)	-	(537,476)	537,476
Net changes	6,380,414	(54,839,364)	61,219,778
<b>Balances at December 31, 2022</b>	<b>\$280,802,199</b>	<b>\$273,306,467</b>	<b>\$7,495,732</b>

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, 2022, the employer contributions, and the net pension liability (asset) at December 31, 2023 was \$(48,359,996), \$1,808,576, and \$(6,776,891), respectively. The Library's proportionate share of the net pension liability at January 1, 2022, the employer contributions and the net pension liability (asset) at December 31, 2023 was \$(5,364,050), \$191,840, and \$718,841, respectively.

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

*Plan Administration.* The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each fund. 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 Board of Trustees. Two members appointed by the City's Council, one elected by pension beneficiaries, and two elected by active police or firefighter employees (depending on the pension board), 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 as an expense and liability when due and payable.

<sup>1</sup> P. 70, 2023 ACFR, Schedule of Changes in the Net Pension Liability (Asset), 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 City Council may allocate General Fund excess reserves may be used to contribute to the pension funds.

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

#### Police Pension Plan

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

Tier 2 - Covered employees attaining the age of 55 or older with ten or more years of creditable service are entitled to receive a retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

#### Firefighters' Pension Plan

Tier 1 - Covered employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters’ salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

*Plan Membership.* At December 31, 2023, plan membership consisted of:

	Police	Firefighters’
Inactive plan members or beneficiaries currently receiving benefits	197	149
Inactive plan members entitled to but not yet receiving benefits	22	6
Active plan members	<u>130</u>	<u>105</u>
Total	349	260

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered service with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary, including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. The City’s contribution was 78.5% of covered payroll for the year ended December 31, 2023.

Covered employees are required to contribute a fixed percentage of their base salary to the Firefighters’ Pension Plan. At December 31, 2023, the contribution percentage was 9.455%. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters’ Pension Plan as actuarially determined by an enrolled actuary including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters’ Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. The City’s contribution was 90.9% of covered payroll for the year ended December 31, 2023.

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

	Police	Firefighters'
Actuarial Valuation Date	December 31, 2023	December 31, 2023
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	Fair value	Fair value
Inflation Rate	2.50%	2.50%
Salary Increases	3.00% - 9.00%	3.62% - 7.36%
Interest Rate	6.50%	6.50%
Cost of Living Adjustments	Tier 1 at 3.00% Tier 2 at 1.25%	Tier 1 at 3.00% Tier 2 at 1.25%

Police mortality rates were based on the PubS.H-2010 Study using improvement scale MP2020. Firefighters' mortality rates were based on the PubS.H-2010 Study using improvement scale MP-2020 applied on a fully generational basis.

*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. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040.

The 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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040.

*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%, an increase from 6.25%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police Pension Fund:			
Discount Rate	5.50%	6.50%	7.50%
Net Pension-Liability	\$145,221,783	\$106,273,070	\$74,515,955
Firefighters’ Pension Fund:			
Discount Rate	5.50%	6.50%	7.50%
Net Pension-Liability	<u>\$132,523,335</u>	<u>\$102,455,458</u>	<u>\$77,925,761</u>
Total Net Pension Liability	<u>\$277,745,118</u>	<u>\$208,728,528</u>	<u>\$152,441,716</u>

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

Total Pension Liability – Calendar Year Ending December 31, 2023

	Police	Firefighters’
Service Cost	\$ 3,574,325	\$ 2,964,280
Interest	17,900,355	13,451,766
Changes in Benefit Terms	-	-
Difference Between Expected and Actual Experience	(2,875,856)	2,475,375
Changes of Assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	(16,139,127)	(11,271,448)
Net Change in Total Pension Liability	2,459,697	7,619,973
Total Pension Liability – Beginning of Year	279,885,313	209,621,684
Total Pension Liability – End of Year	\$282,345,010	\$217,241,657

Plan Fiduciary Net Position – Calendar Year Ending December 31, 2023

	Police	Firefighters’
Contributions – Employer	\$ 13,544,556	\$ 12,020,942
Contributions – Employee	1,711,047	1,250,229
Net investment income	26,066,421	13,855,947
Benefit payments, including Refunds of Member Contributions	(16,139,127)	(11,271,448)
Administrative Expense	(61,015)	(115,507)
Net Change in Plan Fiduciary Net Position	25,121,882	15,740,163
Plan Fiduciary Net Position – Beginning	150,950,058	99,046,036
Plan Fiduciary Net Position – Ending	\$176,071,940	\$ 114,786,199
Employer Net Pension Liability	\$106,273,070	\$102,455,458
Plan Fiduciary Net Position as a Percent of Total Pension Liability	62.36%	52.84%

<sup>2</sup> pp.78-79 and 86-87, 2023 ACFR, Schedule of Changes in the Employers Net Pension Liabilities and Related Ratios

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

Police Pension Plan

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Percent Contributed	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
2023	\$11,548,482	\$13,544,556	\$(1,996,074)	117.28%	\$17,265,863	78.45%
2022	11,194,538	11,405,076	\$(210,538)	101.88%	13,396,912	85.13%
2021	11,431,461	11,501,791	(70,330)	100.62%	15,371,756	74.82%
2020	11,225,650	11,225,650	-	100.00%	15,368,002	73.05%
2019	10,502,308	10,502,308	-	100.00%	15,980,131	65.72%
2018	10,462,704	10,462,704	-	100.00%	15,845,701	66.03%

Firefighters' Pension Plan<sup>4</sup>

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
2023	\$11,793,978	\$12,020,942	(\$226,964)	101.92%	\$13,222,940	90.91%
2022	9,528,524	9,707,213	(178,689)	101.88%	11,523,258	84.24%
2021	9,626,778	9,670,974	(44,196)	100.46%	11,012,470	87.82%
2020	9,247,042	9,257,516	(10,474)	100.11%	10,428,768	88.77%
2019	8,266,584	8,266,584	-	100.00%	10,341,544	79.94%
2018	8,344,947	8,344,947	-	100.00%	11,618,255	71.83%

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

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

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

<sup>3</sup> pp. 101, 2023 ACFR, Required Supplemental Information

<sup>4</sup> pp.102, 2023 ACFR, Required Supplemental Information

Note: (1) Source: the City's audited financial statement for fiscal year ending December 31, 2023.

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 \$595 for single coverage to \$2,134 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents, and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$595 for single coverage to \$2,134 for family coverage. For the year ended December 31, 2023, the City and Library's estimated contribution to the plan is \$812,414. 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, 2022, membership consisted of the following:

Inactive fund members and beneficiaries currently receiving benefits payments	71
Inactive fund members entitled to benefits but not yet receiving them	8
Active employees	<u>690</u>
Total	769

### 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 principal 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 principal 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 and interest rate 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"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

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 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. See **APPENDIX E** herein.

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 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.

## **LITIGATION**

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

## **CERTAIN LEGAL MATTERS**

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

## **FINAL OFFICIAL STATEMENT AUTHORIZATION**

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

## INVESTMENT RATING

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

## DEFEASANCE

Any Bond or Bonds (a) which are paid and cancelled; (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon; or (c) (i) for which sufficient funds and Defeasance Obligations (as hereinafter defined) have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of Bond Counsel or other bond counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the City Council; shall cease to have any lien on or right to receive or be paid from Bond Moneys (as defined in the Bond Ordinance) or the Bond Fund and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set in the Bond Ordinance 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 June 26, 2024. The best bid submitted at the sale was submitted by Janney Montgomery Scott LLC, Philadelphia, Pennsylvania (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$33,328,109.06 (reflecting the par amount of \$31,580,000.00, plus a reoffering premium of \$1,903,433.40, and less an Underwriter’s discount of \$155,324.34). 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 June 26, 2024, for the \$31,580,000 General Obligation Corporate Purpose Bonds, Series 2024, 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/ **DANIEL BLISS**  
*City Manager*  
City of Evanston  
Cook County, Illinois

/s/ **LUKE STOWE**  
*Mayor*  
City of Evanston  
Cook County, Illinois

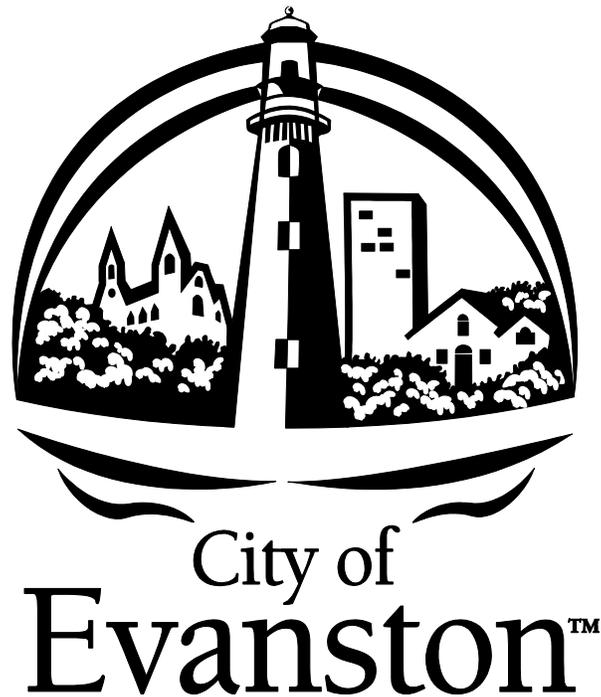
**APPENDIX A**

**CITY OF EVANSTON  
COOK COUNTY, ILLINOIS**

**FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS**

# City of Evanston, Illinois

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*Annual Comprehensive Financial Report  
For the Year Ended December 31, 2023*

**CITY OF EVANSTON, ILLINOIS**

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

For the Year Ended  
December 31, 2023

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

**CITY OF EVANSTON, ILLINOIS**  
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## **INTRODUCTORY SECTION**

**CITY OF EVANSTON**

Principal Officials

December 31, 2023

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LEGISLATIVE

Daniel Biss, Mayor

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

Stephanie Mendoza, City Clerk

EXECUTIVE

Luke Stowe, City Manager  
Hitesh Desai, CFO / Treasurer

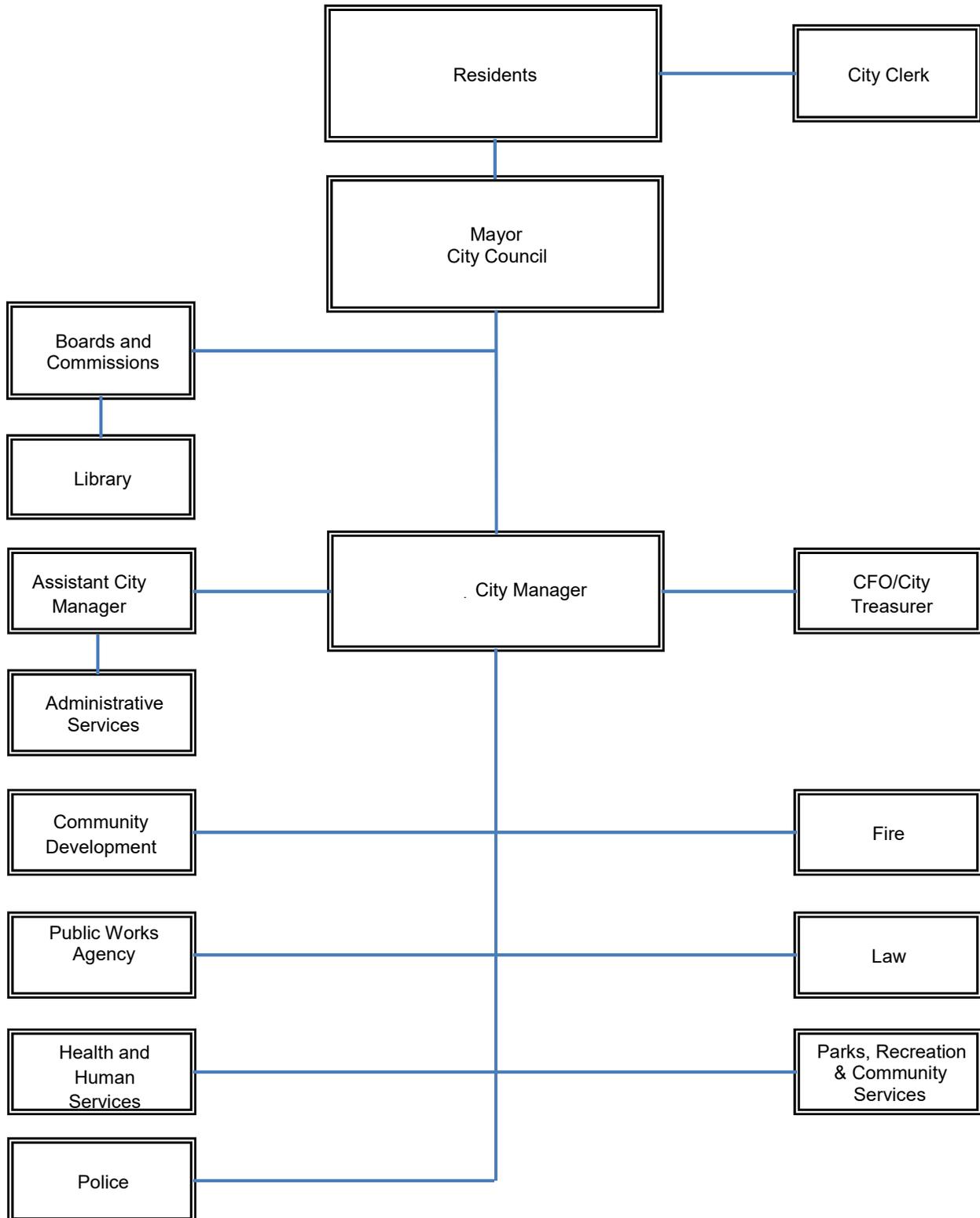
ADMINISTRATIVE

Interim Administrative Services Director Michael Rivera	Interim Corporation Counsel Alexandra Ruggie
Interim Chief Information Security Officer Dmitry Shub	Public Works Agency Director Edgar Cano
Health and Human Services Director Ikenga Ogbo	Police Chief Schenita Stewart
Community Development Director Sarah Flax	Fire Chief Paul Polep
Parks & Recreation Director Audrey Thompson	Executive Director Library Yolande Wilburn



# City of Evanston

## Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Evanston  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*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](http://www.cityofevanston.org)

June 27, 2024

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

## INTRODUCTION

The Annual Comprehensive Financial Report (Annual Report) of the City of Evanston (City) for the fiscal year ended December 31, 2023, is hereby submitted. The Annual report is prepared by the City's Finance Division in accordance with the financial reporting principles and standards set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included.

This report consists of management's representations concerning the finances of the City of Evanston for the period of January 1, 2023, to December 31, 2023. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City of Evanston's financial statements in conformity with Generally Accepted Accounting Principles (GAAP) within the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended and U.S. Office of Management and Budget 2 CFR part 200, subpart F, 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. City audits after 2014 include the functions of the Township.

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

The City's financial statements have been audited by Sikich CPA LLC, 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, 2023, 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, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

## **PROFILE OF THE CITY OF EVANSTON**

**The City:** The City of Evanston constitutes many communities, perspectives, and qualities as a Chicago suburb with a major university, urban center, and lakefront. Evanston has apartments, condominiums, and student housing; its residents are commuters and locally employed workers; its downtown is prospering, and neighborhood commercial centers are also stable. It is a part of the Chicago-land economy and has a vigorous commercial and professional economy of its own. A population of approximately 78,000 is diverse by race, religion, age, education,

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

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

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

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

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

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

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

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

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

**Budget Process:** The City's fiscal year 2024 began on January 1, 2024. The City Manager submitted to the City Council a proposed operating budget in October 2023 for the fiscal year 2024 commencing the following January 1. The City's budget team started the budget process for fiscal year 2024 in late summer followed by a meeting with all departments for their individual budgets. On December 12, 2023, the Council adopted Ordinance 82-O-23 approving the FY 2024 budget. The City operates under the Illinois Budget Act, adopting a budget by an ordinance. All Funds are included in the Ordinance.

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

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

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

**Fund Accounting:** The City uses funds to report on both its financial position and results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain City functions or activities. Each fund is a separate, self-balancing accounting entity. In the City, there are three categories of funds: Governmental, Proprietary and Fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in other funds. In the fiscal year 2024 budget, the City projected that 33.0% (\$143.9 million-including transfers) of all City expenditures will occur in the General Fund. Other major funds include the Capital Improvement, General Obligation Debt, ARPA, 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 2024**

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

The City Manager's Office will: (1) Increase communication platform, branding, and social media training for staff. (2) Implement the 2-year strategic plan for arts and culture in Evanston (3) Implement Evanston Thrives Recommendations (4) Working with the Finance and Budget Committee and City Departments to improve projections and forecasts in all City Funds. (5) Develop Comprehensive Civic Engagement Policy and Plan. (6) Updating the Bid/RFP/RFQ Templates and Forms. (7) Introduce ZenDesk to streamline email notifications and requests (8) Continue to implement recommendations of the Environmental Justice Resolution.

The Law Department will: (1) Work with IT and the Collector's Office to bring the application and payment process for liquor licensing to an online platform. (2) In conjunction with the City Policy Coordinator, monitor proposed and potential state laws that can or will have an impact on the City, its operations and residents. (3) In conjunction with the City Manager's Office, conduct a comprehensive review of the City Code, looking for conflicts within the Code and with state law. (4) Identify opportunities for training and education for staff to increase knowledge surrounding real estate and land use. (5) Work with the collector's office to recover money owed to the City.

The Administrative Services Department will: (1) Continue to expand its use of the VueWorks program to better plan maintenance, replacements and improvements at our City Facilities in a manner that is proactive rather than reactive. (2) Parking staff will be reviewing a parking study report prepared by a consultant and bringing forward any thoughtful changes to City Council for review. (3) Parking staff will be evaluating revenues to recommend increases to monthly lot permit parking as well as residential parking districts, areas that have not had a fee increase in many years. (4) IT staff will continue to work on improving cybersecurity posture in an ongoing effort to ensure the City assets are kept safe, and continue to work on the City's website ensuring accessibility.

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

The Police Department will: (1) Fill vacant positions with competent, qualified personnel. (2) Research and evaluate Tyler's Enterprise Public Safety system. (3) Development and implementation of a new 911 Continuity of Operations Center during system failure in case of needed backup. (4) Review and implementation of new performance evaluations. (4) Research and development of a master plan for the replacement or complete renovation of the Evanston Police Department Building in conjunction with City Departments and stakeholders.

The Fire Department will: (1) Enhancing lifeguard protocols, using lessons learned after a successful first season. (2) Contract with a vendor to better organize, update and review policies and procedures, General Orders, Standard Operating Procedures, etc., ensuring up to date with local, State and Federal policies. (3) Equip all stations with security cameras to ensure the safety of the stations, employees, and equipment. (4) Replace and update major medical equipment from Stryker Corporation through ALS360.

The Health and Human Services Department will: (1) Continue to prioritize the response to COVID-19 in the community including schools, facilities housing high-risk populations such as in our long-term care facilities and congregate settings. (2) Apply for additional grants to support operations and activities of the Department. (3) Create a clearinghouse of data to better measure health equity achievements. (4) Continue to be leaders in progressive tobacco cessation policies and implement strategies in Evanston to deter unhealthy behaviors. (5) Continue to incorporate the City's EPLAN in City operations and goals thereby using it as a tool to make significant positive impacts to equity and disparity issues in the community. (6) Begin enforcement of the plastic bag ordinance for establishments less than 10,000 sq ft (7) Improve licensing and inspecting efficiency by partnering with Byrne Software to work on Accela

The Public Works Agency will: (1) Complete construction and engineering of projects that are part of the CIP plan. (2) Continue incorporation of CARP goals into City infrastructure projects. (3) Begin implementing recommendations from the Stormwater Master Plan and develop long-term goals for stormwater mitigation. (4) Finalize development of the Lead Service Line Replacement Program in compliance with State of Illinois regulatory requirements. (5) Establish and maintain a section pruning program and prune all trees on a seven-year cycle by completing pruning of trees in 1/7th of the City. (6) Replace approximately 65 light fixtures in street light poles with new LED fixtures in conformance with the Street Light Master Plan. (7) Install ComEd meters in four street light power centers to get them off dusk to dawn charges.

The Parks, Recreation and Community Services will: (1) Implement a new Community Affiliates Program to mirror current Sports Affiliate Program, strengthening partnerships with community and social service partners. (2) Continue implementation of free Starlight Concert and Movie Series in all nine wards with an increase in community engagement to select musical performers and movie titles. (3) Explore and test new recreation software system for special events, park/field permits, and facility rentals. (4) Revival of special events with the addition of the Special Events Coordinator, expanding events throughout the nine wards. (5) Establish work plan, including objectives that are SMART (Specific, Measurable, Achievable, Relevant, Time Bound) for each Division that will be used to implement Parks and Strategic Green Space Plan.

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy:** As home to Northwestern University and nine unique business districts, Evanston's thriving local economy has continued to generate strong local revenues over the past three years. Revenue from Sales Taxes, Home Rule Sales Taxes, Real Estate Transfer Taxes, and several other economy-based revenues rebounded from pandemic lows to record highs in 2022 mainly due to increased consumer spending in an inflationary environment.

With some exceptions, General Fund revenues remained strong during 2023, with Sales Taxes and Home Rule Sales Taxes outperforming 2022 results. Other local revenues like Recreation Program Fees, Building Permits, Ticket Fines, GEMT (Ground Emergency Medical Transportation), Investment Income, and Ambulance Fees also met

or exceeded 2022 totals.

Many of the positive revenue returns are largely due to economic recovery and consumer spending, it is also a result of high inflation rates over the past two years. According to the BLS, the Consumer Price Index measures inflation as experienced by consumers in their day-to-day living expenses. While CPI stood at 5.3% in October 2021, it peaked at 9.1% in July 2022, the highest rate in nearly 40 years. Throughout 2023, CPI has stabilized around 2.5%, but the 17 months of rates greater than 5% continue to have a lingering effect on the City's finances.

In 2023, Evanston's City Council also approved the replacement of the 97-year-old Ryan Field, home to Northwestern Football games. This project is expected to cost \$800 million, generate \$12 million in local permit fees, and increase a variety of local taxes with football games and up to six concerts planned at the stadium once construction is completed in 2026. Along with the approval of the stadium, the City Council approved a Community Benefits Agreement (CBA) between Northwestern and the City of Evanston. Among the many components of the CBA is a \$3 million annual contribution to the Good Neighbor Fund for fifteen years beginning in 2024. Of that \$3 million, \$1 million is to be directed to Affordable Housing, and \$500,000 is to be directed towards Sustainability efforts. The remaining \$1.5 million can be allocated as the City Council chooses on an annual basis.

Additionally, the City was fortunate to receive \$43 million in federal relief funding from the American Recovery Plan and has used those funds to implement new social programs and offset expenses typically covered by other City revenues.

While inflation and these other items have resulted in increases in revenues, the 2023 budget warned that there would be a lag effect on the City's expenses, which has become apparent. All four of the City's collective bargaining contracts were approved in 2023 at higher than budgeted levels, more closely mirroring inflation rates from early 2021. In 2023, a 4.5% increase was budgeted for salaries. Police Patrol (18%), Police Sergeants (~8%), Fire (11%), AFSCME (11%), and non-Union received increases commensurate with inflation over the past two years and to put salaries more in line with comparable communities. As a service organization, these wage increases have resulted in increases in many of the City's funds where employees are budgeted.

One additional challenge the City faced in 2023 was the impact of inflation on the cost of capital improvement projects as several came in well over the amount budgeted. As a result, the City used \$3.4 million to cover overages on a variety of projects. In 2023, the City utilized available General Fund reserves to address several other ongoing challenges including \$4.5 million in additional pension contributions to exceed statutory requirements and fully fund public safety pensions by 2040.

As a result of these wage increases and capital project cost overruns, General Fund expenditures finished 111% of budgeted expenditures with nearly all City departments reporting higher than budgeted expenditures for FY 2023. As noted, revenues finished the year at 114% of the budget. Overall, revenues in the General Fund finished at \$16.5 million higher than budgeted numbers. As a result, the General Fund finished with a deficit of \$8.6 million, compared to the budgeted deficit of \$10.1 million, drawing from General Fund excess reserves.

For the 2024 Budget, the City continued its focus on maintaining core services and advancing progress towards City Council goals and priorities. On October 10, 2023, staff presented the proposed budget to the City Council. The council deliberated on the budget at several City Council meetings before approval on December 11, 2023.

As part of the adopted budget, the City utilized the available General Fund surplus to add 22 new staff positions and to provide \$4.9 million in funding beyond the Public Safety Pension Levy to the Public Safety Pension Funds. The City Council held the property tax levy for the fourth consecutive year while also approving one of the largest Capital Improvement Plans in City history at \$98 million with the largest project being the continued replacement of a 60-inch water intake pipeline that extends one mile in Lake Michigan.

The 2024 budget also includes the issuance of General Obligation Bonds for capital improvement and water projects. Historically, the City has issued GO Bonds on a nearly annual basis to finance capital improvement projects. The City has been able to utilize available cash and reserves to advance these projects given the challenging interest rate environment. However, much of these available reserves and cash have been drawn down and future large capital projects will require action on bond issuances, further drawdown of reserves, deferral of projects, or identification of other funding sources.

## **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, 2022. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

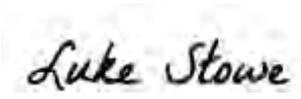
A Certificate of Achievement is valid for a period of one year only. We believe that our

current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another year.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual 2024 budget. To qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. The City has been getting this GFOA budget award for many years.

We acknowledge the contributions and excellent work of the accounting staff in preparing the financial statements. Appreciation is also extended to all department directors and other staff who contributed to the preparation of this report. We also express gratitude to the Mayor's Office and Members of City Council for their direction and support in planning and conducting the City's financial affairs.

Respectfully submitted,



---

Luke Stowe  
City Manager



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Hitesh Desai  
Chief Financial Officer/Treasurer

## **FINANCIAL SECTION**

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois, as of December 31, 2023, 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.

#### **Basis for Opinions**

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

## **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

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

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

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

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 27, 2024 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.

*Sibich CPA LLC*

Naperville, Illinois  
June 27, 2024

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Evanston, Illinois (City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 27, 2024. The financial statements of Evanston Public Library were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Evanston Public Library.

**Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Sikich CPA LLC*

Naperville, Illinois  
June 27, 2024

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



# MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2023

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

## FINANCIAL HIGHLIGHTS

- A. The City's net position increased by \$9,633,950 from the prior fiscal year. The governmental net position increased by \$5,195,148 or 17.0% from the prior period and the business-type activities net position increased by \$4,438,802 or 1.4% from the prior period.
- B. The governmental activities revenue decreased by \$4,272,025 or 2.4% from the prior period principally due to decrease in operating grants and contributions and charges for services. The expenses increased by \$32,030,123 or 22.3% principally due to an increase in all governmental activities.
- C. The business-type activities revenue increased by \$2,074,516 or 4.3% due to an increase in charges for services and investment income. The expenses increased by \$5,553,934 or 15.9% from the prior period due to increases in all business-type activities.
- D. The total cost of all City programs increased by \$37,584,057 or 21.0%. This increase was mainly attributable to increases in wages across all City programs.
- E. Total assets of the City decreased by \$49,591,801; while total liabilities decreased by \$28,270,698.

## USING THIS ANNUAL REPORT

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

The City's financial reporting includes the funds of the City (primary government) and additionally, organizations for which the City is accountable (component unit - the Library). Effective May 1, 2014 the City of Evanston assumed all rights, powers, assets, properties and duties of the Evanston Township, including the responsibility of providing the services that were previously provided by the Township. The functions of the Township are reported along with the City, while the Library financials are shown as a discretely presented component unit beginning in 2013.

## **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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Beginning in 2013, this statement also includes separate presentation of Library assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall financial health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

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

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

The government-wide financial statements are presented on pages 7-10 of this report.

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

### **Fund Financial Statements**

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

The City has three kinds of funds:

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

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

Budgetary comparison statements for General Fund and major special revenue funds are included in the required supplementary section of this report. Budgetary comparison schedules for nonmajor special revenue funds, capital projects funds and the debt service funds are also included in the supplementary information section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

The basic government fund financial statements are presented on pages 11-18 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 –19-23 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 –24-25 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 26 of this report.

*Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees. Other supplementary information includes detail by fund and component unit for receivables, payables, transfers, and payments within the reporting entity. Required supplementary information can be found on pages 97-111 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 112. Additional information on capital assets and long-term debt can be found on page 45-47 and 53-54, respectively.

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

The City's combined net position increased by \$9,633,950 from \$287,144,314 to \$296,778,264.

**STATEMENT OF POSITION**

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

The City's total revenues decreased by \$ 2,197,509 or .1%. The City's total expenses for all programs increased by \$37,584,057 or 21.0%. Business-type activity revenues increased by \$2,074,516 in the current fiscal period mainly due to an increase in charges for services. Business-type activity expenses increased by \$5,553,934, while Governmental activity expenses increased by \$32,030,123 due to increased costs in wages. The list of revenues and expenses can be found in the table below.

The governmental activities and business-type activities saw net position balance increases of \$5,195,148 and of \$4,483,802, respectively. The following table provides a summary of the City's changes in net position:

### STATEMENT OF CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
Program Revenues:						
Charges for services	\$ 29,232,736	\$ 32,625,387	48,087,216	46,776,641	77,319,952	79,402,028
Operating grants and contributions	-	-			-	-
7,529,896	7,529,896	9,913,241			7,529,896	9,913,241
Capital grants and contributions	-	-			-	-
910,849	910,849	936,608			910,849	936,608
General Revenues:						
Sales taxes	23,725,230	23,443,235			23,725,230	23,443,235
Property taxes	54,425,981	52,498,104	1,332,500	1,332,500	55,758,481	53,830,604
Utility taxes	6,176,206	6,878,514			6,176,206	6,878,514
Income taxes	12,558,980	12,826,057			12,558,980	12,826,057
Other	35,015,735	39,200,596	-	-	35,015,735	39,200,596
Investment income	5,808,554	1,334,450	763,849	(92)	6,572,403	1,334,358
<b>Total Revenue</b>	<u>175,384,167</u>	<u>179,656,192</u>	<u>50,183,565</u>	<u>48,109,049</u>	<u>225,567,732</u>	<u>227,765,241</u>
<b>Expenses</b>						
General management and support	29,867,575	22,825,409			29,867,575	22,825,409
Public safety	79,009,306	70,097,181			79,009,306	70,097,181
Public works	29,297,432	20,711,786			29,297,432	20,711,786
Health and human resources development	-	-			-	-
6,095,290	6,095,290	3,158,454			6,095,290	3,158,454
Recreation and cultural opportunities	-	-			-	-
11,929,994	11,929,994	11,098,493			11,929,994	11,098,493
Housing and economic development	-	-			-	-
15,346,710	15,346,710	10,317,825			15,346,710	10,317,825
Interest	3,854,428	5,161,464			3,854,428	5,161,464
Water	-	-	17,482,399	14,562,608	17,482,399	14,562,608
Sewer			6,942,639	6,385,682	6,942,639	6,385,682
Solid Waste			6,191,417	5,148,518	6,191,417	5,148,518
Motor vehicle parking system	-	-	9,916,592	8,882,305	9,916,592	8,882,305
<b>Total Expense</b>	<u>175,400,735</u>	<u>143,370,612</u>	<u>40,533,047</u>	<u>34,979,113</u>	<u>215,933,782</u>	<u>178,349,725</u>
Increase (decrease) in net position before transfers						
	(16,568)	36,285,580	9,650,518	13,129,936	9,633,950	49,415,516
Transfers	5,211,716	4,789,583	(5,211,716)	(4,789,583)	-	-
Increase/(Decrease) in Net Position						
	5,195,148	41,075,163	4,438,802	8,340,353	9,633,950	49,415,516
Net Position - Beginning	(30,675,610)	(71,750,773)	317,819,924	309,479,571	287,144,314	237,728,798
Change in accounting principle	-	-	-	-	-	-
Net Position - Beginning, Restated	<u>(30,675,610)</u>	<u>(71,750,773)</u>	<u>317,819,924</u>	<u>309,479,571</u>	<u>287,144,314</u>	<u>237,728,798</u>
Net Position - Ending	<u>\$ (25,480,462)</u>	<u>\$ (30,675,610)</u>	<u>322,258,726</u>	<u>317,819,924</u>	<u>296,778,264</u>	<u>287,144,314</u>

## Financial Analysis of the City's Funds

### *Governmental Funds*

As discussed, governmental funds are reported in the fund statement with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the period in comparison with upcoming financing requirements. Governmental funds reported fund balances of \$74,274,461 as of December 31, 2023, which includes \$4,407,258 non-spendable, \$25,417,382 restricted, \$20,057,926 assigned and \$24,391,895 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 15 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. In these statements, the General Fund includes the Human Services Fund and the Foreign Fire Insurance Fund. The fund balance of these funds reported a decrease of \$9,424,474 with actual revenue of \$130,379,878 and expenditures of \$137,971,207, before transfers. The City reported a decrease in fund balance mainly due to an increase in wages and unbudgeted transfers. The total General Fund balance on page 16 is \$51,698,732.

<b>Fund</b>	<b>General Fund</b>	<b>Human Services Fund</b>	<b>Foreign Fire Insurance Fund</b>	<b>Total Combined</b>
Operating Revenue	126,559,988	3,571,686	248,204	130,379,878
Operating Expenses	(133,462,855)	(4,246,737)	(261,615)	(137,971,207)
Transfers In	7,733,940	-		7,733,940
Transfers Out	(9,567,085)	-		(9,567,085)
<b>Net Change In Fund Balances</b>	<b>(8,736,012)</b>	<b>(675,051)</b>	<b>(13,411)</b>	<b>(9,424,474)</b>
				-
Fund Balances January 1	57,802,487	3,064,061	256,658	61,123,206
Net Change In Fund Balances	(8,736,012)	(675,051)	(13,411)	(9,424,474)
<b>Fund Balances December 31</b>	<b>\$ 49,066,475</b>	<b>\$ 2,389,010</b>	<b>\$ 243,247</b>	<b>51,698,732</b>

As a result of higher than budgeted wage increases and transfers to other funds including Fleet Fund, Insurance Fund and CIP fund for cost overages, GF expenditures were significantly higher than the original budget. The City also utilized General Fund reserves to contribute around \$4.5M towards public safety pensions as a part of funding 100% by 2040 goal.

The General Fund revenues (before transfers) finished at \$7.5M higher than budgeted resulting in an actual deficit of \$8.7M against the budgeted deficit of \$10.1M, drawing from General Fund excess reserves.

The Capital Improvement Fund has a fund balance deficit of \$8,173,411 due to the City not issuing bonds but continuing to pay for Capital Improvement expenses. The fund balance reported a decrease of \$10,140,303 with actual revenues of \$759,985 and expenditures of \$14,164,514, before transfers. This fund received a transfer of \$3,264,226 from the General Fund to fund overages on CIP projects.

The fund balance of the General Obligation Debt Service Fund had an increase of \$939,225 from \$1,965,810 to \$2,905,035, resulting primarily from transfers in from other funds.

The ARPA Fund reported an increase of fund balance of \$1,503,803 from \$531,170 to \$2,034,973 due to investment income.

#### *Combined Nonmajor Governmental Funds*

Combined nonmajor fund balances totaled \$25,809,132, a decrease of \$115,852 from prior period of \$25,924,984.

#### *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 \$4,438,802 in the net position. The Water Fund reported the highest increase in the amount of \$3,848,343. The Solid Waste Fund added \$491,616 to the net position during the year. The Sewer Fund reported an increase of \$1,969,663, while Parking Fund reported a decrease of \$1,870,820. It should also be noted that the Water and Sewer Funds carry substantial debt levels, although Parking and Solid Waste Funds have lesser debts.

#### *Internal Service Funds*

The City's combined internal service fund's net position increased by \$7,623,884 from a \$7,520,619, as of January 1, 2023 to a net position of \$15,144,503 as of December 31, 2023. Of the total net position, \$8,121,631 is unrestricted. The increase in net position can be attributed to transfers received in Fleet Services Fund and Insurance Fund of \$1,900,000 and 3,000,000 from the General Fund, respectively.

#### *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, 2023, was \$622,153,642. The governmental funds capital assets had a net increase of \$2,939,441, while business type capital assets increased by \$9,527,003. The net increase in capital assets were principally due to an increase in capital projects for the year. Readers desiring more detailed information on capital asset activity should refer to Note 5 in the Notes to the Financial Statements.

#### *Long-Term Debt*

As of December 31, 2023, the City had outstanding total general obligation bonded debt of \$160,138,849 of which \$31,624,005 was for business type activities to be paid for by the City's Water, Solid Waste and Sewer Funds. Overall general obligation bonded debt represents a \$11,684,269 decrease from 2022. The City's general obligation debt service principal payments for 2023 totaled \$11,684,269. During the current year, the City did not issue general obligation bonds. As a home rule government under Illinois law, there is no legal debt limit for the City. Readers desiring more detailed information on long-term debt should refer to Note 7 in the Notes to the Financial Statements.

#### *Bond Ratings*

The City's 2023 General obligation bonds are rated AA (stable outlook) by S&P and AA+ by Fitch Ratings.

## ***Economic Factors***

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

### ***Local Economy:***

As home to Northwestern University and nine unique business districts, Evanston's thriving local economy has continued to generate strong local revenues over the past three years. Revenue from Sales Taxes, Home Rule Sales Taxes, Real Estate Transfer Taxes, and several other economy-based revenues rebounded from pandemic lows to record highs in 2022 mainly due to increased consumer spending in an inflationary environment.

With some exceptions, General Fund revenues remained strong during 2023, with Sales Taxes and Home Rule Sales Taxes outperforming 2022 results. Other local revenues like Recreation Program Fees, Building Permits, Ticket Fines, GEMT (Ground Emergency Medical Transportation), Investment Income, and Ambulance Fees also met or exceeded 2022 totals.

Many of the positive revenue returns are largely due to economic recovery and consumer spending, it is also a result of high inflation rates over the past two years. According to the BLS, the Consumer Price Index measures inflation as experienced by consumers in their day-to-day living expenses. While CPI stood at 5.3% in October 2021, it peaked at 9.1% in July 2022, the highest rate in nearly 40 years. Throughout 2023, CPI has stabilized around 2.5%, but the 17 months of rates greater than 5% continue to have a lingering effect on the City's finances.

One additional challenge the City faced in 2023 was the impact of inflation on the cost of capital improvement projects as several came in well over the amount budgeted. As a result, the City used \$3.4 million to cover overages on a variety of projects. In 2023, the City utilized available General Fund reserves to address a number of other ongoing challenges including \$4.5 million in additional pension contributions to exceed statutory requirements and fully fund public safety pensions by 2040.

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

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City Manager's Office, Finance Division at the City of Evanston, 2100 Ridge Avenue, Evanston, Illinois 60201, Telephone 847-448-8082, or access the website at [www.cityofevanston.org](http://www.cityofevanston.org).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF EVANSTON, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
<b>ASSETS</b>				
Cash and equivalents	\$ 34,923,544	\$ 2,704,939	\$ 37,628,483	\$ 8,618,383
Investments	82,215,248	6,055,579	88,270,827	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	48,209,794	1,332,500	49,542,294	8,901,308
Utility taxes	648,337	-	648,337	-
Accounts	-	10,313,849	10,313,849	-
Notes	75,000	-	75,000	-
Loans	9,470,772	-	9,470,772	-
Special assessments	835,099	-	835,099	-
Leases	625,334	5,120,889	5,746,223	-
Accrued interest	552	7,132	7,684	-
Other	1,491,868	357,998	1,849,866	-
Due from other governments	10,628,083	-	10,628,083	-
Due from primary government	-	-	-	188,291
Internal balances	(2,189,205)	2,189,205	-	-
Inventories	1,776,576	935,118	2,711,694	-
Prepaid items	6,029,273	49,463	6,078,736	-
Capital assets				
Capital assets not being depreciated	55,956,089	16,992,831	72,948,920	311,380
Capital assets being depreciated, net	175,739,981	373,464,741	549,204,722	10,491,351
<b>Total assets</b>	<b>426,436,345</b>	<b>419,524,244</b>	<b>845,960,589</b>	<b>28,510,713</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Asset retirement obligations	-	3,543,173	3,543,173	-
Pension items - Police	9,964,173	-	9,964,173	-
Pension items - Fire	13,002,707	-	13,002,707	-
Pension items - IMRF	19,036,860	4,712,589	23,749,449	2,519,160
OPEB items	3,906,968	182,610	4,089,578	58,046
<b>Total deferred outflows of resources</b>	<b>45,910,708</b>	<b>8,438,372</b>	<b>54,349,080</b>	<b>2,577,206</b>
<b>Total assets and deferred outflows of resources</b>	<b>472,347,053</b>	<b>427,962,616</b>	<b>900,309,669</b>	<b>31,087,919</b>

(This statement is continued on the following page.)

**CITY OF EVANSTON, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Evanston Public Library
<b>LIABILITIES</b>				
Vouchers payable	\$ 19,652,638	\$ 2,840,875	\$ 22,493,513	\$ 124,788
Retainage payable	-	399,713	399,713	-
Deposits payable	-	-	-	-
Accrued payroll	2,289,226	-	2,289,226	-
Accrued interest	442,015	294,659	736,674	18,440
Due to other governments	4,475,106	-	4,475,106	-
Due to component unit	188,291	-	188,291	-
Due to fiduciary funds	429,444	-	429,444	-
Unearned revenue	23,633,581	-	23,633,581	-
Noncurrent liabilities				
Due within one year	13,744,790	6,605,814	20,350,604	451,180
Due in more than one year	377,237,369	88,869,295	466,106,664	6,963,814
<b>Total liabilities</b>	<b>442,092,460</b>	<b>99,010,356</b>	<b>541,102,816</b>	<b>7,558,222</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items - Police Pension	2,156,892	-	2,156,892	-
Pension items - Fire Pension	-	-	-	-
Pension items - IMRF	717,799	177,692	895,491	94,987
OPEB items	5,010,944	234,209	5,245,153	74,447
Property taxes levied for future periods	47,251,160	1,332,500	48,583,660	8,788,341
Leases	598,260	4,949,133	5,547,393	-
<b>Total deferred inflows of resources</b>	<b>55,735,055</b>	<b>6,693,534</b>	<b>62,428,589</b>	<b>8,957,775</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>497,827,515</b>	<b>105,703,890</b>	<b>603,531,405</b>	<b>16,515,997</b>
<b>NET POSITION</b>				
Net investment in capital assets	93,847,182	302,774,179	396,621,361	4,081,234
Restricted for				
Highway maintenance	6,284,204	-	6,284,204	-
Emergency telephone system	1,560,774	-	1,560,774	-
HUD approved projects	458,142	-	458,142	-
Neighborhood improvements	3,282,640	-	3,282,640	-
Reparations	1,554,075	-	1,554,075	-
Sustainability	787,300	-	787,300	-
Governmental services	2,034,973	-	2,034,973	-
Capital improvements	188,325	-	188,325	-
Debt service	7,829,210	-	7,829,210	2,781
General assistance	1,294,844	-	1,294,844	-
Endowment	-	-	-	4,453,815
Unrestricted (deficit)	(144,602,131)	19,484,547	(125,117,584)	6,034,092
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (25,480,462)</b>	<b>\$ 322,258,726</b>	<b>\$ 296,778,264</b>	<b>\$ 14,571,922</b>

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General management and support	\$ 29,867,575	\$ 9,545,528	\$ 127,408	\$ -
Public safety	79,009,306	7,244,971	70,442	-
Public works	29,297,432	550,150	3,459,705	585,849
Health and human resource development	6,095,290	359,897	1,131,791	-
Recreational and cultural opportunities	11,929,994	7,207,494	489,512	-
Housing and economic development	15,346,710	4,324,696	2,251,038	325,000
Interest	3,854,428	-	-	-
Total governmental activities	175,400,735	29,232,736	7,529,896	910,849
Business-Type Activities				
Water	17,482,399	23,679,652	-	-
Sewer	6,942,639	9,348,891	-	-
Solid waste	6,191,417	5,328,363	-	-
Motor vehicles parking system	9,916,592	9,730,310	-	-
Total business-type activities	40,533,047	48,087,216	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 215,933,782</b>	<b>\$ 77,319,952</b>	<b>\$ 7,529,896</b>	<b>\$ 910,849</b>
<b>COMPONENT UNIT</b>				
Evanston Public Library	\$ 9,321,197	\$ 49,269	\$ 645,160	\$ -

<b>Net (Expense) Revenue and Change in Net Position</b>				
<b>Primary Government</b>				<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>	<b>Evanston Public Library</b>	
\$ (20,194,639)	\$ -	\$ (20,194,639)	\$ -	
(71,693,893)	-	(71,693,893)	-	
(24,701,728)	-	(24,701,728)	-	
(4,603,602)	-	(4,603,602)	-	
(4,232,988)	-	(4,232,988)	-	
(8,445,976)	-	(8,445,976)	-	
(3,854,428)	-	(3,854,428)	-	
(137,727,254)	-	(137,727,254)	-	
-	6,197,253	6,197,253	-	
-	2,406,252	2,406,252	-	
-	(863,054)	(863,054)	-	
-	(186,282)	(186,282)	-	
-	7,554,169	7,554,169	-	
(137,727,254)	7,554,169	(130,173,085)	-	
-	-	-	(8,626,768)	
<b>General Revenues</b>				
<b>Taxes</b>				
Property tax	54,425,981	1,332,500	55,758,481	8,253,648
Other taxes	10,544,622	-	10,544,622	-
Personal property replacement taxes	4,087,124	-	4,087,124	-
Sales and home rule tax	23,725,230	-	23,725,230	-
Utility tax	6,176,206	-	6,176,206	-
Liquor tax	3,772,043	-	3,772,043	-
Parking tax	2,952,554	-	2,952,554	-
Real estate transfer tax	3,310,770	-	3,310,770	-
Intergovernmental	7,434,037	-	7,434,037	-
Income tax	12,558,980	-	12,558,980	-
Investment income	5,808,554	763,849	6,572,403	774,987
Miscellaneous	2,914,585	-	2,914,585	4,867
Transfers	5,211,716	(5,211,716)	-	-
<b>Total</b>	<b>142,922,402</b>	<b>(3,115,367)</b>	<b>139,807,035</b>	<b>9,033,502</b>
<b>CHANGE IN NET POSITION</b>	<b>5,195,148</b>	<b>4,438,802</b>	<b>9,633,950</b>	<b>406,734</b>
<b>NET POSITION (DEFICIT), JANUARY 1</b>	<b>(30,675,610)</b>	<b>317,819,924</b>	<b>287,144,314</b>	<b>14,165,188</b>
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (25,480,462)</b>	<b>\$ 322,258,726</b>	<b>\$ 296,778,264</b>	<b>\$ 14,571,922</b>

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2023

	General	Capital Improvements	General Obligation Debt Service
<b>ASSETS</b>			
Cash and equivalents	\$ 5,712,759	\$ 1,492,097	\$ 2,331,863
Investments	43,862,173	4,312,680	585,651
Receivables			
Property taxes	33,038,341	-	12,969,760
Utility	648,337	-	-
Notes	75,000	-	-
Loans	-	-	-
Special assessments	-	-	-
Leases	270,454	-	-
Accrued interest	347	-	-
Other	1,491,868	-	-
Due from other governments	9,499,314	-	-
Due from other funds	1,009,276	1,964,464	-
Advances to other funds	4,300,000	-	-
Inventories	32,258	-	-
	<b>\$ 99,940,127</b>	<b>\$ 7,769,241</b>	<b>\$ 15,887,274</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Vouchers payable	\$ 3,053,940	\$ 11,289,239	\$ -
Accrued payroll	2,289,226	-	-
Accrued interest	39,005	-	-
Unearned revenue	-	353,413	-
Due to other governments	4,296,596	-	-
Due to component unit	188,291	-	-
Due to other funds	5,280,149	-	216,146
Due to fiduciary funds	429,444	-	-
Advances from other funds	-	4,300,000	-
	15,576,651	15,942,652	216,146
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Long-term loans	-	-	-
Property taxes levied for future periods	32,407,402	-	12,766,093
Leases	257,342	-	-
	32,664,744	-	12,766,093
Total liabilities and deferred inflows of resources	48,241,395	15,942,652	12,982,239

ARPA	Nonmajor Governmental Funds	Total Governmental Funds
\$ 393,380	\$ 23,369,295	\$ 33,299,394
27,255,596	6,199,148	82,215,248
-	2,201,693	48,209,794
-	-	648,337
-	-	75,000
-	9,470,772	9,470,772
-	835,099	835,099
-	354,880	625,334
-	205	552
-	-	1,491,868
-	1,128,769	10,628,083
-	707,954	3,681,694
-	-	4,300,000
-	-	32,258
<u>\$ 27,648,976</u>	<u>\$ 44,267,815</u>	<u>\$ 195,513,433</u>

\$ 1,478,095	\$ 3,081,272	\$ 18,902,546
-	-	2,289,226
-	-	39,005
23,280,168	-	23,633,581
-	178,510	4,475,106
-	-	188,291
855,740	2,474,447	8,826,482
-	-	429,444
-	-	4,300,000

<u>25,614,003</u>	<u>5,734,229</u>	<u>63,083,681</u>
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-	10,305,871	10,305,871
-	2,077,665	47,251,160
-	340,918	598,260

<u>-</u>	<u>12,724,454</u>	<u>58,155,291</u>
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<u>25,614,003</u>	<u>18,458,683</u>	<u>121,238,972</u>
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(This statement is continued on the following page)

**CITY OF EVANSTON, ILLINOIS**

BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS

December 31, 2023

	<u>General</u>	<u>Capital Improvements</u>	<u>General Obligation Debt Service</u>
<b>FUND BALANCES</b>			
Nonspendable			
Advances	\$ 4,300,000	\$ -	\$ -
Notes	75,000	-	-
Inventory	32,258	-	-
Restricted			
Highway maintenance	-	-	-
Emergency telephone system	-	-	-
HUD approved projects	-	-	-
Neighborhood improvements	-	-	-
Reparations	-	-	-
Sustainability	-	-	-
Governmental services	-	-	-
Debt service	-	-	2,905,035
General assistance	-	-	-
Capital improvements	-	-	-
Assigned			
Capital improvements	-	-	-
Other	14,588,779	-	-
Unassigned (deficit)	32,702,695	(8,173,411)	-
	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	51,698,732	(8,173,411)	2,905,035
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES, INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 99,940,127</b>	<b>\$ 7,769,241</b>	<b>\$ 15,887,274</b>

ARPA	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 4,300,000
-	-	75,000
-	-	32,258
-	6,284,204	6,284,204
-	1,560,774	1,560,774
-	458,142	458,142
-	3,425,535	3,425,535
-	1,554,075	1,554,075
-	787,300	787,300
2,034,973	-	2,034,973
-	4,924,175	7,829,210
-	1,294,844	1,294,844
-	188,325	188,325
-	5,469,147	5,469,147
-	-	14,588,779
-	(137,389)	24,391,895
2,034,973	25,809,132	74,274,461
\$ 27,648,976	\$ 44,267,815	\$ 195,513,433

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, 2023

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>		<b>\$ 74,274,461</b>
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	\$ 231,696,070	
Less internal service fund portion	<u>7,999,675</u>	223,696,395
Total OPEB liability payable is not due and payable in the current period and, therefore, is not reported in the governmental funds		
		(22,858,273)
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds		
		(403,010)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
General obligation bonds payable		
Total governmental general obligation bonds payable	\$ (128,514,844)	
Less internal service fund portion	<u>(660,000)</u>	(127,854,844)
Bonds premium liability		(9,334,044)
Compensated absences payable		(12,321,470)
Net pension liability/asset is shown as a liability/asset on the statement of net position		
Illinois Municipal Retirement Fund		(5,432,157)
Police Pension Fund		(106,273,070)
Firefighters' Pension Fund		(102,455,458)
Differences between expected and actual experiences, assumption changes, net differences between projected, and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position		
Illinois Municipal Retirement Fund		18,319,061
Police Pension Fund		7,807,281
Firefighters' Pension Fund		13,002,707
OPEB		(1,098,415)
Deferred inflows for long-term loans are not available and, therefore, not revenue in fund financial statements		
		10,305,871
The net position of the internal service fund is included in the governmental activities on the statement of net position		
		<u>15,144,503</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ (25,480,462)</u></b>

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>General</b>	<b>Capital Improvements</b>	<b>General Obligation Debt Service</b>
<b>REVENUES</b>			
Taxes	\$ 71,051,672	\$ -	\$ 13,454,095
Licenses and permits	9,845,981	-	-
Special assessments	-	-	-
Intergovernmental	27,779,639	335,849	-
Fees	-	32,748	-
Charges for services	13,009,442	82,036	-
Fines and forfeits	4,094,917	-	-
Investment income	2,384,515	309,352	369,711
Miscellaneous	2,213,712	-	-
<b>Total revenues</b>	<b>130,379,878</b>	<b>759,985</b>	<b>13,823,806</b>
<b>EXPENDITURES</b>			
Current			
General management and support	22,608,932	62	35
Public safety	79,003,597	1,563	-
Public works	13,908,332	8,176,789	-
Health and human resource development	5,961,497	-	-
Recreational and cultural opportunities	12,982,724	-	-
Housing and economic development	3,467,120	-	-
Capital outlay	-	5,986,100	-
Debt service			
Principal	-	-	9,971,562
Interest	39,005	-	5,225,660
Fiscal charges	-	-	6,300
<b>Total expenditures</b>	<b>137,971,207</b>	<b>14,164,514</b>	<b>15,203,557</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,591,329)</b>	<b>(13,404,529)</b>	<b>(1,379,751)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	7,733,940	3,264,226	2,318,976
Transfers (out)	(9,567,085)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,833,145)</b>	<b>3,264,226</b>	<b>2,318,976</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(9,424,474)</b>	<b>(10,140,303)</b>	<b>939,225</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>61,123,206</b>	<b>1,966,892</b>	<b>1,965,810</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 51,698,732</b>	<b>\$ (8,173,411)</b>	<b>\$ 2,905,035</b>

(This statement is continued on the following page.)

ARPA	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 12,753,901	\$ 97,259,668
-	-	9,845,981
-	186,037	186,037
7,434,037	5,722,388	41,271,913
-	480,754	513,502
-	-	13,091,478
-	-	4,094,917
1,503,803	1,241,173	5,808,554
-	1,098,405	3,312,117
<hr/> 8,937,840	<hr/> 21,482,658	<hr/> 175,384,167
2,972,848	4,403,276	29,985,153
1,085,026	1,574,398	81,664,584
-	2,831,572	24,916,693
-	-	5,961,497
-	-	12,982,724
-	10,564,349	14,031,469
776,163	824,561	7,586,824
-	-	9,971,562
-	-	5,264,665
-	-	6,300
<hr/> 4,834,037	<hr/> 20,198,156	<hr/> 192,371,471
<hr/> 4,103,803	<hr/> 1,284,502	<hr/> (16,987,304)
-	1,006,750	14,323,892
(2,600,000)	(2,407,104)	(14,574,189)
<hr/> (2,600,000)	<hr/> (1,400,354)	<hr/> (250,297)
1,503,803	(115,852)	(17,237,601)
531,170	25,924,984	91,512,062
<hr/> \$ 2,034,973	<hr/> \$ 25,809,132	<hr/> \$ 74,274,461

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (17,237,601)</b>
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	13,112,429
Some expenses in the statement of net position (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation	(10,899,202)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	9,971,562
The amortization of premium on long-term debt is reported as a reduction of interest expense on the statement of activities	918,325
Changes in total other postemployment benefits obligations are reported only in the statement of activities	(2,508,591)
The change in compensated absences payable is shown as an expense on the statement of activities	(2,392,934)
The change in the accrual of interest is reported as interest expense on the statement of activities	498,212
The change in the net pension liability (asset) is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(44,524,483)
Police Pension Fund	22,662,185
Firefighters' Pension Fund	8,120,190
The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	43,108,773
Police Pension Fund	(17,847,655)
Firefighters' Pension Fund	(6,068,481)
OPEB	801,430
The change in deferred inflows for long-term loans is not an expense on the statement of activities	(142,895)
Internal service funds are reported separately in the fund financial statements	7,623,884
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,195,148</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2023

	Business-Type Activities				Total	Governmental
	Water	Sewer	Solid Waste	Motor Vehicle Parking System		Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 300	\$ 7,500	\$ 1,136,421	\$ 1,560,718	\$ 2,704,939	\$ 1,624,150
Investments	4,520,909	1,332,566	-	202,104	6,055,579	-
Receivables						
Property taxes	-	-	1,332,500	-	1,332,500	-
Accounts - water and sewerage charges						
Accounts - billed	6,493,780	143,261	163,223	-	6,800,264	-
Accounts - unbilled	1,389,935	1,365,782	757,868	-	3,513,585	-
Leases	-	-	-	5,120,889	5,120,889	-
Accrued interest	-	-	-	7,132	7,132	-
Other	-	-	133,784	224,214	357,998	-
Inventories	793,962	141,156	-	-	935,118	1,744,318
Prepaid items	49,463	-	-	-	49,463	6,029,273
Due from other funds	17,905,288	5,772,432	1,020,449	417,857	25,116,026	2,955,583
Total current assets	31,153,637	8,762,697	4,544,245	7,532,914	51,993,493	12,353,324
<b>NONCURRENT ASSETS</b>						
Capital assets						
Capital assets not being depreciated	12,596,353	-	-	4,396,478	16,992,831	-
Capital assets being depreciated	187,416,585	267,455,359	1,122,235	94,393,841	550,388,020	28,547,053
Accumulated depreciation	(44,538,079)	(82,702,613)	(348,204)	(49,334,383)	(176,923,279)	(20,547,378)
Total capital assets	155,474,859	184,752,746	774,031	49,455,936	390,457,572	7,999,675
Other assets						
Notes receivable	-	-	-	-	-	-
Total other assets	-	-	-	-	-	-
Total noncurrent assets	155,474,859	184,752,746	774,031	49,455,936	390,457,572	7,999,675
Total assets	186,628,496	193,515,443	5,318,276	56,988,850	442,451,065	20,352,999
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Asset retirement obligations	3,543,173	-	-	-	3,543,173	-
Pension items - IMRF	2,684,652	601,551	759,163	667,223	4,712,589	-
OPEB items	79,433	42,853	28,320	32,004	182,610	19,678
Total deferred outflows of resources	6,307,258	644,404	787,483	699,227	8,438,372	19,678
Total assets and deferred outflows of resources	192,935,754	194,159,847	6,105,759	57,688,077	450,889,437	20,372,677

(This statement is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

STATEMENT OF NET POSITION (Continued)  
 PROPRIETARY FUNDS

December 31, 2023

	Business-Type Activities				Total	Governmental
	Water	Sewer	Solid Waste	Motor Vehicle Parking System		Internal Service Funds
<b>CURRENT LIABILITIES</b>						
Vouchers payable	\$ 1,975,356	\$ 154,388	\$ 534,858	\$ 176,273	\$ 2,840,875	\$ 750,092
Retainage payable	399,713	-	-	-	399,713	-
Deposits payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Interest payable - restricted	224,515	67,298	-	2,846	294,659	-
Notes payable - IEPA	1,555,423	2,931,450	-	-	4,486,873	-
Current portion of GO bonds payable	1,643,095	249,592	-	45,000	1,937,687	-
Current portion of total OPEB liability	14,351	7,970	5,764	6,308	34,393	3,870
Claims payable	-	-	-	-	-	621,750
Due to other funds	22,926,821	-	-	-	22,926,821	-
Compensated absences payable	84,452	21,996	15,779	24,634	146,861	18,222
<b>Total current liabilities</b>	<b>28,823,726</b>	<b>3,432,694</b>	<b>556,401</b>	<b>255,061</b>	<b>33,067,882</b>	<b>1,393,934</b>
<b>NONCURRENT LIABILITIES</b>						
Notes payable - IEPA	40,049,898	8,772,899	-	-	48,822,797	-
General obligation bonds payable	27,267,888	3,385,663	-	1,382,772	32,036,323	660,000
Asset retirement obligations	5,081,625	-	-	-	5,081,625	-
Total OPEB liability	415,745	230,894	166,986	182,745	996,370	112,113
Claims payable	-	-	-	-	-	2,963,999
Compensated absences payable	337,810	87,985	63,115	98,536	587,446	72,889
Net pension liability	766,064	171,652	216,627	190,391	1,344,734	-
<b>Total noncurrent liabilities</b>	<b>73,919,030</b>	<b>12,649,093</b>	<b>446,728</b>	<b>1,854,444</b>	<b>88,869,295</b>	<b>3,809,001</b>
<b>Total liabilities</b>	<b>102,742,756</b>	<b>16,081,787</b>	<b>1,003,129</b>	<b>2,109,505</b>	<b>121,937,177</b>	<b>5,202,935</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension items - IMRF	101,227	22,682	28,625	25,158	177,692	-
OPEB items	101,878	54,962	36,322	41,047	234,209	25,239
Deferred property taxes	-	-	1,332,500	-	1,332,500	-
Leases	-	-	-	4,949,133	4,949,133	-
<b>Total deferred inflows of resources</b>	<b>203,105</b>	<b>77,644</b>	<b>1,397,447</b>	<b>5,015,338</b>	<b>6,693,534</b>	<b>25,239</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>102,945,861</b>	<b>16,159,431</b>	<b>2,400,576</b>	<b>7,124,843</b>	<b>128,630,711</b>	<b>5,228,174</b>
<b>NET POSITION</b>						
Net investment in capital assets	84,558,842	169,413,142	774,031	48,028,164	302,774,179	7,022,872
Unrestricted	5,431,051	8,587,274	2,931,152	2,535,070	19,484,547	8,121,631
<b>TOTAL NET POSITION</b>	<b>\$ 89,989,893</b>	<b>\$ 178,000,416</b>	<b>\$ 3,705,183</b>	<b>\$ 50,563,234</b>	<b>\$ 322,258,726</b>	<b>\$ 15,144,503</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

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

For the Year Ended December 31, 2023

	Business-Type Activities				Total	Governmental
	Water	Sewer	Solid Waste	Motor Vehicle Parking System		Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 22,853,411	\$ 9,324,141	\$ 5,286,652	\$ 9,297,572	\$ 46,761,776	\$ 25,639,998
Miscellaneous	826,241	24,750	41,711	432,738	1,325,440	10,590
Total operating revenues	23,679,652	9,348,891	5,328,363	9,730,310	48,087,216	25,650,588
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>						
Administration	2,033,258	1,869,994	1,831,618	2,260,434	7,995,304	-
Operations	10,511,088	699,094	4,247,575	4,533,524	19,991,281	23,330,179
Total operating expenses excluding depreciation	12,544,346	2,569,088	6,079,193	6,793,958	27,986,585	23,330,179
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	11,135,306	6,779,803	(750,830)	2,936,352	20,100,631	2,320,409
Depreciation and amortization	3,560,735	3,872,791	112,224	3,086,651	10,632,401	1,596,479
OPERATING INCOME (LOSS)	7,574,571	2,907,012	(863,054)	(150,299)	9,468,230	723,930
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment income	387,878	187,267	22,170	166,534	763,849	24,450
Property taxes	-	-	1,332,500	-	1,332,500	-
Interest expense	(1,351,812)	(401,808)	-	(35,983)	(1,789,603)	-
Gain (loss) on disposal of capital assets	(25,506)	(98,952)	-	-	(124,458)	238,503
Claims reimbursements	-	-	-	-	-	-
Total non-operating revenues (expenses)	(989,440)	(313,493)	1,354,670	130,551	182,288	262,953
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	6,585,131	2,593,519	491,616	(19,748)	9,650,518	986,883
<b>TRANSFERS AND CONTRIBUTIONS</b>						
Transfers in	137,792	-	-	1,121,316	1,259,108	6,637,001
Transfers (out)	(4,049,568)	(623,856)	-	(2,972,388)	(7,645,812)	-
Capital contributions	1,174,988	-	-	-	1,174,988	-
Total transfers and capital contributions	(2,736,788)	(623,856)	-	(1,851,072)	(5,211,716)	6,637,001
NET INCOME (LOSS)	3,848,343	1,969,663	491,616	(1,870,820)	4,438,802	7,623,884
NET POSITION, JANUARY 1	86,141,550	176,030,753	3,213,567	52,434,054	317,819,924	7,520,619
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 89,989,893</b>	<b>\$ 178,000,416</b>	<b>\$ 3,705,183</b>	<b>\$ 50,563,234</b>	<b>\$ 322,258,726</b>	<b>\$ 15,144,503</b>

See accompanying notes to financial statements.

CITY OF EVANSTON, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 23,776,574	\$ 9,479,944	\$ 5,269,533	\$ 9,764,753	\$ 48,290,804	\$ 3,931,840
Receipts from (payments for) interfund services provided	(1,845,132)	(808,632)	(500,092)	(711,621)	(3,865,477)	21,105,667
Receipts from other agencies	-	-	-	-	-	618,075
Payments to suppliers	(10,231,000)	(629,594)	(3,637,398)	(4,333,380)	(18,831,372)	(2,941,620)
Payments to employees	(309,183)	(1,248,382)	(1,572,897)	(1,626,696)	(4,757,158)	(4,768,932)
Payments for insurance premiums	-	-	-	-	-	(15,915,273)
Net cash from operating activities	11,391,259	6,793,336	(440,854)	3,093,056	20,836,797	2,029,757
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Property taxes	-	-	1,332,500	-	1,332,500	-
Transfers in	137,792	-	-	1,121,316	1,259,108	6,637,001
Transfers (out)	(4,049,568)	(623,856)	-	(2,972,388)	(7,645,812)	-
Interfund activity	2,952,323	(1,855,722)	222,605	(635,850)	683,356	(6,110,704)
Net cash from noncapital financing activities	(959,453)	(2,479,578)	1,555,105	(2,486,922)	(4,370,848)	526,297
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Sale of capital assets	-	-	-	-	-	255,552
Acquisition and construction of capital assets	(17,469,165)	(1,078,203)	-	(131,180)	(18,678,548)	(2,339,743)
Proceeds from loans	7,648,773	-	-	-	7,648,773	-
Principal paid on general obligation bonds	(1,436,736)	(235,971)	-	(40,000)	(1,712,707)	-
Interest paid on general obligation bonds and IEPA loans	(1,391,170)	(457,858)	-	(41,813)	(1,890,841)	-
Principal paid on IEPA loans	(1,185,806)	(3,183,578)	-	-	(4,369,384)	-
Net cash from capital and related financing activities	(13,834,104)	(4,955,610)	-	(212,993)	(19,002,707)	(2,084,191)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Sale (Purchase) of investments	3,136,323	-	-	(9,131)	3,127,192	-
Interest income	265,975	127,068	22,170	165,264	580,477	24,450
Net cash from investing activities	3,402,298	127,068	22,170	156,133	3,707,669	24,450
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(514,784)	1,136,421	549,274	1,170,911	496,313
CASH AND CASH EQUIVALENTS, JANUARY 1	300	522,284	-	1,011,444	1,534,028	1,127,837
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 300</b>	<b>\$ 7,500</b>	<b>\$ 1,136,421</b>	<b>\$ 1,560,718</b>	<b>\$ 2,704,939</b>	<b>\$ 1,624,150</b>

(This statement is continued on the following page.)

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

For the Year Ended December 31, 2023

	Water	Sewer	Solid Waste	Motor Vehicle Parking System	Total	Governmental Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 7,574,571	\$ 2,907,012	\$ (863,054)	\$ (150,299)	\$ 9,468,230	\$ 723,930
Adjustments to reconcile operating income to net cash from operating activities						
Depreciation	3,560,735	3,872,791	112,224	3,086,651	10,632,401	1,596,479
Changes in assets and liabilities						
Accounts receivable	96,922	131,243	(58,830)	141,204	310,539	4,994
Lease items	-	-	-	(106,761)	(106,761)	-
Prepaid expenses	(49,463)	-	-	-	(49,463)	120,557
Inventories	64,805	(2,891)	-	-	61,914	(4,828)
Compensated absences	2,311	14,956	19,464	21,791	58,522	5,297
OPEB items	(2,104)	5,698	18,660	14,917	37,171	8,912
Pension items - IMRF	58,736	52,330	44,106	45,405	200,577	-
Deposits payable	-	(190)	(1,605)	-	(1,795)	-
Vouchers payable	13,883	(187,613)	288,181	40,148	154,599	125,909
Deferred outflows - asset retirement obligations	70,863	-	-	-	70,863	-
Claims payable	-	-	-	-	-	(551,493)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 11,391,259</b>	<b>\$ 6,793,336</b>	<b>\$ (440,854)</b>	<b>\$ 3,093,056</b>	<b>\$ 20,836,797</b>	<b>\$ 2,029,757</b>
<b>NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES</b>						
Capital assets acquired through vouchers and retainage payable	\$ 399,713	\$ -	\$ -	\$ -	\$ 399,713	\$ 316,803
Capital asset contributions	1,174,988	-	-	-	1,174,988	-
IEPA loan receivable	(2,526,454)	-	-	-	(2,526,454)	-
Change in fair value of investments	121,903	60,199	-	9,114	191,216	-
<b>TOTAL NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES</b>	<b>\$ (829,850)</b>	<b>\$ 60,199</b>	<b>\$ -</b>	<b>\$ 9,114</b>	<b>\$ (760,537)</b>	<b>\$ 316,803</b>

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

December 31, 2023

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	<b>Pension Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 21,419,363
Investments	
U.S. Treasury obligations	23,273,388
U.S. agency obligations	10,119,483
Corporate bonds	10,604,326
Common stock	54,221,395
Equity mutual funds	69,827,992
Real estate	1,210,129
Investments held in the Illinois Firefighters' Pension Investment Fund	99,355,205
Prepays	9,245
Receivables	
Accounts	3,123
Accrued interest	404,100
Due from City	429,444
	<hr/>
Total assets	290,877,193
	<hr/>
<b>LIABILITIES</b>	
Vouchers payable	19,054
	<hr/>
Total liabilities	19,054
	<hr/>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 290,858,139</b>
	<hr/> <hr/>

See accompanying notes to financial statements.

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	
Contributions - employer	\$ 25,565,498
Contributions - plan members	2,961,276
Total contributions	<u>28,526,774</u>
Investment income	
Net appreciation in fair value of investments	34,480,603
Interest on investments	5,933,646
Less investment expenses	<u>(491,881)</u>
Total investment income	<u>39,922,368</u>
Total additions	<u>68,449,142</u>
<b>DEDUCTIONS</b>	
Administration	176,522
Benefit payments and refunds	<u>27,410,575</u>
Total deductions	<u>27,587,097</u>
NET INCREASE	40,862,045
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	
January 1	<u>249,996,094</u>
December 31	<u><u>\$ 290,858,139</u></u>

See accompanying notes to financial statements.

# CITY OF EVANSTON, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### a. Reporting Entity

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

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists; (2) the primary government

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit; (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens; or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Blended Component Unit

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

Discrete Component Unit

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

Discrete Component Unit (Continued)

The EPL serves the community through two branches. The EPL partners with Northwestern University and other agencies to implement digitally based science, technology, and math learning opportunities for teens. The EPL is continually focused on expanding summer reading programs to serve the patrons of all ages. The Library has also expanded community outreach by promoting library services at various local places and events. The EPL does not issue separate financial statements.

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

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Joint Ventures

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

c. Government-Wide and Fund Financial Statements

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

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

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

d. Fund Accounting

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Fund Accounting (Continued)

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues and additions are recorded when earned and expenses and deductions 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The following revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

\*Property taxes are defined as available if collected within at most 60 days after fiscal year end.

All other revenue items are considered to be measurable and available only when cash is received by the City and the Library.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Capital Improvement Fund is a capital projects fund to account for capital improvements of the City, financed by earmarking revenues to provide for the costs associated with the projects.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

The City reports the following major proprietary funds:

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

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

The Solid Waste Fund accounts for the recycling, refuse, and yard waste removal services related fees and expenses. Refuse and yard waste are contracted out, while recycling is handled by the City staff. The City has elected to present this fund as major.

The Motor Vehicle Parking System accounts for the provision of the public and residential parking facility on Church Street, Maple Avenue, and Sherman Avenue, as well as all the City's parking lots and meters. All activities are accounted for including administration, operations, financing, and revenue collection.

Additionally, the City reports the following fund types:

Internal Service Funds account for the fleet management and insurance services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Pension Trust Funds account for the activities of the Police and Firefighters' Pension Funds, which accumulate resources for pension benefit payments to qualified public safety employees.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Cash and Equivalents

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

g. Investments

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

h. Inventories and Prepaid Items

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

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

i. Tangible and Intangible Capital Assets

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

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Tangible and Intangible Capital Assets (Continued)

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

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

Intangible assets represent the City's right-to-use leased assets. These intangible assets, as defined by GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for lease or subscription contracts of nonfinancial assets including equipment, buildings, and software and are amortized over the shorter of the lease term or useful life of the intangible asset.

j. Compensated Absences

It is the City's and the Library's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated leave time or benefits owed to retirees or terminated employees, if applicable, is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated leave time or benefits of proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

k. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Self-Insurance

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

m. Deferred Inflows/Outflows of Resources

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

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

n. Property Taxes

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

The property tax calendar for Cook County is as follows:

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Property Taxes (Continued)

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). On this basis, property tax revenue includes all cash distributions of property tax related to the 2022 tax levy received during the fiscal period between January 1, 2023 and December 31, 2023. A 3% allowance for loss is reflected in the City and the Library financial statements.

The 2023 tax levy collections are intended to finance the 2024 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue.

o. Fund Equity

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

1. Nonspendable - Includes fund balance amounts that can not be spent either because they are not in spendable form or because legal or contractual stipulations require them to be maintained intact.
2. Restricted - Consists of fund balances with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
3. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action of the City. This formal action must occur prior to the end of the reporting period, but the amount of commitment, which will be subject to constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

o. Fund Equity (Continued)

4. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: (1) Council may take official action to assign amounts or (2) all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
5. Unassigned - Includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

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

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

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

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

p. Interfund Transactions

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

q. Use of Estimates

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

r. Conduit Debt

The City approved the issuance of \$5,000,000 Series 2010 Revenue Bonds during the fiscal year 2010-2011 to provide financial assistance to Chiaravalle Montessori School, deemed to be in public interest. The use of proceeds includes the property purchase from the City, improvement to the existing building, refinancing existing debt, and payment of miscellaneous costs. The bonds are secured by the property or mortgages financed and are payable from the monies, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. The Series 2010 Revenue Bonds were refunded in 2019, and the City approved the issuance of \$3,925,000 Series 2019A Revenue Bonds and \$3,735,000 Series 2019B Revenue Bonds, dated December 1, 2019. As of December 31, 2023, outstanding bond balance of the 2019A Revenue Bonds was \$3,335,000 and outstanding balance of the 2019B Revenue Bonds was \$3,335,000.

The City approved the issuance of \$8,275,000 Series 2021 Revenue Bonds during the fiscal period ended December 31, 2021. The use of proceeds includes the refunding of outstanding balance of the “Series 2011” bonds, fund one or more debt service reserve funds and to pay certain costs incurred in connection with the issuance of the bonds. The bonds are secured by the property or mortgages financed and are payable from the moneys, securities, and other revenues pledged under the indenture by the school. The City is not obligated in any manner for the repayment of bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2023, outstanding bond balance was \$8,275,000.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The Five Fifths Tax Increment District had a net deficit of \$137,389 as of December 31, 2023. The City plans to use current resources to pay for future liabilities.

The Capital Improvement Fund had a net deficit of \$8,173,411 as of December 31, 2023. The City plans to use current resources to pay for future liabilities.

### **3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

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

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

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

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

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

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

a. Types of Accounts and Securities (Continued)

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

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

b. Pooling of Cash and Investments

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

c. Types of Investments

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

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

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

c. Types of Investments (Continued)

The following table presents the investment and maturities of the City’s debt securities as of December 31, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 45,142,659	\$ 25,766,690	\$ 19,375,969	\$ -	\$ -
Municipal bonds	6,850,456	5,177,592	1,672,864	-	-
Negotiable CDs	1,706,669	1,706,669	-	-	-
<b>TOTAL</b>	<b>\$ 53,699,784</b>	<b>\$ 32,650,951</b>	<b>\$ 21,048,833</b>	<b>\$ -</b>	<b>\$ -</b>

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The City’s investment policy does not impose further limits on investment choices. The Illinois Funds and money markets were rated 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%. Investments in negotiable CDs were not rated. The 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, 2023. The investments in municipal bonds and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations use Level 1 inputs.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the City’s investments were insured, registered, or held by the counterparty’s trust department in the City’s name.

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

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

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**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)**

d. Deposits

Custodial Credit Risk. For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. Collateral is required for City deposits equal to or greater than the amount of City deposits which exceed FDIC insured amounts. The City's depository pledges a Federal Home Loan Bank line of credit in the City's name as collateral. All of the City's deposits were insured or collateralized at December 31, 2023.

**4. RECEIVABLES**

a. Summary of Receivables

Other receivables as of December 31, 2023 for the City's Governmental Activities and Business-Type Activities, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Receivables (net, where applicable, of allowances for uncollectibles)			
Amusement tax	\$ 128,402	\$ -	\$ 128,402
Hotel tax	114,596	-	114,596
Liquor tax	356,795	-	356,795
Local motor fuel tax	76,755	-	76,755
Parking tax	90,826	-	90,826
Transportation network tax	222,324	-	222,324
Athletic tax	482,037	-	482,037
Other miscellaneous	20,133	357,998	378,131
<b>NET TOTAL RECEIVABLES</b>	<b>\$ 1,491,868</b>	<b>\$ 357,998</b>	<b>\$ 1,849,866</b>

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

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

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**4. RECEIVABLES (Continued)**

b. Loans Receivable - Special Revenue Funds

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

Loan Type	Interest Rates	Beginning	Loans Made	Loan Repayments	Loan Adjustments	Ending
Title transfer	0% - 8%	\$ 2,731,610	\$ -	\$ 249,131	\$ -	\$ 2,482,479
Amortizing	0% - 8%	2,681,863	-	48,633	-	2,633,230
Forgivable	0% - 8%	4,452,200	-	-	(19,137)	4,433,063
Allowance		(78,000)	-	-	-	(78,000)
<b>TOTAL LOANS</b>		<b>\$ 9,787,673</b>	<b>\$ -</b>	<b>\$ 297,764</b>	<b>\$ (19,137)</b>	<b>\$ 9,470,772</b>

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

**5. CAPITAL ASSETS**

a. Capital Asset Activity

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 7,250,067	\$ -	\$ -	\$ 7,250,067
Right of way	18,695,896	-	-	18,695,896
Artwork	471,051	-	-	471,051
Construction in progress	22,471,879	11,271,306	4,204,110	29,539,075
Total capital assets not being depreciated	48,888,893	11,271,306	4,204,110	55,956,089
Capital assets being depreciated/amortized				
Buildings and improvements	144,816,807	3,377,453	-	148,194,260
Office equipment and furniture	7,792,312	-	-	7,792,312
Intangible assets	8,314,832	-	-	8,314,832
Machinery and equipment	31,809,160	2,358,078	1,412,351	32,754,887
Infrastructure	212,779,154	2,649,445	-	215,428,599
Capitalized leases	502,532	-	-	502,532
Total capital assets being depreciated/amortized	406,014,797	8,384,976	1,412,351	412,987,422
Less accumulated depreciation/amortization for				
Buildings and improvements	50,186,654	3,018,243	-	53,204,897
Office equipment and furniture	5,945,166	426,298	-	6,371,464
Intangible assets	7,548,487	205,329	-	7,753,816
Machinery and equipment	23,485,532	1,925,554	1,395,301	24,015,785
Infrastructure	138,482,598	6,916,349	-	145,398,947
Capitalized leases	498,624	3,908	-	502,532
Total accumulated depreciation/amortization	226,147,061	12,495,681	1,395,301	237,247,441
Total capital assets being depreciated/amortized, net	179,867,736	(4,110,705)	17,050	175,739,979
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 228,756,629</b>	<b>\$ 7,160,601</b>	<b>\$ 4,221,160</b>	<b>\$ 231,696,068</b>

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

**5. CAPITAL ASSETS (Continued)**

a. Capital Asset Activity (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 4,592,141	\$ -	\$ -	\$ 4,592,141
Construction in progress	1,721,265	10,415,909	96,236	12,040,938
Artwork	359,752	-	-	359,752
Total capital assets not being depreciated	<u>6,673,158</u>	<u>10,415,909</u>	<u>96,236</u>	<u>16,992,831</u>
Capital assets being depreciated/amortized				
Land improvements	10,316,777	-	-	10,316,777
Buildings and improvements	78,875,610	131,180	-	79,006,790
Leasehold improvements	772,131	-	-	772,131
Plant	71,977,498	1,121,147	-	73,098,645
Transmission and distribution system	106,461,668	7,562,796	91,445	113,933,019
Sewer system and underground lines	264,005,606	608,784	-	264,614,390
Intangible assets	1,250,490	-	-	1,250,490
Equipment	5,358,794	469,419	226,176	5,602,037
Parking meters	1,793,741	-	-	1,793,741
Total capital assets being depreciated/amortized	<u>540,812,315</u>	<u>9,893,326</u>	<u>317,621</u>	<u>550,388,020</u>
Less accumulated depreciation/amortization				
Land improvements	4,900,590	486,147	-	5,386,737
Buildings and improvements	38,343,510	2,083,595	-	40,427,105
Leasehold improvements	430,825	23,404	-	454,229
Plant	25,329,326	1,864,591	-	27,193,917
Transmission and distribution system	15,399,902	1,625,281	65,939	16,959,244
Sewer system and underground lines	77,342,902	3,604,412	-	80,947,314
Intangible assets	1,029,448	93,022	-	1,122,470
Equipment	2,478,531	585,652	127,224	2,936,959
Parking meters	1,299,870	195,434	-	1,495,304
Total accumulated depreciation/amortization	<u>166,554,904</u>	<u>10,561,538</u>	<u>193,163</u>	<u>176,923,279</u>
Total capital assets being depreciated and amortized, net	<u>374,257,411</u>	<u>(668,212)</u>	<u>124,458</u>	<u>373,464,741</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 380,930,569</u>	<u>\$ 9,747,697</u>	<u>\$ 220,694</u>	<u>\$ 390,457,572</u>

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

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**5. CAPITAL ASSETS (Continued)**

a. Capital Asset Activity (Continued)

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General management and support	\$ 473,334
Public safety	727,235
Public works	8,890,173
Housing and economic development	9,303
Recreation and cultural opportunities	799,157
Internal service funds	<u>1,596,479</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 12,495,681</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Water	\$ 3,489,872
Sewer	3,872,791
Solid waste	112,224
Motor vehicle parking	<u>3,086,651</u>
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 10,561,538</u></b>

b. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at December 31, 2023 is as follows:

Capital Improvement Fund	\$ 17,346,155
Crown Capital Improvement Fund	441,974
Motor Fuel Tax Fund	528,191
Water Fund	41,682,512
Sewer Fund	676,678
Motor Vehicle Parking System Fund	4,785
West Evanston TIF	439,070
Special Assessment Fund	30,797
Chicago Main TIF	2,349,666
Five Fifth TIF	74,011
Sustainability Fund	<u>27,100</u>
<b>TOTAL CONSTRUCTION COMMITMENTS</b>	<b><u>\$ 63,600,939</u></b>

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

**6. INTERFUNDS**

a. Interfund Accounts

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Due to/from other funds represent the current portion of these interfund loans, and advances to/from other funds represent the noncurrent portion.

Due from/to other funds are as follows:

	Due From	Due To
General	\$ 1,009,276	\$ 5,280,149
General Obligation Debt Service	-	216,146
Capital Improvement	1,964,464	-
ARPA	-	855,740
Water	17,905,288	22,926,821
Sewer	5,772,432	-
Solid Waste	1,020,449	-
Motor Vehicle Parking System	417,857	-
Nonmajor Governmental	707,954	2,474,447
Internal Service	2,955,583	-
	<u>\$ 31,753,303</u>	<u>\$ 31,753,303</u>

b. Advances from/to other funds are as follows:

	Advance From	Advance To
General	\$ 4,300,000	\$ -
Capital Improvement	-	4,300,000
	<u>\$ 4,300,000</u>	<u>\$ 4,300,000</u>

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, and (3) move restricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization, including amounts provided as subsidies or matching funds for various grant programs.

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

**6. INTERFUNDS (Continued)**

c. Interfund Transfers (Continued)

Interfund transfers between funds for the year ended December 31, 2023 were as follows:

	Transfers In	Transfers Out
<b>Governmental Funds</b>		
<b>General</b>		
Emergency Telephone System	\$ 90,000	\$ -
Special Assessment	91,992	-
Dempster-Dodge Tax Increment District	9,996	-
Chicago Main Tax Increment District	30,000	-
Howard Ridge Tax Increment District	75,000	-
West Evanston Tax Increment District	75,000	-
Water	4,049,568	137,792
Sewer	339,996	-
Motor Vehicle Parking System	2,972,388	21,316
SSA #9	-	206,750
Capital Improvements	-	3,264,226
Crown Community Center	-	174,996
Sustainability	-	200,004
Reparations	-	425,000
Internal Service Funds	-	5,137,001
	<hr/>	<hr/>
Total General	7,733,940	9,567,085
<b>General Obligation Debt Service</b>		
Sewer	283,860	-
Special Assessment	363,360	-
Chicago Main Tax Increment District	241,356	-
Dempster-Dodge Tax Increment District	164,484	-
Howard Ridge Tax Increment District	320,916	-
Crown Construction	945,000	-
	<hr/>	<hr/>
Total General Obligation Debt Service	2,318,976	-
<b>ARPA</b>		
Motor Vehicle Parking System	-	1,100,000
Equipment Replacement	-	1,500,000
	<hr/>	<hr/>
Total ARPA	-	2,600,000

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

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**6. INTERFUNDS (Continued)**

c. Interfund Transfers (Continued)

	Transfers In	Transfers Out
	<u>                    </u>	<u>                    </u>
Governmental Funds (Continued)		
Capital Improvements		
General	\$ 3,264,226	-
Total Capital Improvements	<u>3,264,226</u>	<u>-</u>
Nonmajor Governmental		
Emergency Telephone System		
General	-	90,000
Total Emergency Telephone System	<u>-</u>	<u>90,000</u>
Sustainability		
General	200,004	-
Total Sustainability	<u>200,004</u>	<u>-</u>
Chicago Main Tax Increment District		
General	-	30,000
General Obligation Debt Service	-	241,356
Total Chicago Main Tax Increment District	<u>-</u>	<u>271,356</u>
Dempster-Dodge Tax Increment District		
General	-	9,996
General Obligation Debt Service	-	164,484
Total Dempster-Dodge Tax Increment District	<u>-</u>	<u>174,480</u>
Howard Ridge Tax Increment District		
General	-	75,000
General Obligation Debt Service	-	320,916
Total Howard Ridge Tax Increment District	<u>-</u>	<u>395,916</u>

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

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**6. INTERFUNDS (Continued)**

c. Interfund Transfers (Continued)

	Transfers In	Transfers Out
	<u>          </u>	<u>          </u>
Governmental Funds (Continued)		
Nonmajor Governmental (Continued)		
West Evanston Tax Increment District		
General	\$ -	\$ 75,000
	<u>          </u>	<u>          </u>
Total West Evanston Tax Increment District	-	75,000
	<u>          </u>	<u>          </u>
Crown Construction		
General Obligation Debt Service	-	945,000
	<u>          </u>	<u>          </u>
Total Crown Construction	-	945,000
	<u>          </u>	<u>          </u>
Crown Maintenance		
General	174,996	-
	<u>          </u>	<u>          </u>
Total Crown Maintenance	174,996	-
	<u>          </u>	<u>          </u>
Special Assessment		
General	-	91,992
General Obligation Debt Service	-	363,360
	<u>          </u>	<u>          </u>
Total Special Assessment	-	455,352
	<u>          </u>	<u>          </u>
Reparations		
General	425,000	-
	<u>          </u>	<u>          </u>
Total Reparations	425,000	-
	<u>          </u>	<u>          </u>
SSA#9		
General	206,750	-
	<u>          </u>	<u>          </u>
Total SSA#9	206,750	-
	<u>          </u>	<u>          </u>
Total Nonmajor Governmental Funds	1,006,750	2,407,104
	<u>          </u>	<u>          </u>
Total Governmental Funds	14,323,892	14,574,189
	<u>          </u>	<u>          </u>

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

**6. INTERFUNDS (Continued)**

c. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Enterprise Funds		
Water		
General	\$ 137,792	\$ 4,049,568
Total Water	<u>137,792</u>	<u>4,049,568</u>
Sewer		
General	-	339,996
General Obligation Debt Service	-	283,860
Total Sewer	<u>-</u>	<u>623,856</u>
Motor Vehicle Parking System		
General	21,316	2,972,388
ARPA	1,100,000	-
Total Motor Vehicle Parking System	<u>1,121,316</u>	<u>2,972,388</u>
Total Enterprise Funds	<u>1,259,108</u>	<u>7,645,812</u>
Internal Service Funds		
Equipment Replacement		
General	5,137,001	-
ARPA	1,500,000	-
Total Equipment Replacement	<u>6,637,001</u>	<u>-</u>
Total Internal Service Funds	<u>6,637,001</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><u>\$ 22,220,001</u></u>	<u><u>\$ 22,220,001</u></u>

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

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

**7. LONG-TERM DEBT**

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

G.O. Debt Governmental Activities	Interest Rate	Final Maturity Date	Balances January 1	Issued	Payments	Balances December 31	Current Portion
Series 2013A	2.00%-4.75%	12/1/2033	\$ 6,640,000	\$ -	\$ 565,000	\$ 6,075,000	\$ 585,000
Series 2013B	2.00%-3.00%	12/1/2025	3,649,872	-	1,892,504	1,757,368	866,570
Series 2014A	1.25%-5.00%	12/1/2034	6,305,000	-	450,000	5,855,000	470,000
Series 2015A	2.00%-4.00%	12/1/2035	5,470,000	-	355,000	5,115,000	370,000
Series 2016A	2.00%-4.00%	12/1/2036	7,060,000	-	455,000	6,605,000	470,000
Series 2016B	2.00%-3.00%	12/1/2026	3,310,000	-	790,000	2,520,000	815,000
Series 2017A	3.00%-4.00%	12/1/2037	9,365,000	-	520,000	8,845,000	540,000
Series 2017B	4.00%-5.00%	12/1/2027	4,293,598	-	809,072	3,484,526	832,057
Series 2017C	2.05%-4.00%	12/1/2035	4,290,000	-	260,000	4,030,000	270,000
Series 2018A	3.12%-5.00%	12/1/2043	23,815,000	-	595,000	23,220,000	750,000
Series 2018B	2.29%-5.00%	12/1/2038	9,570,176	-	108,187	9,461,989	450,292
Series 2018C	4.00%-5.00%	12/1/2038	4,178,713	-	618,915	3,559,798	647,991
Series 2018D	3.70%-4.25%	12/1/2038	3,390,000	-	185,000	3,205,000	160,000
Series 2019A	1.72%-2.85%	12/1/2043	12,420,000	-	350,000	12,070,000	365,000
Series 2019B	1.66%-2.68%	12/1/2039	6,352,866	-	247,086	6,105,780	258,068
Series 2020A&B	1.42%-1.61%	12/1/2040	16,753,881	-	997,398	15,756,483	1,225,792
Series 2021	2.00%-5.00%	12/1/2041	11,622,300	-	773,400	10,848,900	798,150
Subtotal G.O. debt governmental activities			138,486,406	-	9,971,562	128,514,844	9,873,920
Bonds premium			10,252,369	-	918,325	9,334,044	-
OPEB liability - City			20,349,682	2,508,591	-	22,858,273	762,734
OPEB liability - Internal Service Funds			103,014	12,969	-	115,983	3,870
Net pension liability - IMRF			-	5,432,157	-	5,432,157	-
Net pension liability - Police Pension			128,935,255	-	22,662,185	106,273,070	-
Net pension liability - Firefighters' Pension			110,575,648	-	8,120,190	102,455,458	-
Compensated absences payable - City			9,928,536	4,594,125	2,201,191	12,321,470	2,464,294
Compensated absences payable - Internal Service Funds			85,814	22,460	17,163	91,111	18,222
Claims payable			4,137,242	1,504,250	2,055,743	3,585,749	621,750
Subtotal other governmental activities liabilities			284,367,560	14,074,552	35,974,797	262,467,315	3,870,870
<b>TOTAL GOVERNMENTAL ACTIVITIES DEBT AND LIABILITIES</b>			<b>\$ 422,853,966</b>	<b>\$ 14,074,552</b>	<b>\$ 45,946,359</b>	<b>\$ 390,982,159</b>	<b>\$ 13,744,790</b>

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

**7. LONG-TERM DEBT (Continued)**

**a. Changes in Long-Term Debt (Continued)**

G.O. Debt Business-Type Activities	Interest Rate	Final Maturity Date	Balances January 1	Issued	Payments	Balances December 31	Current Portion
Series 2013A	2.00%-4.75%	12/1/2033	\$ 1,285,000	\$ -	\$ 95,000	\$ 1,190,000	\$ 100,000
Series 2014	1.25%-5.00%	12/1/2034	1,880,000	-	125,000	1,755,000	130,000
Series 2015A	2.00%-4.00%	12/1/2035	4,020,000	-	245,000	3,775,000	255,000
Series 2016A	2.00%-4.00%	12/1/2036	2,765,000	-	160,000	2,605,000	170,000
Series 2017A	3.00%-4.00%	12/1/2037	780,000	-	45,000	735,000	45,000
Series 2018B	2.29%-5.00%	12/1/2038	4,785,087	-	54,094	4,730,993	225,146
Series 2018C	4.00%-5.00%	12/1/2038	851,287	-	126,085	725,202	132,009
Series 2019B	1.66%-2.68%	12/1/2039	3,556,519	-	138,326	3,418,193	144,474
Series 2020	2.00%-5.00%	12/1/2040	10,966,119	-	412,602	10,553,517	414,208
Series 2021	2.00%-5.00%	12/1/2041	2,447,700	-	311,600	2,136,100	321,850
Subtotal G.O. debt business-type activities			33,336,712	-	1,712,707	31,624,005	1,937,687
IEPA loans	2.535%-3.590%	Various	47,503,827	10,175,227	4,369,384	53,309,670	4,486,873
Bonds premium			2,544,974	-	194,969	2,350,005	-
Compensated absences payable - City			675,785	193,679	135,157	734,307	146,861
Asset retirement obligations			5,081,625	-	-	5,081,625	-
Net pension liability - IMRF			-	1,344,734	-	1,344,734	-
OPEB liabilities			955,944	74,819	-	1,030,763	34,393
Subtotal other business-type activities liabilities			9,258,328	1,613,232	330,126	10,541,434	181,254
<b>TOTAL BUSINESS-TYPE ACTIVITIES DEBT AND LIABILITIES</b>			<b>\$ 90,098,867</b>	<b>\$ 11,788,459</b>	<b>\$ 6,412,217</b>	<b>\$ 95,475,109</b>	<b>\$ 6,605,814</b>

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. The General Fund has been used to liquidate the liability for compensated absences of governmental funds.

**b. Business-Type Activities - IEPA Loans**

Business-type activities IEPA loans are payable from revenues derived from Sewer and Water service fees. The City has pledged future revenues, net of operating expenses, to repay IEPA loans issued in 1994 through 2023. Proceeds from the loans provided financing for the Long-Term Sewer and Water Improvement Program. The IEPA loans, payable from operating revenues, are payable through 2042. Annual principal and interest on the loans are expected to require \$5,304,556 of net revenues for the fiscal year 2024. The total principal and interest remaining to be paid on the loans is \$60,222,506. Principal and interest paid for the current period and total customer net revenues were \$5,090,202 ,and \$10,175,227, respectively.

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

**7. LONG-TERM DEBT (Continued)**

c. Debt Service Requirements

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

Fiscal Year Ending December 31,	General Obligation Bonds			General Obligation Bonds		
	Payable from Governmental Activities			Payable by Enterprise Funds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 9,873,920	\$ 4,836,112	\$ 14,710,033	\$ 1,937,687	\$ 1,091,779	\$ 3,029,466
2025	10,226,121	4,437,788	14,663,909	2,013,796	1,011,868	3,025,664
2026	9,487,199	4,020,490	13,507,689	1,951,405	925,817	2,877,222
2027	8,818,941	3,627,235	12,446,176	2,033,130	841,884	2,875,014
2028	8,182,897	3,257,430	11,440,327	2,109,854	761,238	2,871,092
2029-2033	37,584,553	11,851,667	49,436,220	10,719,039	2,613,855	13,332,894
2034-2038	29,080,858	5,843,613	34,924,471	8,644,389	1,013,035	9,657,424
2039-2043	15,260,355	1,703,968	16,964,322	2,214,705	73,085	2,287,790
<b>TOTAL</b>	<b>\$ 128,514,844</b>	<b>\$ 39,578,303</b>	<b>\$ 168,093,147</b>	<b>\$ 31,624,005</b>	<b>\$ 8,332,561</b>	<b>\$ 39,956,566</b>

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

Fiscal Year Ending December 31,	IEPA Loans		
	Payable by Enterprise Funds		
	Principal	Interest	Total
2024	\$ 4,486,873	\$ 817,683	\$ 5,304,556
2025	4,236,689	765,904	5,002,593
2026	4,024,275	686,370	4,710,645
2027	3,657,361	611,706	4,269,067
2028	2,780,877	548,337	3,329,214
2029-2033	13,234,972	2,113,514	15,348,486
2034-2038	12,253,263	1,098,235	13,351,498
2039-2043	8,064,653	265,774	8,330,427
2044-2048	570,707	5,313	576,020
<b>TOTAL</b>	<b>\$ 53,309,670</b>	<b>\$ 6,912,836</b>	<b>\$ 60,222,506</b>

d. Asset Retirement Obligations

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various intake pipelines at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The City estimates the remaining useful lives of the intake pipelines are 52 years.

**8. LESSOR DISCLOSURES**

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

The City entered into a lease arrangement on May 1, 2015 to lease commercial property. Payments of \$15,000 to \$20,101 are due to the City in monthly installments through December 31, 2041. The lease agreement is noncancelable and maintains an interest rate of 1.837%. During the fiscal year, the City collected \$180,000 and recognized a \$174,943 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$3,091,632 and \$2,988,609, respectively, as of December 31, 2023.

The City entered into a lease arrangement on October 1, 2016 to lease commercial property. Payments of \$3,710 to \$6,887 are due to the City in monthly installments through October 31, 2034. The lease arrangement is noncancelable and maintains an interest rate of 1.581%. During the fiscal year, the City collected \$56,026 and recognized a \$58,988 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$667,875 and \$639,040, respectively, as of December 31, 2023.

The City entered into a lease arrangement on August 1, 2020 to lease commercial property. Payments of \$110,352 to \$133,525 are due to the City in annual installments through October 31, 2035. The lease arrangement is noncancelable and maintains an interest rate of 1.338%. During the fiscal year, the City collected \$110,352 and recognized a \$111,675 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$1,361,382 and \$1,321,483, respectively, as of December 31, 2023.

The City entered into a lease arrangement on August 1, 2019 to lease commercial property. Payments of \$1,200 to \$1,815 are due to the City in monthly installments through July 31, 2034. The lease arrangement is noncancelable and maintains an interest rate of 1.581%. During the fiscal year, the City collected \$15,932 and recognized a \$16,644 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$184,013 and \$176,158, respectively, as of December 31, 2023.

The City entered into a lease arrangement on December 1, 2016 to lease commercial property. Payments of \$637 to \$1,130 are due to the City in variable monthly installments through December 31, 2031. The lease arrangement is noncancelable and maintains an interest rate of 1.458%. During the fiscal year, the City collected \$9,162 and recognized a \$10,148 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is 86,441 and \$81,185, respectively, as of December 31, 2023.

**8. LESSOR DISCLOSURES (Continued)**

The City entered into a lease arrangement on April 12, 2018 to lease commercial property. Payments of \$3,500 to \$5,345 are due to the City in variable monthly installments through April 11, 2028. The lease arrangement is noncancelable and maintains an interest rate of 1.008%. During the fiscal year, the City collected \$55,418 and recognized a \$56,610 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$252,118 and \$242,322, respectively, as of December 31, 2023.

The City entered into a lease arrangement on December 1, 2019 to lease commercial property. Payments of \$2,500 to \$3,073 are due to the City in variable monthly installments through November 30, 2026. The lease arrangement is noncancelable and maintains an interest rate of 0.830%. During the fiscal year, the City collected \$33,359 and recognized a \$33,805 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement is \$102,762 and \$98,596, respectively, as of December 31, 2023.

**9. INDIVIDUAL FUND DISCLOSURES**

a. General Obligation Debt Service Fund

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

b. Water Fund

On January 28, 1997, the City executed a long-term water supply contract with the Village of Skokie, Illinois, to replace an expiring contract. The contract took effect on March 1, 1997 and continues in effect for a period of 20 years until February 28, 2017. The contract was extended further until December 31, 2040.

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

**9. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Water Fund (Continued)

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

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

The Water Fund revenues reflect payment from the Village of Skokie at the rate of \$2.06 per 1000 gallons as agreed upon in 2017.

c. Special Service District No. 6

Special Service District No. 6 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2023 was \$227,835 which includes an estimated allowance amount of \$7,835.

d. Special Service District No. 7

On December 9, 2019, the City Council adopted Ordinance No. 159-O-19 which established Special Service District No. 7. Special Service District No. 7 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2023 was \$146,392 which includes an estimated allowance amount of \$4,528.

e. Special Service District No. 8

On December 9, 2019, the City Council adopted Ordinance No. 160-O-19 which created Special Service District No. 8. Special Service District No. 8 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2023 was \$62,062 which includes an estimated allowance amount of \$1,919.

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

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**9. INDIVIDUAL FUND DISCLOSURES (Continued)**

f. Special Service District No. 9

On December 9, 2019, the City Council adopted Ordinance No. 161-O-19 which terminated the life of Special Service District No. 4 and reestablished the Special Service Area as Special Service Area No. 9. Special Service District No. 9 comprises the central business district of the City. The special district was established for the purpose of providing funds for special maintenance and repair and for promotion and advertisement. The annual property tax levy for 2023 was \$610,995 which includes an estimated allowance amount of \$18,330.

**10. FUND EQUITY**

a. Restricted Net Position - Fiduciary Funds

Police Pension Fund for employee pension benefits	\$ 176,071,940
Firefighters' Pension Fund restrictions for employee pension benefits	<u>114,786,199</u>
<b>TOTAL FIDUCIARY FUNDS</b>	<b><u>\$ 290,858,139</u></b>

b. Assigned Fund Balances

General Fund	
Assigned for Arts Council	\$ 29,706
Assigned for Parks & Recreation programs	1,737,160
Assigned for Mayor's program	93,679
Assigned for Public Safety programs	344,185
Other assignments	153,050
Assigned for subsequent year's budget	<u>12,230,999</u>
Total general fund	<u>14,588,779</u>
<b>TOTAL ASSIGNED FUND BALANCES</b>	<b><u>\$ 14,588,779</u></b>

**11. RISK MANAGEMENT**

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

For workers’ compensation, specific excess coverage in excess of \$750,000 per occurrence is purchased from a commercial insurance company. For general liability claims, the City retains risk of loss of \$1,250,000 to a limit of \$20,000,000.

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

The City records estimated liabilities for workers’ compensation and for general claims. Claims liabilities are based on estimates of the ultimate cost of reported claims including future claim adjustment expenses. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Workers’ Compensation	General Liability	Total
DECEMBER 31, 2021	\$ 2,092,600	\$ 5,410,000	\$ 7,502,600
New claims/estimate revisions	521,059	(595,887)	(74,828)
Claims payments	(1,171,417)	(2,119,113)	(3,290,530)
DECEMBER 31, 2022	1,442,242	2,695,000	4,137,242
New claims/estimate revisions	663,815	(145,001)	518,814
Claims payments	(745,307)	(325,000)	(1,070,307)
DECEMBER 31, 2023	<u>\$ 1,360,750</u>	<u>\$ 2,224,999</u>	<u>\$ 3,585,749</u>

**11. RISK MANAGEMENT (Continued)**

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

**12. CONTINGENCIES**

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

**13. JOINT VENTURES**

Solid Waste Agency of Northern Cook County

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

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

**13. JOINT VENTURES (Continued)**

Solid Waste Agency of Northern Cook County (Continued)

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

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

Complete financial statements for the Agency can be obtained at 77 W. Hintz Rd., Suite 200, Wheeling, Illinois, 60090.

**14. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Administration

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

b. Benefits Provided

The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

b. Benefits Provided (Continued)

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

c. Membership

At December 31, 2022 (most recent information available), membership consisted of:

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

d. Contributions

Contribution requirements are established through Illinois State laws. The City and the Library implicitly contribute the difference between retiree’s contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$595 for single coverage to \$2,134 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$595 for single coverage to \$2,134 for family coverage. For the year ended December 31, 2023, the estimated contribution to the plan is \$812,414. The 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.

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Measurement date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.50%
Discount rate	3.77%
Healthcare cost trend rates	6.75% initial to an ultimate trend rate of 4.50%
Asset valuation method	N/A

Probabilities of death for participants were according to PubS-2010 base rates projected Fully Generationally using scale MP2021 for Police and Fire. For all others, the PubG-2010 base rates projected Fully Generationally using scale MP2021 was used.

f. Discount Rate

The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2023.

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2023	\$ 21,712,503
Changes for the period	
Service cost	1,829,446
Interest	862,905
Changes in assumptions	754,687
Difference between expected and actual experience	-
Benefit payments	(812,414)
Other changes	-
Net changes	<u>2,634,624</u>
BALANCES AT DECEMBER 31, 2023	<u>\$ 24,347,127</u>

There were changes in assumptions related to the discount rate in 2023.

The table presented above includes amounts for both the City and the Library. The City's proportionate share of the total OPEB liability at December 31, 2023 was \$24,005,019. The Library's proportionate share of the total OPEB liability at December 31, 2023 was \$342,108.

h. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City and Library calculated using the discount rate of 3.77% 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 (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	\$ 27,253,777	\$ 24,347,127	\$ 21,869,991

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

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

h. Rate Sensitivity (Continued)

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

	1% Decrease (3.50% to 5.75%)	Current Healthcare Rate (4.50% to 6.75%)	1% Increase (5.50% to 7.75%)
Total OPEB liability	\$ 20,960,336	\$ 24,347,127	\$ 28,607,925

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

For the year ended December 31, 2023, the City recognized OPEB expense of \$2,591,939. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		Library		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,492,826	\$ -	\$ 49,953	\$ -	\$ 3,542,779
Changes in assumption	4,089,578	1,752,327	58,046	24,494	4,147,624	1,776,821
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 4,089,578</b>	<b>\$ 5,245,153</b>	<b>\$ 58,046</b>	<b>\$ 74,447</b>	<b>\$ 4,147,624</b>	<b>\$ 5,319,600</b>

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

Year Ending December 31,	
2024	\$ (100,415)
2025	(100,415)
2026	(100,415)
2027	(100,415)
Thereafter	(770,316)
<b>TOTAL</b>	<b>\$ (1,171,976)</b>

**15. EMPLOYEE RETIREMENT SYSTEMS**

The City contributes to three different defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. Those reports can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at imrf.org.

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 6,776,891	\$ 106,273,070	\$ 102,455,458	\$ 215,505,419
Deferred outflows of resources	23,749,449	9,964,173	13,002,707	46,716,329
Deferred inflows of resources	895,491	2,156,892	-	3,052,383
Pension expense (income)	3,084,085	8,730,026	9,969,233	21,783,344

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration and Benefits Provided*

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Administration and Benefits Provided (Continued)*

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

*Contributions*

These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended December 31, 2023 was 3.30% of covered payroll.

*Plan Membership*

At December 31, 2022 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	726
Inactive employees entitled to but not yet receiving benefits	440
Active employees	<u>532</u>
 TOTAL	 <u><u>1,698</u></u>

*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2022, 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.

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

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

*Discount Rate*

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 274,421,785	\$ 328,145,831	\$ (53,724,046)
Changes for the period			
Service cost	3,688,135	-	3,688,135
Interest	19,445,021	-	19,445,021
Difference between expected and actual experience	(635,408)	-	(635,408)
Changes in assumptions	-	-	-
Employer contributions	-	2,000,416	(2,000,416)
Employee contributions	-	1,891,800	(1,891,800)
Net investment income	-	(42,076,770)	42,076,770
Benefit payments and refunds	(16,117,334)	(16,117,334)	-
Administrative expense	-	-	-
Other (net transfer)	-	(537,476)	537,476
Net changes	6,380,414	(54,839,364)	61,219,778
BALANCES AT DECEMBER 31, 2022	\$ 280,802,199	\$ 273,306,467	\$ 7,495,732

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, 2022, the employer contributions, and the net pension liability at December 31, 2023 was \$(48,359,996), \$1,808,576, and \$6,776,891, respectively. The Library's proportionate share of the net pension liability (asset) at January 1, 2022, the employer contributions and the net pension liability at December 31, 2023 was \$(5,364,050), \$191,840, and \$718,841, respectively.

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2023, the City recognized pension income of \$3,084,085. At December 31, 2023, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	City		Library		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,476,251	\$ 650,419	\$ 262,662	\$ 68,991	\$ 2,738,913	\$ 719,410
Changes in assumption	-	245,072	-	25,996	-	271,068
Net difference between projected and actual earnings on pension plan investments	19,805,428	-	2,100,808	-	21,906,236	-
Employer contributions subsequent to the measurement date	1,467,770	-	155,690	-	1,623,460	-
<b>TOTAL</b>	<b>\$ 23,749,449</b>	<b>\$ 895,491</b>	<b>\$ 2,519,160</b>	<b>\$ 94,987</b>	<b>\$ 26,268,609</b>	<b>\$ 990,478</b>

\$1,623,460 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2024	\$ (642,378)	\$ (68,138)	\$ (710,516)
2025	3,667,470	389,017	4,056,487
2026	6,534,619	693,142	7,227,761
2027	11,826,476	1,254,463	13,080,939
Thereafter	-	-	-
<b>TOTAL</b>	<b>\$ 21,386,187</b>	<b>\$ 2,268,484</b>	<b>\$ 23,654,671</b>

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)			
City	\$ 34,344,217	\$ 6,776,891	\$ (15,032,165)
Library	3,642,971	718,841	(1,594,498)
<b>TOTAL</b>	<b>\$ 37,987,188</b>	<b>\$ 7,495,732</b>	<b>\$ (16,626,663)</b>

Police Pension Plan

*Plan Administration*

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

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2023, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	197
Inactive plan members entitled to but not yet receiving benefits	22
Active plan members	<u>130</u>
<b>TOTAL</b>	<b><u><u>349</u></u></b>

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Covered employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary, including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. The City's contribution was 78.5% of covered payroll for the year ended December 31, 2023.

*Investment Policy*

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

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

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

The long-term expected rate of return on the Fund's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are listed in the table above.

*Investment Valuations*

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

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

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Corporate bonds	\$ 10,604,326	\$ -	\$ 5,274,510	\$ 4,385,239	\$ 944,577
U.S. Treasury obligations	23,273,388	2,026,836	7,784,809	8,995,002	4,466,741
U.S. agency obligations	10,119,483	130	220,459	1,040,552	8,858,342
<b>TOTAL</b>	<b>\$ 43,997,197</b>	<b>\$ 2,026,966</b>	<b>\$ 13,279,778</b>	<b>\$ 14,420,793</b>	<b>\$ 14,269,660</b>

The Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Fund has the following recurring fair value measurements as of December 31, 2023: the U.S. Treasury obligations, equity securities, and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs), corporate bonds and U.S. agency obligations are valued using quoted matrix pricing models (Level 2 inputs).

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

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

*Credit Risk*

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

*Custodial Credit Risk*

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

*Concentration of Credit Risk*

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pooled Real Estate Fund*

The Fund invests in a pooled real estate fund measured at net asset value (NAV) valued at \$1,210,129 as of December 31, 2023. This investment focuses primarily on private equity commercial real estate, which will generate returns based on lease income and appreciation in building values. There are no unfunded commitments at December 31, 2023. Requests for withdrawals and transfers may be subject to contractual limitations in the investment, which allows for the investment to pay them out in a series of payments over the span of three years from the effective date of the limitation, which began on July 1, 2022.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 279,885,313	\$ 150,950,058	\$ 128,935,255
Changes for the period			
Service cost	3,574,325	-	3,574,325
Interest	17,900,355	-	17,900,355
Difference between expected and actual experience	(2,875,856)	-	(2,875,856)
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	13,544,556	(13,544,556)
Employee contributions	-	1,711,047	(1,711,047)
Net investment income	-	26,066,421	(26,066,421)
Benefit payments and refunds	(16,139,127)	(16,139,127)	-
Administrative expense	-	(61,015)	61,015
Net changes	2,459,697	25,121,882	(22,662,185)
BALANCES AT DECEMBER 31, 2023	\$ 282,345,010	\$ 176,071,940	\$ 106,273,070

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

The plan's fiduciary net position as a percentage of the total pension liability was 62.36% at December 31, 2023.

In 2023, there were no changes in assumptions.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2023, using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2023
Measurement date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.00% to 9.00%
Interest rate	6.50%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 1.25%
Asset valuation method	Fair value

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount Rate Sensitivity*

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 145,221,783	\$ 106,273,070	\$ 74,515,955

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

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**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2023, the City recognized police pension expense of \$8,730,026. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,089,023	\$ 2,156,892
Changes in assumption	3,149,116	-
Net difference between projected and actual earnings on pension plan investments	<u>2,726,034</u>	<u>-</u>
<b>TOTAL</b>	<u><b>\$ 9,964,173</b></u>	<u><b>\$ 2,156,892</b></u>

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

<u>Year Ending December 31,</u>	
2024	\$ 2,910,531
2025	2,762,736
2026	5,391,087
2027	(3,257,073)
2028	-
Thereafter	<u>-</u>
<b>TOTAL</b>	<u><b>\$ 7,807,281</b></u>

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

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

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

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

*Plan Membership*

At December 31, 2023, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	149
Inactive plan members entitle to but not yet receiving benefits	6
Active plan members	<u>105</u>
<b>TOTAL</b>	<b><u><u>260</u></u></b>

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$113,645, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary including amounts for administrative costs. Benefits and refunds are recorded as a liability when due and payable. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. The City's contribution was 90.9% of covered payroll for the year ended December 31, 2023.

*Illinois Firefighters' Pension Investment Fund*

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

*Deposits with Financial Institutions*

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investments*

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at <https://ifpif.org>.

*Fair Value Measurement*

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2023.

*Net Asset Value*

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was \$99,355,205 at December 31, 2023. The pooled investments consist of the investments as noted in the target allocation table available at <https://ifpif.org>. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The plan may redeem shares by giving notice by 5:00 pm central time on the 1<sup>st</sup> of each month. Requests properly submitted on or before the 1<sup>st</sup> of each month will be processed for redemption by the 14<sup>th</sup> of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

*Investment Policy*

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Rate of Return*

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	\$ 209,621,684	\$ 99,046,036	\$ 110,575,648
Changes for the period			
Service cost	2,964,280	-	2,964,280
Interest	13,451,766	-	13,451,766
Changes in benefit terms	-	-	-
Difference between expected and actual experience	2,475,375	-	2,475,375
Changes in assumptions	-	-	-
Employer contributions	-	12,020,942	(12,020,942)
Employee contributions	-	1,250,229	(1,250,229)
Net investment income	-	13,855,947	(13,855,947)
Benefit payments and refunds	(11,271,448)	(11,271,448)	-
Administrative expense	-	(115,507)	115,507
Net changes	7,619,973	15,740,163	(8,120,190)
BALANCES AT DECEMBER 31, 2023	\$ 217,241,657	\$ 114,786,199	\$ 102,455,458

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

The plan's fiduciary net position as a percentage of the total pension liability was 52.84% at December 31, 2023. See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2023 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2023
Measurement date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.62% to 7.36%
Interest rate	6.50%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 1.25%
Asset valuation method	Fair value

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

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

**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount Rate Sensitivity*

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 132,523,335	\$ 102,455,458	\$ 77,925,761

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

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**15. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2023, the City recognized firefighters' pension expense of \$9,969,233. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,224,740	\$ -
Changes in assumption	4,877,157	-
Net difference between projected and actual earnings on pension plan investments	3,900,810	-
<b>TOTAL</b>	<b>\$ 13,002,707</b>	<b>\$ -</b>

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

<u>Year Ending December 31,</u>	
2024	\$ 4,078,666
2025	3,561,718
2026	4,930,704
2027	19,056
2028	412,563
Thereafter	-
<b>TOTAL</b>	<b>\$ 13,002,707</b>

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

**16. PENSION TRUST FUNDS**

Fiduciary Funds Summary Financial Information

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

Statement of Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,310,913	\$ 15,108,450	\$ 21,419,363
Investments			
U.S. Treasury obligations	23,273,388	-	23,273,388
U.S. agency obligations	10,119,483	-	10,119,483
Corporate bonds	10,604,326	-	10,604,326
Common stock	54,221,395	-	54,221,395
Equity mutual funds	69,827,992	-	69,827,992
Real estate	1,210,129	-	1,210,129
Investments held in the Illinois Firefighters' Pension Investment Fund	-	99,355,205	99,355,205
Prepaid items	-	9,245	9,245
Receivables			
Accounts	-	3,123	3,123
Accrued interest	348,984	55,116	404,100
Due from City	155,330	274,114	429,444
<b>Total assets</b>	<b>176,071,940</b>	<b>114,805,253</b>	<b>290,877,193</b>
<b>LIABILITIES</b>			
Accounts payable	-	19,054	19,054
<b>Total liabilities</b>	<b>-</b>	<b>19,054</b>	<b>19,054</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 176,071,940</b>	<b>\$ 114,786,199</b>	<b>\$ 290,858,139</b>

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

**16. PENSION TRUST FUNDS (Continued)**

Fiduciary Funds Summary Financial Information (Continued)

Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 13,544,556	\$ 12,020,942	\$ 25,565,498
Plan members	1,711,047	1,250,229	2,961,276
Total contributions	15,255,603	13,271,171	28,526,774
Investment income			
Net appreciation in fair value of investments	22,765,890	11,714,713	34,480,603
Interest	3,638,698	2,294,948	5,933,646
Total investment income	26,404,588	14,009,661	40,414,249
Less investment expense	(338,167)	(153,714)	(491,881)
Net investment income	26,066,421	13,855,947	39,922,368
Total additions	41,322,024	27,127,118	68,449,142
<b>DEDUCTIONS</b>			
Administrative	61,015	115,507	176,522
Benefits and refunds	16,139,127	11,271,448	27,410,575
Total deductions	16,200,142	11,386,955	27,587,097
NET INCREASE	25,121,882	15,740,163	40,862,045
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	150,950,058	99,046,036	249,996,094
December 31	\$ 176,071,940	\$ 114,786,199	\$ 290,858,139

**17. EVANSTON LIBRARY COMPONENT UNIT**

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

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

Library investments consists of equities, ETFs, money market funds, mutual funds, corporate bonds, and U.S. Treasuries. Investments are reported at fair value, except that non-negotiable certificate of deposits are stated at cost. The Library has a formal investment policy adopted by its governing board to handle endowment funds. The funds will be invested and administered by a three-member committee. It is the general policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds using “prudent person” standard for managing the overall portfolio. It may be noted though that the Library has investments in equities which is not permissible under the state statutes.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The exposure to interest rate risk can be limited by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter term securities.

**17. EVANSTON LIBRARY COMPONENT UNIT (Continued)**

b. Deposits and Investments (Continued)

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

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

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

c. Custodial Credit Risk

For a deposit, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. At December 31, 2023, all of the Library's deposits were insured or collateralized by an agent of the Library in the Library's name.

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

**17. EVANSTON LIBRARY COMPONENT UNIT (Continued)**

c. Custodial Credit Risk (Continued)

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

d. Capital Asset Activity

Library capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Land	\$ 311,380	\$ -	\$ -	\$ 311,380
Total capital assets not being depreciated/amortized	311,380	-	-	311,380
Capital assets being depreciated				
Buildings and improvements	20,928,250	1,048,586	-	21,976,836
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	230,006	105,775	-	335,781
Library collections	8,433,561	-	8,433,561	-
Capitalized leases	266,190	-	266,190	-
Total capital assets being depreciated/amortized	32,143,016	1,154,361	8,699,751	24,597,626
Less accumulated depreciation/amortization for:				
Buildings and improvements	10,981,912	618,927	-	11,600,839
Office equipment and furniture	2,285,009	-	-	2,285,009
Infrastructure	199,260	21,167	-	220,427
Library collections	8,409,889	15,283	8,425,172	-
Capitalized leases	266,190	-	266,190	-
Total accumulated depreciation/amortization	22,142,260	655,377	8,691,362	14,106,275
Total capital assets being depreciated/amortized, net	10,000,756	498,984	8,389	10,491,351
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 10,312,136</b>	<b>\$ 498,984</b>	<b>\$ 8,389</b>	<b>\$ 10,802,731</b>

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

**17. EVANSTON LIBRARY COMPONENT UNIT (Continued)**

e. Long-Term Debt

Long-term obligations activity for the year ended December 31, 2023 was as follows:

	Interest Rate	Final Maturity Date	Balance January 1, 2023	Issued	Payments	Balance December 31, 2023	Due Within One Year
General obligation debt							
Series 2013B	2.00% - 3.00%	12/1/2025	\$ 85,128	\$ -	\$ 27,496	\$ 57,632	\$ 28,430
Series 2016A	2.00% - 4.00%	12/1/2036	500,000	-	30,000	470,000	30,000
Series 2017A	3.00% - 4.00%	12/1/2037	1,130,000	-	60,000	1,070,000	60,000
Series 2017B	4.00% - 5.00%	12/1/2027	376,402	-	70,928	305,474	72,943
Series 2018B	2.29% - 5.00%	12/1/2038	2,009,737	-	22,719	1,987,018	94,561
Series 2019B	1.66% - 2.68%	12/1/2039	1,660,614	-	64,587	1,596,027	67,458
Total general obligation debt			5,761,881	-	275,730	5,486,151	353,392
Bonds premiums			469,021	-	32,990	436,031	-
Total OPEB Liability			303,863	38,245	-	342,108	11,415
Net pension liability - IMRF			-	718,841	-	718,841	-
Compensated absences payable			352,300	150,023	70,460	431,863	86,373
<b>TOTAL LONG-TERM DEBT</b>			<b>\$ 6,887,065</b>	<b>\$ 907,109</b>	<b>\$ 379,180</b>	<b>\$ 7,414,994</b>	<b>\$ 451,180</b>

Debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2024	\$ 353,392	\$ 221,284	\$ 574,676
2025	370,083	206,866	576,949
2026	356,396	191,425	547,821
2027	372,929	176,153	549,082
2028	302,249	160,055	462,304
2029-2033	1,711,408	599,975	2,311,383
2034-2038	1,879,753	249,688	2,129,441
2039-2042	139,941	6,997	146,938
<b>TOTAL</b>	<b>\$ 5,486,151</b>	<b>\$ 1,812,443</b>	<b>\$ 7,298,594</b>

**17. EVANSTON LIBRARY COMPONENT UNIT (Continued)**

f. Employee Retirement System

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

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

**18. SUBSEQUENT EVENTS**

On May 28, 2024, the City authorized the issuance of not to exceed \$35,500,000 General Obligation Corporate Purpose Bonds, Series 2024, to finance capital improvements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Taxes	\$ 63,127,402	\$ 63,127,402	\$ 71,051,672	\$ 7,924,270
Licenses and permits	10,643,450	10,643,450	9,845,981	(797,469)
Intergovernmental	23,583,184	23,583,184	27,779,639	4,196,455
Charges for services	10,521,075	10,521,075	13,009,442	2,488,367
Fines	3,255,500	3,255,500	4,094,917	839,417
Investment income	55,000	55,000	2,384,515	2,329,515
Miscellaneous	11,749,054	11,749,054	2,213,712	(9,535,342)
<b>Total revenues</b>	<b>122,934,665</b>	<b>122,934,665</b>	<b>130,379,878</b>	<b>7,445,213</b>
<b>EXPENDITURES</b>				
General management and support	21,680,985	27,796,923	22,608,932	(5,187,991)
Public safety	72,993,518	73,230,913	79,003,597	5,772,684
Public works	13,708,631	13,708,631	13,908,332	199,701
Health and human services development	5,864,256	5,864,256	5,961,497	97,241
Recreation and cultural opportunities	12,576,312	12,576,312	12,982,724	406,412
Housing and economic development	4,183,421	4,183,421	3,467,120	(716,301)
Debt service				
Interest	-	-	39,005	39,005
<b>Total expenditures</b>	<b>131,007,123</b>	<b>137,360,456</b>	<b>137,971,207</b>	<b>610,751</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,072,458)</b>	<b>(14,425,791)</b>	<b>(7,591,329)</b>	<b>6,834,462</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,028,949	8,028,949	7,733,940	(295,009)
Transfers (out)	(1,181,750)	(10,145,769)	(9,567,085)	578,684
<b>Total other financing sources (uses)</b>	<b>6,847,199</b>	<b>(2,116,820)</b>	<b>(1,833,145)</b>	<b>283,675</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,225,259)</b>	<b>\$ (16,542,611)</b>	<b>(9,424,474)</b>	<b>\$ 7,118,137</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>61,123,206</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 51,698,732</b>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 7,434,037	\$ 7,434,037
Investment income	-	-	1,503,803	1,503,803
Total revenues	-	-	8,937,840	8,937,840
<b>EXPENDITURES</b>				
General management and support	19,650,000	4,650,000	2,972,848	(1,677,152)
Public safety	500,000	500,000	1,085,026	585,026
Capital outlay	-	-	776,163	776,163
Total expenditures	20,150,000	5,150,000	4,834,037	(315,963)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,150,000)	(5,150,000)	4,103,803	9,253,803
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(2,600,000)	(2,600,000)	(2,600,000)	-
Other financing sources (uses) - net	(2,600,000)	(2,600,000)	(2,600,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ (22,750,000)</u>	<u>\$ (7,750,000)</u>	1,503,803	<u>\$ 9,253,803</u>
FUND BALANCE, JANUARY 1			<u>531,170</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 2,034,973</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

Last Six Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL OPEB LIABILITY</b>						
Service cost	\$ 1,050,028	\$ 974,443	\$ 1,249,550	\$ 1,544,418	\$ 1,613,298	\$ 1,829,446
Interest	630,168	733,796	593,787	442,412	434,590	862,905
Benefit changes	-	-	(53,511)	-	-	-
Differences between expected and actual experience	-	-	(2,856,275)	-	(2,081,084)	-
Changes in assumptions	(1,272,525)	2,879,775	2,471,462	370,681	(1,428,232)	754,687
Implicit benefit payments	(797,159)	(860,932)	(925,502)	(827,885)	(890,214)	(812,414)
Other changes	-	-	-	-	-	-
Net change in total OPEB liability	(389,488)	3,727,082	479,511	1,529,626	(2,351,642)	2,634,624
Total OPEB liability - beginning	18,717,414	18,327,926	22,055,008	22,534,519	24,064,145	21,712,503
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 18,327,926</b>	<b>\$ 22,055,008</b>	<b>\$ 22,534,519</b>	<b>\$ 24,064,145</b>	<b>\$ 21,712,503</b>	<b>\$ 24,347,127</b>
Covered-employee payroll	\$ 59,333,084	\$ 60,964,744	\$ 59,251,377	\$ 61,325,175	\$ 61,334,086	\$ 63,480,779
Employer's total OPEB liability as a percentage of covered-employee payroll	30.89%	36.18%	38.03%	39.24%	35.40%	38.35%

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

There was a change in assumptions related to the discount rate in 2023.

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

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

There was a change in assumptions related to the mortality rates assumption and discount rate in 2020. There was a change in benefit terms related to the elimination of the excise tax in 2020.

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

There was a change in assumptions related to the discount rate and mortality rate assumptions in 2018.

The information above is presented for the City and Library in total.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Nine Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 3,977,718	\$ 3,882,629	\$ 3,695,564	\$ 3,634,209	\$ 2,379,845	\$ 3,235,547	\$ 3,245,589	\$ 2,000,416	\$ 1,560,298
Contributions in relation to the actuarially determined contribution	4,018,268	3,963,856	3,702,271	3,634,209	2,379,845	3,235,547	3,245,589	2,000,416	1,560,298
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (40,550)</b>	<b>\$ (81,227)</b>	<b>\$ (6,707)</b>	<b>\$ -</b>					
Percentage contributed	101.02%	102.09%	100.18%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered payroll	\$ 37,703,487	\$ 37,477,116	\$ 37,480,368	\$ 38,519,776	\$ 38,103,750	\$ 37,019,990	\$ 40,098,516	\$ 41,244,660	\$ 47,268,309
Contributions as a percentage of covered payroll	10.66%	10.58%	9.88%	9.43%	6.25%	8.74%	8.09%	4.85%	3.30%

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 21 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% annually, and postretirement benefit increases of 2.75% 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 Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 8,358,924	\$ 8,257,475	\$ 9,380,940	\$ 10,237,200	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650	\$ 11,431,461	\$ 11,194,538	\$ 11,548,482
Contributions in relation to the actuarially determined contribution	8,644,196	8,804,264	9,450,824	10,300,549	10,462,704	10,502,308	11,225,650	11,501,791	11,405,076	13,544,556
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (285,272)</b>	<b>\$ (546,789)</b>	<b>\$ (69,884)</b>	<b>\$ (63,349)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (70,330)</b>	<b>\$ (210,538)</b>	<b>\$ (1,996,074)</b>
Percentage contributed	103.41%	106.62%	100.74%	100.62%	100.00%	100.00%	100.00%	100.62%	101.88%	117.28%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002	\$ 15,371,756	\$ 13,396,912	\$ 17,265,863
Contributions as a percentage of covered payroll	63.85%	59.00%	54.08%	67.09%	66.03%	65.72%	73.05%	74.82%	85.13%	78.45%

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 18 years; the asset valuation method was five-year smoothed fair value and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually, and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 6,239,481	\$ 5,903,483	\$ 7,350,865	\$ 8,148,709	\$ 8,344,947	\$ 8,266,584	\$ 9,247,042	\$ 9,626,778	\$ 9,528,524	\$ 11,793,978
Contributions in relation to the actuarially determined contribution	6,527,697	6,385,244	7,396,641	8,205,800	8,344,947	8,266,584	9,257,516	9,670,974	9,707,213	12,020,942
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (288,216)</b>	<b>\$ (481,761)</b>	<b>\$ (45,776)</b>	<b>\$ (57,091)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,474)</b>	<b>\$ (44,196)</b>	<b>\$ (178,689)</b>	<b>\$ (226,964)</b>
Percentage contributed	104.62%	108.16%	100.62%	100.70%	100.00%	100.00%	100.11%	100.46%	101.88%	101.92%
Covered payroll	\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768	\$ 11,012,470	\$ 11,523,258	\$ 13,222,940
Contributions as a percentage of covered payroll	68.56%	61.42%	70.13%	79.58%	71.83%	79.94%	88.77%	87.82%	84.24%	90.91%

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 18 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 3.62% to 7.36% annually, and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>									
Service cost	\$ 3,898,440	\$ 3,910,996	\$ 3,951,687	\$ 3,970,214	\$ 3,671,434	\$ 3,926,313	\$ 3,850,771	\$ 3,420,369	\$ 3,688,135
Interest	14,880,724	16,235,086	16,947,408	17,355,320	17,185,510	17,812,836	18,314,051	18,507,004	19,445,021
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	3,043,895	1,465,442	(2,905,680)	(2,489,328)	2,992,302	(166,989)	(2,056,346)	6,705,189	(635,408)
Changes of assumptions	7,927,038	266,906	(269,039)	(7,652,648)	6,567,349	-	(1,993,968)	-	-
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)	(12,922,439)	(13,674,160)	(14,305,617)	(14,936,529)	(15,539,235)	(16,117,334)
Net change in total pension liability	18,282,000	9,950,085	5,453,812	(1,738,881)	16,742,435	7,266,543	3,177,979	13,093,327	6,380,414
Total pension liability - beginning	202,194,485	220,476,485	230,426,570	235,880,382	234,141,501	250,883,936	258,150,479	261,328,458	274,421,785
<b>PLAN FIDUCIARY NET POSITION</b>	<b>\$ 220,476,485</b>	<b>\$ 230,426,570</b>	<b>\$ 235,880,382</b>	<b>\$ 234,141,501</b>	<b>\$ 250,883,936</b>	<b>\$ 258,150,479</b>	<b>\$ 261,328,458</b>	<b>\$ 274,421,785</b>	<b>\$ 280,802,199</b>
<b>PLAN FIDUCIARY NET POSITION</b>									
Contributions - employer	\$ 3,963,983	\$ 4,018,268	\$ 3,963,856	\$ 3,702,271	\$ 3,634,209	\$ 2,379,845	\$ 3,235,547	\$ 3,245,589	\$ 2,000,416
Contributions - member	1,710,168	1,767,523	1,705,636	1,693,912	1,847,906	1,845,576	1,684,700	1,806,941	1,891,800
Net investment income	12,425,190	1,062,353	14,441,739	39,438,193	(14,090,715)	43,379,549	37,552,547	49,648,106	(42,076,770)
Benefit payments, including refunds of member contributions	(11,468,097)	(11,928,345)	(12,270,564)	(12,922,439)	(13,674,160)	(14,305,617)	(14,936,529)	(15,539,235)	(16,117,334)
Administrative expense/other	2,322,043	737,427	(142,981)	(4,817,948)	3,915,577	647,604	1,390,447	(1,512,861)	(537,476)
Net change in plan fiduciary net position	8,953,287	(4,342,774)	7,697,686	27,093,989	(18,367,183)	33,946,957	28,926,712	37,648,540	(54,839,364)
Plan fiduciary net position - beginning	206,588,617	215,541,904	211,199,130	218,896,816	245,990,805	227,623,622	261,570,579	290,497,291	328,145,831
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 215,541,904</b>	<b>\$ 211,199,130</b>	<b>\$ 218,896,816</b>	<b>\$ 245,990,805</b>	<b>\$ 227,623,622</b>	<b>\$ 261,570,579</b>	<b>\$ 290,497,291</b>	<b>\$ 328,145,831</b>	<b>\$ 273,306,467</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 4,934,581</b>	<b>\$ 19,227,440</b>	<b>\$ 16,983,566</b>	<b>\$ (11,849,304)</b>	<b>\$ 23,260,314</b>	<b>\$ (3,420,100)</b>	<b>\$ (29,168,833)</b>	<b>\$ (53,724,046)</b>	<b>\$ 7,495,732</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	91.66%	92.80%	105.06%	90.73%	101.32%	111.16%	119.58%	97.33%
Covered payroll	\$ 35,171,426	\$ 37,703,487	\$ 37,477,116	\$ 37,480,368	\$ 38,519,776	\$ 38,103,750	\$ 37,019,990	\$ 40,098,516	\$ 41,244,660
Employer's net pension liability as a percentage of covered payroll	14.03%	51.00%	45.32%	(31.61%)	60.39%	(8.98%)	(78.79%)	(133.98%)	18.17%

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

There were changes in assumptions related to the discount rate in 2018.

There were changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates in 2017. There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the actuarial valuation dated December 31, 2016 is 7.50%. The discount rate used in the prior actuarial valuations, dated December 31, 2015 and December 31, 2014 was 7.49% and 7.50%,

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 Ten Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 3,439,223	\$ 3,488,385	\$ 3,679,212	\$ 3,993,751	\$ 4,285,425	\$ 3,980,758	\$ 4,018,178	\$ 3,842,941	\$ 3,614,698	\$ 3,574,325
Interest	12,284,036	12,663,010	13,192,680	14,088,889	14,433,770	15,128,398	16,138,601	16,648,988	17,149,791	17,900,355
Changes in benefit terms	-	-	-	-	-	853,365	-	-	-	-
Differences between expected and actual experience	-	3,928,479	(3,214,201)	424,390	3,079,328	4,364,013	2,021,226	3,025,037	2,912,380	(2,875,856)
Changes of assumptions	-	5,791,392	11,039,027	7,096,300	(7,459,427)	4,127,403	-	-	4,102,024	-
Benefit payments, including refunds of member contributions	(9,891,045)	(10,424,955)	(10,970,916)	(11,475,943)	(11,937,685)	(12,522,660)	(13,376,879)	(14,924,443)	(16,243,656)	(16,139,127)
Net change in total pension liability	5,832,214	15,446,311	13,725,802	14,127,387	2,401,411	15,931,277	8,801,126	8,592,523	11,535,237	2,459,697
Total pension liability - beginning	183,492,025	189,324,239	204,770,550	218,496,352	232,623,739	235,025,150	250,956,427	259,757,553	268,350,076	279,885,313
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 189,324,239</b>	<b>\$ 204,770,550</b>	<b>\$ 218,496,352</b>	<b>\$ 232,623,739</b>	<b>\$ 235,025,150</b>	<b>\$ 250,956,427</b>	<b>\$ 259,757,553</b>	<b>\$ 268,350,076</b>	<b>\$ 279,885,313</b>	<b>\$ 282,345,010</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 8,644,196	\$ 8,804,264	\$ 9,450,824	\$ 10,300,549	\$ 10,462,704	\$ 10,502,308	\$ 11,225,650	\$ 11,501,791	\$ 11,405,076	\$ 13,544,556
Contributions - member	1,565,053	1,454,720	1,731,740	1,521,467	1,570,309	1,583,631	1,522,969	1,523,341	1,327,634	1,711,047
Net investment income	8,675,133	430,756	7,544,856	15,240,680	(4,911,053)	25,043,593	17,521,008	26,382,486	(28,069,391)	26,066,421
Benefit payments, including refunds of member contributions	(9,891,045)	(10,424,955)	(10,970,916)	(11,475,943)	(11,937,685)	(12,522,660)	(13,376,879)	(14,924,443)	(16,243,656)	(16,139,127)
Administrative expense	(68,938)	(71,408)	(123,796)	(148,631)	(58,885)	(52,088)	(66,152)	(44,442)	(44,775)	(61,015)
Net change in plan fiduciary net position	8,924,399	193,377	7,632,708	15,438,122	(4,874,610)	24,554,784	16,826,596	24,438,733	(31,625,112)	25,121,882
Plan fiduciary net position - beginning	90,763,143	99,687,542	98,558,837	106,191,545	121,629,667	116,755,057	141,309,841	158,136,437	182,575,170	150,950,058
Prior period adjustment	-	(1,322,082)	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning, restated	90,763,143	98,365,460	98,558,837	106,191,545	121,629,667	116,755,057	141,309,841	158,136,437	182,575,170	150,950,058
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 99,687,542</b>	<b>\$ 98,558,837</b>	<b>\$ 106,191,545</b>	<b>\$ 121,629,667</b>	<b>\$ 116,755,057</b>	<b>\$ 141,309,841</b>	<b>\$ 158,136,437</b>	<b>\$ 182,575,170</b>	<b>\$ 150,950,058</b>	<b>\$ 176,071,940</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 89,636,697</b>	<b>\$ 106,211,713</b>	<b>\$ 112,304,807</b>	<b>\$ 110,994,072</b>	<b>\$ 118,270,093</b>	<b>\$ 109,646,586</b>	<b>\$ 101,621,116</b>	<b>\$ 85,774,906</b>	<b>\$ 128,935,255</b>	<b>\$ 106,273,070</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan fiduciary net position as a percentage of the total pension liability	52.65%	48.13%	48.60%	52.29%	49.68%	56.31%	60.88%	68.04%	53.93%	62.36%
Covered payroll	\$ 13,537,726	\$ 14,921,328	\$ 17,474,672	\$ 15,352,846	\$ 15,845,701	\$ 15,980,131	\$ 15,368,002	\$ 15,371,756	\$ 13,396,912	\$ 17,265,863
Employer's net pension liability as a percentage of covered payroll	662.13%	711.81%	642.67%	722.95%	746.39%	686.14%	661.25%	558.00%	962.43%	615.51%

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

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-101-0610 (SB 1300).

For the measurement date December 31, 2018, there were changes in assumptions related to the mortality tables. Additionally, the discount rate was increased to 6.50%.

The discount rate used in the valuation dated December 31, 2017 is 6.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015 is 6.50%. The discount rate used in the valuation dated, dated December 31, 2014 was 6.75%.

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>TOTAL PENSION LIABILITY</b>										
Service cost	\$ 2,326,092	\$ 2,431,680	\$ 2,731,257	\$ 2,813,961	\$ 3,026,223	\$ 2,763,258	\$ 2,948,710	\$ 2,739,481	\$ 2,889,155	\$ 2,964,280
Interest	9,391,253	9,656,198	9,922,911	10,507,435	10,741,734	11,061,538	12,013,035	12,303,886	12,731,909	13,451,766
Changes in benefit terms	-	-	-	-	-	799,936	-	-	-	-
Differences between expected and actual experience	-	1,184,609	(3,239,221)	368,761	384,928	5,218,449	122,642	2,117,644	288,722	2,475,375
Changes of assumptions	-	4,239,272	7,971,672	5,192,584	(6,192,362)	4,549,731	-	-	6,178,299	-
Benefit payments, including refunds of member contributions	(7,727,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)	(10,545,893)	(10,905,542)	(11,271,448)
Net change in total pension liability	3,989,662	9,443,794	9,042,679	10,273,372	(1,190,307)	14,768,146	4,829,227	6,615,118	11,182,543	7,619,973
Total pension liability - beginning	140,667,430	144,657,092	154,100,886	163,143,565	173,416,937	172,226,630	186,994,776	191,824,023	198,439,141	209,621,684
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 144,657,092</b>	<b>\$ 154,100,886</b>	<b>\$ 163,143,565</b>	<b>\$ 173,416,937</b>	<b>\$ 172,226,630</b>	<b>\$ 186,994,776</b>	<b>\$ 191,824,023</b>	<b>\$ 198,439,141</b>	<b>\$ 209,621,684</b>	<b>\$ 217,241,657</b>
<b>PLAN FIDUCIARY NET POSITION</b>										
Contributions - employer	\$ 6,527,697	\$ 6,385,244	\$ 7,396,641	\$ 8,205,800	\$ 8,344,947	\$ 8,266,584	\$ 9,257,516	\$ 9,670,974	\$ 9,707,213	\$ 12,020,942
Contributions - member	919,874	956,092	997,198	974,992	1,098,506	954,112	986,040	1,041,229	1,089,524	1,250,229
Net investment income	3,549,131	228,236	3,894,765	7,974,296	(3,478,827)	14,527,581	11,387,655	13,515,733	(15,351,364)	13,855,947
Benefit payments, including refunds of member contributions	(7,727,683)	(8,067,965)	(8,343,940)	(8,609,369)	(9,150,830)	(9,624,766)	(10,255,160)	(10,545,893)	(10,905,542)	(11,271,448)
Administrative expense	(52,248)	(44,597)	(85,750)	(72,640)	(105,755)	(97,588)	(148,979)	(123,642)	(86,309)	(115,507)
Net change in plan fiduciary net position	3,216,771	(542,990)	3,858,914	8,473,079	(3,291,959)	14,025,923	11,227,072	13,558,401	(15,546,478)	15,740,163
Plan fiduciary net position - beginning	65,024,941	68,241,712	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041	101,034,113	114,592,514	99,046,036
Prior period adjustment	-	(957,638)	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning , restated	65,024,941	67,284,074	66,741,084	70,599,998	79,073,077	75,781,118	89,807,041	101,034,113	114,592,514	99,046,036
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 68,241,712</b>	<b>\$ 66,741,084</b>	<b>\$ 70,599,998</b>	<b>\$ 79,073,077</b>	<b>\$ 75,781,118</b>	<b>\$ 89,807,041</b>	<b>\$ 101,034,113</b>	<b>\$ 114,592,514</b>	<b>\$ 99,046,036</b>	<b>\$ 114,786,199</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 76,415,380</b>	<b>\$ 87,359,802</b>	<b>\$ 92,543,567</b>	<b>\$ 94,343,860</b>	<b>\$ 96,445,512</b>	<b>\$ 97,187,735</b>	<b>\$ 90,789,910</b>	<b>\$ 83,846,627</b>	<b>\$ 110,575,648</b>	<b>\$ 102,455,458</b>

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Plan fiduciary net position as a percentage of the total pension liability	47.17%	43.31%	43.27%	45.60%	44.00%	48.03%	52.67%	57.75%	47.25%	52.84%
Covered payroll	\$ 9,520,925	\$ 10,396,357	\$ 10,546,779	\$ 10,311,920	\$ 11,618,255	\$ 10,341,544	\$ 10,428,768	\$ 11,012,470	\$ 11,523,258	\$ 13,222,940
Employer's net pension liability as a percentage of covered payroll	802.60%	840.29%	877.46%	914.90%	830.12%	939.78%	870.57%	761.38%	959.59%	774.83%

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

For the measurement date December 31, 2019, there were no changes in assumptions. There were changes in plan benefits required under PA-101-0610 (SB 1300).

For the measurement date December 31, 2018, there were changes in assumptions related to the mortality tables. Additionally, the discount rate was increased to 6.50%.

The discount rate used in the valuation dated December 31, 2017 is 6.25%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, is 6.50%. The discount rate used in the actuarial valuation dated December 31, 2014 was 6.75%.

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual money-weighted rate of return, net of investment expense	9.54%	1.45%	6.90%	14.25%	(5.20%)	21.13%	12.88%	16.65%	(16.78%)	15.06%

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

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<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Annual money-weighted rate of return, net of investment expense	5.47%	0.36%	5.90%	11.42%	(4.54%)	19.62%	12.72%	13.91%	(14.94%)	15.50%

(See independent auditor's report.)

# CITY OF EVANSTON, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

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### BUDGETARY INFORMATION

The City follows these procedure in establishing the budgetary data reflected in the financial statements:

1. Because of a calendar year, the City Manager will submit to the City Council a proposed operating budget for the upcoming fiscal year commencing January 1, 2024. The operating budget includes proposed expenditures and the means of financing them.
2. Public budget hearings are conducted. Taxpayer comments are received and noted.
3. The budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. There were budget allocations within General Fund.
5. Budgets are legally adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service Funds, and Pension Trust Funds. A budget was not adopted for the Neighborhood Improvement Fund. All annual budgets lapse at fiscal year end.

The level of control (level at which expenditures may not exceed budget) is the fund. All unencumbered annual appropriations lapse at the end of the fiscal year.

During the year, budget amendments were approved by the City Council.

The following funds had an excess of actual budgetary expenditures over original and final budget for the fiscal year ended December 31, 2023.

Fund	Actual	Final Budget	Variance
General	\$ 137,971,207	\$ 137,360,456	\$ 610,751
Good Neighbor	\$ 557,887	\$ 472,887	\$ 85,000

## **MAJOR GOVERNMENTAL FUNDS**

General Fund - to account for all financial resources of the City except those accounted for in another fund.

Capital Improvements Fund - 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.

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.

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

**CITY OF EVANSTON, ILLINOIS**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes				
Property				
Current year levy	\$ 32,157,402	\$ 32,157,402	\$ 32,968,493	\$ 811,091
Total property taxes	32,157,402	32,157,402	32,968,493	811,091
Personal property replacement tax	2,855,000	2,855,000	4,087,124	1,232,124
Other taxes				
State use tax	2,650,000	2,650,000	3,040,435	390,435
Sales tax - home rule	8,000,000	8,000,000	10,396,123	2,396,123
Auto rental tax	50,000	50,000	69,883	19,883
Transportation network provider tax	700,000	700,000	855,245	155,245
Athletic contest tax	800,000	800,000	747,432	(52,568)
Municipal hotel tax	1,300,000	1,300,000	2,546,217	1,246,217
Utility tax	6,300,000	6,300,000	6,176,206	(123,794)
Cigarette tax	200,000	200,000	225,000	25,000
Evanston motor fuel tax	965,000	965,000	897,720	(67,280)
Liquor tax	3,000,000	3,000,000	3,772,043	772,043
Medical cannabis tax	50,000	50,000	-	(50,000)
Recreational cannabis tax	-	-	312,259	312,259
Bag tax	-	-	78,617	78,617
Parking tax	2,600,000	2,600,000	2,952,554	352,554
Amusement tax	750,000	750,000	1,367,347	617,347
Foreign fire tax	-	-	248,204	248,204
Real estate transfer tax	750,000	750,000	310,770	(439,230)
Total other taxes	28,115,000	28,115,000	33,996,055	5,881,055
Total taxes	63,127,402	63,127,402	71,051,672	7,924,270
Licenses and permits				
Vehicle licenses	3,100,000	3,100,000	2,875,749	(224,251)
Business licenses	20,000	20,000	31,970	11,970
Sealant office visits	-	-	-	-
Bed and breakfast licenses	150	150	-	(150)
Collection box license	2,500	2,500	1,700	(800)
Pet licenses	15,000	15,000	26,963	11,963
Contractor licenses	170,000	170,000	186,475	16,475
Rooming house licenses	-	-	1,500	1,500
Liquor licenses	500,000	500,000	540,463	40,463
One-day liquor licenses	12,000	12,000	17,619	5,619
Farmer's market licenses	51,250	51,250	57,210	5,960
Rental building registration	360,000	360,000	322,316	(37,684)
Other licenses	20,000	20,000	-	(20,000)
Long-term care license	120,000	120,000	116,040	(3,960)
Seasonal foot ESTB	15,000	15,000	7,575	(7,425)
Mobile food vehicle license	1,450	1,450	-	(1,450)
Hen coop license	800	800	-	(800)
Resident care home license	1,200	1,200	-	(1,200)
Building permits	4,225,100	4,225,100	4,058,773	(166,327)
Elevator permits	42,000	42,000	40,026	(1,974)

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>				
Licenses and permits (Continued)				
Right of way permits	\$ 358,000	\$ 358,000	\$ 312,511	\$ (45,489)
Residents parking permit	228,000	228,000	1,160	(226,840)
Visitor parking permit	13,000	13,000	-	(13,000)
Dumpster permit fee	-	-	8,100	8,100
Fire suppression/alarm permit	-	-	890	890
Oversize truck permit	20,000	20,000	23,475	3,475
Moving van permit	57,000	57,000	54,470	(2,530)
Plat PR and sign application fee	-	-	-	-
IL Bell franchise fee	90,000	90,000	98,573	8,573
Alarm panel franchise fee	4,000	4,000	-	(4,000)
Northwestern University easement	47,000	47,000	119,882	72,882
Easements	-	-	-	-
Cable franchise fee	950,000	950,000	825,835	(124,165)
PEG fees - Comcast	145,000	145,000	113,813	(31,187)
Nicor franchise fee	75,000	75,000	-	(75,000)
Plumbing permits	-	-	90	90
Other permits	-	-	2,803	2,803
Permit penalty fees	-	-	-	-
<b>Total licenses and permits</b>	<b>10,643,450</b>	<b>10,643,450</b>	<b>9,845,981</b>	<b>(797,469)</b>
Intergovernmental - revenue from other agencies				
Retailer and service occupation tax	11,000,000	11,000,000	13,329,108	2,329,108
State income tax	11,500,000	11,500,000	12,558,980	1,058,980
State highway maintenance	83,000	83,000	82,356	(644)
Health Department Basic Service Grant	125,432	125,432	28,767	(96,665)
Illinois tobacco free community	27,594	27,594	20,761	(6,833)
IL HIV Surveillance Grant	34,150	34,150	13,472	(20,678)
NEA Grant	15,000	15,000	11,250	(3,750)
Aspire Program Grant	133,000	133,000	200,000	67,000
Other State/County Grant	-	-	410,068	410,068
Fire Department training	-	-	-	-
CRI Grant	62,697	62,697	67,187	4,490
PEHP Grant	62,944	62,944	80,164	17,220
Lead Paid Hazard Grant	150,000	150,000	-	(150,000)
Beach Grant	15,097	15,097	23,098	8,001
Federal Grant/Aid	206,000	206,000	594,869	388,869
Commission on Aging Grant - Advocate	64,000	64,000	107,334	43,334
Vacant Property Grant	-	-	-	-
Market link vouchers	30,000	30,000	(53,076)	(83,076)
Civil Defense Grants (F.E.M.A.)	-	-	-	-
Narcotics enforcement revenue	40,000	40,000	94,171	54,171
Police training	5,000	5,000	-	(5,000)
eShare revenue	-	-	7,408	7,408
Police DUI reimbursement	15,000	15,000	543	(14,457)
You Streets Grant	-	-	65,030	65,030
COVID-19 Mass Vaccination Grant	-	-	138,149	138,149
ARPA	-	-	-	-
Cook County WNV Grant	14,270	14,270	-	(14,270)
<b>Total intergovernmental - revenue from other agencies</b>	<b>23,583,184</b>	<b>23,583,184</b>	<b>27,779,639</b>	<b>4,196,455</b>

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>				
Charges for services				
Recreation				
Recreation - program	\$ 5,371,375	\$ 5,371,375	\$ 7,111,501	\$ 1,740,126
Recreation - other	-	-	6,416	6,416
Recreation - charges	3,000	3,000	-	(3,000)
Recreation - special events	12,500	12,500	26,831	14,331
Total recreation	5,386,875	5,386,875	7,144,748	1,757,873
Other charges for services				
Health clinic fees - food establishment	230,000	230,000	209,040	(20,960)
Homeless health clinic	-	-	-	-
Sanitation classes	-	-	500	500
Infrastructure maintenance fees	-	-	-	-
Temporary license fee	11,000	11,000	2,997	(8,003)
Food delivery vehicle	6,500	6,500	2,800	(3,700)
Beverage snack vending machine	44,000	44,000	45,889	1,889
Tobacco license	17,000	17,000	14,000	(3,000)
Beekeeper license	300	300	300	-
Funeral director license	6,000	6,000	-	(6,000)
Temp funeral director licenses	-	-	-	-
Birth/death certificates	80,000	80,000	122,948	42,948
Wood recycling	-	-	2,970	2,970
Parking enforcement reimbursement	-	-	-	-
Property clean up	-	-	-	-
Senior Taxi coupon sales	85,000	85,000	59,322	(25,678)
Fire cost recovery charge	-	-	-	-
Historic preservation	30,000	30,000	4,630	(25,370)
Tree preservation revenue	5,000	5,000	35,051	30,051
Ambulance service	4,100,000	4,100,000	4,994,318	894,318
Police CTA detail	357,000	357,000	271,805	(85,195)
Police report fees	25,000	25,000	23,696	(1,304)
Officer and gentlemen	-	-	1,000	1,000
Zoning fees	50,000	50,000	31,900	(18,100)
Fire building inspections	-	-	-	-
Fire report fee	-	-	-	-
Aging Well conference	2,000	2,000	-	(2,000)
Alarm panel subscription fees	-	-	-	-
Background check daycare providers	400	400	-	(400)
New pavement degradation	80,000	80,000	41,511	(38,489)
I Heart Evanston Trees project	-	-	17	17
Plan review	5,000	5,000	-	(5,000)
Total other service charges	5,134,200	5,134,200	5,864,694	730,494
Total charges for services	10,521,075	10,521,075	13,009,442	2,488,367
Fines				
Ticket fines - parking	3,000,000	3,000,000	3,868,180	868,180
Regular fines	115,000	115,000	130,916	15,916
Animal ordinance penalties	7,500	7,500	-	(7,500)
Boot release fee	50,000	50,000	52,049	2,049
Fire false alarm fines	-	-	-	-

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

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

For the Fiscal Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>				
Fines (Continued)				
Housing code violation fines	\$ -	\$ -	\$ 500	\$ 500
Health code violation fees	3,000	3,000	-	(3,000)
LEP program penalties	-	-	14,732	14,732
Administrative adjudication fee	80,000	80,000	28,540	(51,460)
<b>Total fines</b>	<b>3,255,500</b>	<b>3,255,500</b>	<b>4,094,917</b>	<b>839,417</b>
Investment income	55,000	55,000	2,384,515	2,329,515
Other revenues				
Police equipment reimbursement	20,000	20,000	5,015	(14,985)
Rethink your drink	5,000	5,000	-	(5,000)
Holiday food drive	10,000	10,000	-	(10,000)
We're Out Walking	6,000	6,000	-	(6,000)
Property sales and rentals	51,100	51,100	163,483	112,383
Donation	23,900	23,900	28,331	4,431
Miscellaneous revenue	522,100	522,100	889,164	367,064
Sale of other assets	1,500	1,500	1,478	(22)
Reimbursements - serve and protect	32,000	32,000	11,024	(20,976)
Reimbursements - salt use	32,000	32,000	35,336	3,336
Reimbursements - fire department	-	-	-	-
Reimbursements - police	540,000	540,000	570,531	30,531
Community relief program	-	-	-	-
Payment in lieu of taxes	85,000	85,000	60,000	(25,000)
Fund balance applied	10,085,454	10,085,454	-	(10,085,454)
Chargeback revenue	300,000	300,000	341,898	41,898
Insurance proceeds	-	-	2,451	2,451
Private Elm Trees Insurance	20,000	20,000	30,390	10,390
Citizens CPR class fees	-	-	10,160	10,160
Surface lot permits	-	-	-	-
Telecommunication maintenance fee	-	-	37,658	37,658
Commercial drive permits	-	-	-	-
Parking permits - Ryan Field	15,000	15,000	-	(15,000)
Right-to-use lease amortization	-	-	26,793	26,793
<b>Total other revenues</b>	<b>11,749,054</b>	<b>11,749,054</b>	<b>2,213,712</b>	<b>(9,535,342)</b>
<b>TOTAL REVENUES</b>	<b>\$ 122,934,665</b>	<b>\$ 122,934,665</b>	<b>\$ 130,379,878</b>	<b>\$ 7,445,213</b>

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>EXPENDITURES</b>				
General management and support				
City Council	\$ 658,324	\$ 658,324	\$ 627,836	\$ (30,488)
City Manager and Budget Management	7,336,325	13,011,364	7,213,026	(5,798,338)
City Clerk	360,108	360,108	421,653	61,545
Law Department	988,558	988,558	1,040,936	52,378
Administrative services	12,337,670	12,778,569	13,305,481	526,912
<b>Total general management and support</b>	<b>21,680,985</b>	<b>27,796,923</b>	<b>22,608,932</b>	<b>(5,187,991)</b>
Public safety				
Police	54,303,533	54,303,533	57,764,709	3,461,176
Fire	18,689,985	18,927,380	21,238,888	2,311,508
<b>Total public safety</b>	<b>72,993,518</b>	<b>73,230,913</b>	<b>79,003,597</b>	<b>5,772,684</b>
Public works				
Public Works Director	3,500,846	3,500,846	3,585,597	84,751
Municipal Service Center	2,071,307	2,071,307	2,242,386	171,079
City Engineer	385,457	385,457	478,200	92,743
Traffic Engineer	4,111,935	4,111,935	4,088,348	(23,587)
Streets	3,505,130	3,505,130	3,380,854	(124,276)
Sanitation	133,956	133,956	132,947	(1,009)
<b>Total public works</b>	<b>13,708,631</b>	<b>13,708,631</b>	<b>13,908,332</b>	<b>199,701</b>
Health and Human Services Development				
COVID contact tracing	-	-	172,113	172,113
Health and Human Services Director	164,842	164,842	137,263	(27,579)
Health Department	1,248,156	1,248,156	1,397,528	149,372
Mental health and community purchased services	-	-	6,036	6,036
Human relations	4,451,258	4,451,258	4,248,557	(202,701)
<b>Total Health and Human Services Development</b>	<b>5,864,256</b>	<b>5,864,256</b>	<b>5,961,497</b>	<b>97,241</b>
Recreation and cultural opportunities				
Recreation	11,207,520	11,207,520	11,724,431	516,911
Ecology Center	778,336	778,336	681,113	(97,223)
Cultural Arts	590,456	590,456	577,180	(13,276)
<b>Total recreation and cultural opportunities</b>	<b>12,576,312</b>	<b>12,576,312</b>	<b>12,982,724</b>	<b>406,412</b>
Housing and Economic Development				
Community development administration	1,099,268	1,099,268	356,432	(742,836)
Planning and zoning	961,876	961,876	1,006,315	44,439
Housing rehabilitation and property standards	727,322	727,322	680,322	(47,000)
Building code compliance	1,394,955	1,394,955	1,424,051	29,096
<b>Total housing and economic development</b>	<b>4,183,421</b>	<b>4,183,421</b>	<b>3,467,120</b>	<b>(716,301)</b>
Debt Service				
Interest	-	-	39,005	39,005
<b>Total debt service</b>	<b>-</b>	<b>-</b>	<b>39,005</b>	<b>39,005</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 131,007,123</b>	<b>\$ 137,360,456</b>	<b>\$ 137,971,207</b>	<b>\$ 610,751</b>

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 4,592,500	\$ 335,849	\$ (4,256,651)
Contributions	335,000	-	(335,000)
Fees	-	32,748	32,748
Charges for services	-	82,036	82,036
Investment income	-	309,352	309,352
	<hr/>		
Total revenues	4,927,500	759,985	(4,167,515)
	<hr/>		
<b>EXPENDITURES</b>			
General management and support	-	62	62
Public works	10,130,000	8,176,789	(1,953,211)
Public safety	-	1,563	1,563
Capital outlay	5,362,500	5,986,100	623,600
	<hr/>		
Total expenditures	15,492,500	14,164,514	(1,327,986)
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,565,000)	(13,404,529)	(2,839,529)
	<hr/>		
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	85,000	3,264,226	3,179,226
Issuance of bonds	17,015,000	-	(17,015,000)
	<hr/>		
Total other financing sources (uses)	17,100,000	3,264,226	(13,835,774)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 6,535,000</u>	(10,140,303)	<u>\$ (16,675,303)</u>
		<hr/>	
FUND BALANCE, JANUARY 1		1,966,892	
		<hr/>	
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>		<u><u>\$ (8,173,411)</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Taxes			
Property taxes			
Current year levy, net	\$ 12,878,258	\$ 13,454,095	\$ 575,837
Investment income	10,000	369,711	359,711
	<hr/>	<hr/>	<hr/>
Total revenues	12,888,258	13,823,806	935,548
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
General management and support	100	35	(65)
Debt service			
Principal	9,971,562	9,971,562	-
Interest	5,825,561	5,225,660	(599,901)
Fiscal agent fees	6,500	6,300	(200)
	<hr/>	<hr/>	<hr/>
Total expenditures	15,803,723	15,203,557	(600,166)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,915,465)	(1,379,751)	1,535,714
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,918,969	2,318,976	(599,993)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,918,969	2,318,976	(599,993)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 3,504</u>	939,225	<u>\$ 935,721</u>
FUND BALANCE, JANUARY 1		<u>1,965,810</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 2,905,035</u></u>	

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are restricted or committed for a particular purpose.

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

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

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

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

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

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

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

Special Service District No. 9 - (successor to SSA #4) was reestablished in 2019 to provide certain public services to supplement services currently or customarily provided by the City to the Area. Services include the promotion and advertisement of the Area in order to attract businesses and consumers, and provide any other public services to the Area which the City may deem appropriate from time to time. SSA#9 is managed by Downtown Evanston (formerly EvMark), an Illinois not-for-profit corporation. Financing is provided by the City through an annual property tax levy.

Reparations - to account for the municipal tax revenues (at 3% of retail price) collected from the sales of recreational cannabis.

Sustainability - to account for the resources provided by the City's Climate Action and Resilience Plan.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

Good Neighbor - to account for the resources provided by Northwestern University to assist city functions and increase programming.

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

### **DEBT SERVICE FUNDS**

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

Chicago Main TIF - to account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Special Service Area No. 6 Fund - to account for promotion, advertisement, and street maintenance costs of the area located in the City's commercial district surrounding Dempster, Chicago, and Main. Financing is provided by the City through an annual special service area property tax levy.

Special Service Area No. 7 Fund - to account for the City's support of commercial properties located in the Central Street merchant district. SSA #7 represents the east portion of Central Street located between Hartrey on the west, Eastwood on the east, Isabella on the north and Lincoln on the south. The purpose of the Central Street SSA districts is to help the merchant association grow and establish a stable funding stream for merchant and business district activities. Financing is provided by the City through an annual special service area property tax levy.

Special Service Area No. 8 Fund - to account for the City's support of commercial properties located in the Central Street merchant district. SSA #8 represents the west portion of Central Street located between Central Park Ave. on the west and Ewing Ave. on the east. The purpose of the Central Street SSA districts is to help the merchant association grow and establish a stable funding stream for merchant and business district activities. Financing is provided by the City through an annual special service area property tax levy.

Dempster-Dodge TIF - to account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard/Ridge TIF - to account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

West Evanston TIF - to account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Five Fifths TIF - to account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for activity related to capital improvements.

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

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

Special Assessment - to account for capital improvements (primarily alley paving) financed by both special assessments on property owners and City contributions.

**CITY OF EVANSTON, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2023

	<b>Special Revenue</b>				
	<b>Motor Fuel Tax</b>	<b>Emergency Telephone System</b>	<b>Neighborhood Improvement</b>	<b>Affordable Housing</b>	<b>HOME</b>
<b>ASSETS</b>					
Cash and equivalents	\$ 2,460,075	\$ 1,123,008	\$ 22,872	\$ 2,983,598	\$ -
Investments	3,657,918	-	-	-	-
Receivables					
Property tax	-	-	-	-	-
Loans	-	-	-	2,526,693	5,281,264
Special assessments	-	-	-	-	-
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governments	304,867	361,300	-	-	21,142
Due from other funds	-	100,515	13	44,006	-
<b>TOTAL ASSETS</b>	<b>\$ 6,422,860</b>	<b>\$ 1,584,823</b>	<b>\$ 22,885</b>	<b>\$ 5,554,297</b>	<b>\$ 5,302,406</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 138,656	\$ 24,049	\$ -	\$ 101,911	\$ 7,905
Interest payable	-	-	-	-	-
Due to other governments	-	-	-	155,067	-
Due to other funds	-	-	-	-	5,382
<b>Total liabilities</b>	<b>138,656</b>	<b>24,049</b>	<b>-</b>	<b>256,978</b>	<b>13,287</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Long-term notes receivable	-	-	-	2,526,693	5,281,264
Unavailable revenue - property taxes	-	-	-	-	-
Leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,526,693</b>	<b>5,281,264</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>138,656</b>	<b>24,049</b>	<b>-</b>	<b>2,783,671</b>	<b>5,294,551</b>
<b>FUND BALANCES</b>					
Restricted for					
Highway maintenance	6,284,204	-	-	-	-
Emergency telephone system	-	1,560,774	-	-	-
HUD approved projects	-	-	-	-	7,855
Neighborhood improvements	-	-	22,885	2,770,626	-
Reparations	-	-	-	-	-
Sustainability	-	-	-	-	-
Debt service	-	-	-	-	-
General assistance	-	-	-	-	-
Capital improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>6,284,204</b>	<b>1,560,774</b>	<b>22,885</b>	<b>2,770,626</b>	<b>7,855</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,422,860</b>	<b>\$ 1,584,823</b>	<b>\$ 22,885</b>	<b>\$ 5,554,297</b>	<b>\$ 5,302,406</b>

Special Revenue							
Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Sustainability	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ 402,485	\$ 337,443	\$ 1,303,605	\$ 828,976	\$ 188,325	\$ 1,281,268	\$ 10,931,655
-	-	-	-	-	-	-	3,657,918
-	-	592,967	-	-	-	1,069,552	1,662,519
-	1,662,815	-	-	-	-	-	9,470,772
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
441,460	-	-	-	-	-	-	1,128,769
-	83,510	-	425,000	26,743	-	-	679,787
<u>\$ 441,460</u>	<u>\$ 2,148,810</u>	<u>\$ 930,410</u>	<u>\$ 1,728,605</u>	<u>\$ 855,719</u>	<u>\$ 188,325</u>	<u>\$ 2,350,820</u>	<u>\$ 27,531,420</u>
\$ 25,834	\$ 71,588	\$ 324,493	\$ 174,406	\$ 68,419	\$ -	\$ 263	\$ 937,524
-	-	-	-	-	-	-	-
-	23,443	-	-	-	-	-	178,510
356,303	-	-	124	-	-	5,713	367,522
<u>382,137</u>	<u>95,031</u>	<u>324,493</u>	<u>174,530</u>	<u>68,419</u>	<u>-</u>	<u>5,976</u>	<u>1,483,556</u>
-	1,662,815	-	-	-	-	-	9,470,772
-	-	592,665	-	-	-	1,050,000	1,642,665
-	-	-	-	-	-	-	-
-	1,662,815	592,665	-	-	-	1,050,000	11,113,437
<u>382,137</u>	<u>1,757,846</u>	<u>917,158</u>	<u>174,530</u>	<u>68,419</u>	<u>-</u>	<u>1,055,976</u>	<u>12,596,993</u>
-	-	-	-	-	-	-	6,284,204
-	-	-	-	-	-	-	1,560,774
59,323	390,964	-	-	-	-	-	458,142
-	-	13,252	-	-	-	-	2,806,763
-	-	-	1,554,075	-	-	-	1,554,075
-	-	-	-	787,300	-	-	787,300
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,294,844	1,294,844
-	-	-	-	-	188,325	-	188,325
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>59,323</u>	<u>390,964</u>	<u>13,252</u>	<u>1,554,075</u>	<u>787,300</u>	<u>188,325</u>	<u>1,294,844</u>	<u>14,934,427</u>
<u>\$ 441,460</u>	<u>\$ 2,148,810</u>	<u>\$ 930,410</u>	<u>\$ 1,728,605</u>	<u>\$ 855,719</u>	<u>\$ 188,325</u>	<u>\$ 2,350,820</u>	<u>\$ 27,531,420</u>

(This schedule is continued on the following pages.)

**CITY OF EVANSTON, ILLINOIS**

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2023

	Debt Service				
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8	Dempster-Dodge Tax Increment District
<b>ASSETS</b>					
Cash and equivalents	\$ 2,294,592	\$ 327,348	\$ 78,192	\$ 35,644	\$ 650,191
Investments	-	-	-	-	-
Receivables					
Property tax	-	237,994	158,055	60,835	-
Loans	-	-	-	-	-
Special assessments	-	-	-	-	-
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,294,592</b>	<b>\$ 565,342</b>	<b>\$ 236,247</b>	<b>\$ 96,479</b>	<b>\$ 650,191</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 36,346	\$ 311,116	\$ 67,111	\$ 29,127	\$ 1,933
Interest payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	2,036,200	-	-	-	-
<b>Total liabilities</b>	<b>2,072,546</b>	<b>311,116</b>	<b>67,111</b>	<b>29,127</b>	<b>1,933</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Long-term notes receivable	-	-	-	-	-
Unavailable revenue - property taxes	-	220,000	154,800	60,200	-
Leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>220,000</b>	<b>154,800</b>	<b>60,200</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>2,072,546</b>	<b>531,116</b>	<b>221,911</b>	<b>89,327</b>	<b>1,933</b>
<b>FUND BALANCES</b>					
Restricted for					
Highway maintenance	-	-	-	-	-
Emergency telephone system	-	-	-	-	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	34,226	14,336	7,152	-
Reparations	-	-	-	-	-
Sustainability	-	-	-	-	-
Debt service	222,046	-	-	-	648,258
General assistance	-	-	-	-	-
Capital improvements	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>222,046</b>	<b>34,226</b>	<b>14,336</b>	<b>7,152</b>	<b>648,258</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,294,592</b>	<b>\$ 565,342</b>	<b>\$ 236,247</b>	<b>\$ 96,479</b>	<b>\$ 650,191</b>

Debt Service			Capital Projects				Total Nonmajor Governmental Funds	
Howard Ridge Tax Increment District	West Evanston Tax Increment District	Five-Fifths Tax Increment District	Total Debt Service	Crown Construction	Crown Maintenance	Special Assessment		Total Capital Projects
\$ 1,876,101	\$ 3,410,785	\$ -	\$ 8,672,853	\$ 2,286,184	\$ 665,041	\$ 813,562	\$ 3,764,787	\$ 23,369,295
-	-	-	-	2,541,230	-	-	2,541,230	6,199,148
8,380	40,349	33,561	539,174	-	-	-	-	2,201,693
-	-	-	-	-	-	-	-	9,470,772
-	-	-	-	-	-	835,099	835,099	835,099
354,880	-	-	354,880	-	-	-	-	354,880
205	-	-	205	-	-	-	-	205
-	-	-	-	-	-	-	-	1,128,769
-	-	-	-	-	-	28,167	28,167	707,954
<b>\$ 2,239,566</b>	<b>\$ 3,451,134</b>	<b>\$ 33,561</b>	<b>\$ 9,567,112</b>	<b>\$ 4,827,414</b>	<b>\$ 665,041</b>	<b>\$ 1,676,828</b>	<b>\$ 7,169,283</b>	<b>\$ 44,267,815</b>
\$ 61,811	\$ 1,213,185	\$ 133,140	\$ 1,853,769	\$ 11,308	\$ -	\$ 278,671	\$ 289,979	\$ 3,081,272
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	178,510
-	20,915	37,810	2,094,925	12,000	-	-	12,000	2,474,447
61,811	1,234,100	170,950	3,948,694	23,308	-	278,671	301,979	5,734,229
-	-	-	-	-	-	835,099	835,099	10,305,871
-	-	-	435,000	-	-	-	-	2,077,665
340,918	-	-	340,918	-	-	-	-	340,918
340,918	-	-	775,918	-	-	835,099	835,099	12,724,454
402,729	1,234,100	170,950	4,724,612	23,308	-	1,113,770	1,137,078	18,458,683
-	-	-	-	-	-	-	-	6,284,204
-	-	-	-	-	-	-	-	1,560,774
-	-	-	-	-	-	-	-	458,142
-	-	-	55,714	-	-	563,058	563,058	3,425,535
-	-	-	-	-	-	-	-	1,554,075
-	-	-	-	-	-	-	-	787,300
1,836,837	2,217,034	-	4,924,175	-	-	-	-	4,924,175
-	-	-	-	-	-	-	-	1,294,844
-	-	-	-	-	-	-	-	188,325
-	-	-	-	4,804,106	665,041	-	5,469,147	5,469,147
-	-	(137,389)	(137,389)	-	-	-	-	(137,389)
1,836,837	2,217,034	(137,389)	4,842,500	4,804,106	665,041	563,058	6,032,205	25,809,132
<b>\$ 2,239,566</b>	<b>\$ 3,451,134</b>	<b>\$ 33,561</b>	<b>\$ 9,567,112</b>	<b>\$ 4,827,414</b>	<b>\$ 665,041</b>	<b>\$ 1,676,828</b>	<b>\$ 7,169,283</b>	<b>\$ 44,267,815</b>

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	Special Revenue				
	Motor Fuel Tax	Emergency Telephone System	Neighborhood Improvement	Affordable Housing	HOME
<b>REVENUES</b>					
Taxes	\$ -	\$ 1,714,128	\$ -	\$ 36,380	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	3,371,349	-	-	154,765	79,294
Fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	286,401	26,676	590	135,022	641
Miscellaneous					
Contributions	-	-	-	325,000	-
Other	-	-	-	4,583	25,227
<b>Total revenues</b>	<b>3,657,750</b>	<b>1,740,804</b>	<b>590</b>	<b>655,750</b>	<b>105,162</b>
<b>EXPENDITURES</b>					
Current					
General management and support	-	-	-	-	-
Public safety	-	1,574,398	-	-	-
Public works	2,831,512	-	-	-	-
Housing and economic development	-	-	-	487,487	104,159
Capital outlay	-	-	-	-	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,831,512</b>	<b>1,574,398</b>	<b>-</b>	<b>487,487</b>	<b>104,159</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>826,238</b>	<b>166,406</b>	<b>590</b>	<b>168,263</b>	<b>1,003</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	-	(90,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(90,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>826,238</b>	<b>76,406</b>	<b>590</b>	<b>168,263</b>	<b>1,003</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>5,457,966</b>	<b>1,484,368</b>	<b>22,295</b>	<b>2,602,363</b>	<b>6,852</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 6,284,204</b>	<b>\$ 1,560,774</b>	<b>\$ 22,885</b>	<b>\$ 2,770,626</b>	<b>\$ 7,855</b>

Special Revenue							
Community Development Block Grant	Community Development Loan	Special Service District No. 9	Reparations	Sustainability	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ -	\$ 642,483	\$ 3,000,000	\$ -	\$ -	\$ 1,342,956	\$ 6,735,947
-	-	-	-	-	-	-	-
2,016,980	-	-	100,000	-	-	-	5,722,388
-	-	-	-	480,754	-	-	480,754
-	-	-	-	-	-	-	-
3,484	-	4,521	32,131	13,131	12,799	56,679	572,075
-	-	-	9,813	-	-	-	334,813
-	163,577	-	-	276,566	-	-	469,953
2,020,464	163,577	647,004	3,141,944	770,451	12,799	1,399,635	14,315,930
-	-	-	2,261,405	567,747	482,887	1,091,177	4,403,216
-	-	-	-	-	-	-	1,574,398
-	-	-	-	-	-	-	2,831,512
2,020,464	151,862	640,515	-	-	-	-	3,404,487
-	-	-	-	-	75,000	-	75,000
-	-	-	-	-	-	-	-
2,020,464	151,862	640,515	2,261,405	567,747	557,887	1,091,177	12,288,613
-	11,715	6,489	880,539	202,704	(545,088)	308,458	2,027,317
-	-	206,750	425,000	200,004	-	-	831,754
-	-	-	-	-	-	-	(90,000)
-	-	206,750	425,000	200,004	-	-	741,754
-	11,715	213,239	1,305,539	402,708	(545,088)	308,458	2,769,071
59,323	379,249	(199,987)	248,536	384,592	733,413	986,386	12,165,356
\$ 59,323	\$ 390,964	\$ 13,252	\$ 1,554,075	\$ 787,300	\$ 188,325	\$ 1,294,844	\$ 14,934,427

(This schedule is continued on the following pages.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	Debt Service				
	Chicago Main Tax Increment District	Special Service Area No. 6	Special Service Area No. 7	Special Service Area No. 8	Dempster-Dodge Tax Increment District
<b>REVENUES</b>					
Taxes	\$ 1,161,052	\$ 221,784	\$ 144,281	\$ 62,448	\$ 442,730
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	89,344	14,646	1,842	807	17,939
Miscellaneous					
Contributions	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>1,250,396</b>	<b>236,430</b>	<b>146,123</b>	<b>63,255</b>	<b>460,669</b>
<b>EXPENDITURES</b>					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing and economic development	2,450,672	206,759	144,223	60,632	10,943
Capital outlay	-	-	-	-	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,450,672</b>	<b>206,759</b>	<b>144,223</b>	<b>60,632</b>	<b>10,943</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,200,276)</b>	<b>29,671</b>	<b>1,900</b>	<b>2,623</b>	<b>449,726</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	(271,356)	-	-	-	(174,480)
<b>Total other financing sources (uses)</b>	<b>(271,356)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(174,480)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,471,632)</b>	<b>29,671</b>	<b>1,900</b>	<b>2,623</b>	<b>275,246</b>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<b>1,693,678</b>	<b>4,555</b>	<b>12,436</b>	<b>4,529</b>	<b>373,012</b>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ 222,046</b>	<b>\$ 34,226</b>	<b>\$ 14,336</b>	<b>\$ 7,152</b>	<b>\$ 648,258</b>

Debt Service			Capital Projects				Total	
Howard Ridge Tax Increment District	West Evanston Tax Increment District	Five-Fifths Tax Increment District	Total Debt Service	Crown Construction	Crown Maintenance	Special Assessment	Total Capital Projects	Total Nonmajor Governmental Funds
\$ 1,146,362	\$ 1,919,815	\$ 919,482	\$ 6,017,954	\$ -	\$ -	\$ -	\$ -	\$ 12,753,901
-	-	-	-	-	-	186,037	186,037	186,037
-	-	-	-	-	-	-	-	5,722,388
-	-	-	-	-	-	-	-	480,754
-	-	-	-	-	-	-	-	-
95,621	115,922	-	336,121	261,785	-	71,192	332,977	1,241,173
-	-	-	-	250,000	-	-	250,000	584,813
43,639	-	-	43,639	-	-	-	-	513,592
1,285,622	2,035,737	919,482	6,397,714	511,785	-	257,229	769,014	21,482,658
-	-	-	-	-	-	60	60	4,403,276
-	-	-	-	-	-	-	-	1,574,398
-	-	-	-	60	-	-	60	2,831,572
1,157,963	2,207,700	920,970	7,159,862	-	-	-	-	10,564,349
-	-	-	-	67,950	-	681,611	749,561	824,561
-	-	-	-	-	-	-	-	-
1,157,963	2,207,700	920,970	7,159,862	68,010	-	681,671	749,681	20,198,156
127,659	(171,963)	(1,488)	(762,148)	443,775	-	(424,442)	19,333	1,284,502
-	-	-	-	-	174,996	-	174,996	1,006,750
(395,916)	(75,000)	-	(916,752)	(945,000)	-	(455,352)	(1,400,352)	(2,407,104)
(395,916)	(75,000)	-	(916,752)	(945,000)	174,996	(455,352)	(1,225,356)	(1,400,354)
(268,257)	(246,963)	(1,488)	(1,678,900)	(501,225)	174,996	(879,794)	(1,206,023)	(115,852)
2,105,094	2,463,997	(135,901)	6,521,400	5,305,331	490,045	1,442,852	7,238,228	25,924,984
\$ 1,836,837	\$ 2,217,034	\$ (137,389)	\$ 4,842,500	\$ 4,804,106	\$ 665,041	\$ 563,058	\$ 6,032,205	\$ 25,809,132

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental allotments	\$ 2,700,000	\$ 3,371,349	\$ 671,349
Investment income	12,000	286,401	274,401
Total revenues	<u>2,712,000</u>	<u>3,657,750</u>	<u>945,750</u>
<b>EXPENDITURES</b>			
Public works	<u>3,641,600</u>	<u>2,831,512</u>	<u>(810,088)</u>
Total expenditures	<u>3,641,600</u>	<u>2,831,512</u>	<u>(810,088)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (929,600)</u>	826,238	<u>\$ 1,755,838</u>
FUND BALANCE, JANUARY 1		<u>5,457,966</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 6,284,204</u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Taxes and special assessments	\$ 1,400,000	\$ 1,714,128	\$ 314,128
Investment income	7,000	26,676	19,676
Total revenues	<u>1,407,000</u>	<u>1,740,804</u>	<u>333,804</u>
<b>EXPENDITURES</b>			
Public safety	1,582,200	1,574,398	(7,802)
Debt service			
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,582,200</u>	<u>1,574,398</u>	<u>(7,802)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(175,200)</u>	<u>166,406</u>	<u>341,606</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(90,000)</u>	<u>(90,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (265,200)</u></u>	<u>76,406</u>	<u><u>\$ 341,606</u></u>
FUND BALANCE, JANUARY 1		<u>1,484,368</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 1,560,774</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Affordable housing demo tax	\$ 50,000	\$ 50,000	\$ 36,380	\$ (13,620)
Intergovernmental	145,000	145,000	154,765	9,765
Developer contributions	125,000	125,000	325,000	200,000
Investment income	4,500	4,500	135,022	130,522
Miscellaneous	5,600	5,600	4,583	(1,017)
<b>Total revenues</b>	<b>330,100</b>	<b>330,100</b>	<b>655,750</b>	<b>325,650</b>
<b>EXPENDITURES</b>				
Housing and economic development	1,926,626	926,626	487,487	(439,139)
<b>Total expenditures</b>	<b>1,926,626</b>	<b>926,626</b>	<b>487,487</b>	<b>(439,139)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,596,526)</b>	<b>\$ (596,526)</b>	168,263	<b>\$ 764,789</b>
<b>FUND BALANCE, JANUARY 1</b>			<u>2,602,363</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 2,770,626</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental allotments	\$ 650,000	\$ 79,294	\$ (570,706)
Investment income	150	641	491
Miscellaneous	25,000	25,227	227
Total revenues	<u>675,150</u>	<u>105,162</u>	<u>(569,988)</u>
<b>EXPENDITURES</b>			
Housing and economic development	<u>654,838</u>	<u>104,159</u>	<u>(550,679)</u>
Total expenditures	<u>654,838</u>	<u>104,159</u>	<u>(550,679)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 20,312</u>	1,003	<u>\$ (19,309)</u>
FUND BALANCE, JANUARY 1		<u>6,852</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 7,855</u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental allotments			
Grant from U.S. Department of Housing and Urban Development	\$ 3,629,000	\$ 2,016,980	\$ (1,612,020)
Investment income	-	3,484	3,484
	<hr/>	<hr/>	<hr/>
Total revenues	3,629,000	2,020,464	(1,608,536)
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Housing and economic development	3,661,035	2,020,464	(1,640,571)
	<hr/>	<hr/>	<hr/>
Total expenditures	3,661,035	2,020,464	(1,640,571)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (32,035)</u>	-	<u>\$ 32,035</u>
FUND BALANCE, JANUARY 1		<hr/> 59,323	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 59,323</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
Administration/Planning			
CDBG administration	\$ 3,530,058	\$ 358,194	\$ (3,171,864)
Total administration/planning	<u>3,530,058</u>	<u>358,194</u>	<u>(3,171,864)</u>
Housing			
Rehab construction administration	55,977	77,753	21,776
Targeted housing code enforcement	-	326,619	326,619
Total housing	<u>55,977</u>	<u>404,372</u>	<u>348,395</u>
Neighborhood Revitalization			
Alley paving program	-	433,234	433,234
Curbs/sidewalk replacement	-	222,500	222,500
Twiggs park	-	75,258	75,258
Special assessments - alley	-	6,847	6,847
Total neighborhood revitalization	<u>-</u>	<u>737,839</u>	<u>737,839</u>
Public Services			
Interfaith Action Council	-	40,000	40,000
Connection for Homeless	-	211,263	211,263
Summer youth employment	-	9,679	9,679
Childcare Network Evanston	-	-	-
James Moran Center	-	60,000	60,000
YWCA Domestic Violence	-	17,500	17,500
Interfaith Housing Program - Homeshare	-	20,000	20,000
Family Focus	-	26,617	26,617
Books and Breakfast	-	20,000	20,000
Connections for Homeless	-	100,000	100,000
Direct financial assistance to businesses	75,000	15,000	(60,000)
Total public services	<u>75,000</u>	<u>520,059</u>	<u>445,059</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 3,661,035</u></u>	<u><u>\$ 2,020,464</u></u>	<u><u>\$ (1,640,571)</u></u>

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Miscellaneous	\$ 100,000	\$ 163,577	\$ 63,577
Total revenues	<u>100,000</u>	<u>163,577</u>	<u>63,577</u>
<b>EXPENDITURES</b>			
Housing and economic development	<u>325,000</u>	<u>151,862</u>	<u>(173,138)</u>
Total expenditures	<u>325,000</u>	<u>151,862</u>	<u>(173,138)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (225,000)</u>	11,715	<u>\$ 236,715</u>
FUND BALANCE, JANUARY 1		<u>379,249</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 390,964</u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Property taxes				
Current year	\$ 595,000	\$ 595,000	\$ 642,483	\$ 47,483
Investment income	-	-	4,521	4,521
<b>Total revenues</b>	<b>595,000</b>	<b>595,000</b>	<b>647,004</b>	<b>52,004</b>
<b>EXPENDITURES</b>				
Housing and economic development	575,000	640,515	640,515	-
<b>Total expenditures</b>	<b>575,000</b>	<b>640,515</b>	<b>640,515</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>20,000</b>	<b>(45,515)</b>	<b>6,489</b>	<b>52,004</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	206,750	206,750	206,750	-
<b>Total other financing sources (uses)</b>	<b>206,750</b>	<b>206,750</b>	<b>206,750</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 226,750</b>	<b>\$ 161,235</b>	<b>213,239</b>	<b>\$ -</b>
FUND BALANCE (DEFICIT), JANUARY 1			(199,987)	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 13,252</b>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Taxes	\$ 3,400,000	\$ 3,000,000	\$ (400,000)
Intergovernmental	-	100,000	100,000
Miscellaneous			
Contributions	-	9,813	9,813
Investment income	-	32,131	32,131
<b>Total revenues</b>	<b>3,400,000</b>	<b>3,141,944</b>	<b>(258,056)</b>
<b>EXPENDITURES</b>			
General management and support	3,400,000	2,261,405	(1,138,595)
<b>Total expenditures</b>	<b>3,400,000</b>	<b>2,261,405</b>	<b>(1,138,595)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>880,539</b>	<b>880,539</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	425,000	425,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>425,000</b>	<b>425,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>1,305,539</b>	<b>\$ 1,305,539</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>248,536</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 1,554,075</b>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fees	\$ 500,000	\$ 480,754	\$ (19,246)
Investment income	-	13,131	13,131
Miscellaneous	500,000	276,566	(223,434)
	<hr/>	<hr/>	<hr/>
Total revenues	1,000,000	770,451	(229,549)
<b>EXPENDITURES</b>			
General management and support	802,893	567,747	(235,146)
	<hr/>	<hr/>	<hr/>
Total expenditures	802,893	567,747	(235,146)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	197,107	202,704	5,597
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	200,000	200,004	4
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	200,000	200,004	4
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ 397,107</u>	402,708	<u>\$ 5,601</u>
<b>FUND BALANCE, JANUARY 1</b>			
		<hr/>	384,592
<b>FUND BALANCE, DECEMBER 31</b>			
		<u>\$ 787,300</u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 12,799	\$ 12,799
Total revenues	-	-	12,799	12,799
<b>EXPENDITURES</b>				
General management and support	-	472,887	482,887	10,000
Capital outlay	-	-	75,000	75,000
Total expenditures	-	472,887	557,887	85,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(472,887)	(545,088)	(72,201)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(85,000)	(85,000)	-	85,000
Total other financing sources (uses)	(85,000)	(85,000)	-	85,000
NET CHANGE IN FUND BALANCE	\$ (85,000)	\$ (557,887)	(545,088)	\$ 12,799
FUND BALANCE, JANUARY 1			733,413	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 188,325</b>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Property taxes	\$ 1,300,000	\$ 1,342,956	\$ 42,956
Investment income	1,000	56,679	55,679
Miscellaneous	27,500	-	(27,500)
Total revenues	<u>1,328,500</u>	<u>1,399,635</u>	<u>71,135</u>
<b>EXPENDITURES</b>			
General management and support	<u>1,360,220</u>	<u>1,091,177</u>	<u>(269,043)</u>
Total expenditures	<u>1,360,220</u>	<u>1,091,177</u>	<u>(269,043)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (31,720)</u>	308,458	<u>\$ 340,178</u>
FUND BALANCE, JANUARY 1		<u>986,386</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 1,294,844</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment income	\$ 10,000	\$ 261,785	\$ 251,785
Miscellaneous Contributions	<u>1,000,000</u>	<u>250,000</u>	<u>(750,000)</u>
Total revenues	<u>1,010,000</u>	<u>511,785</u>	<u>(498,215)</u>
<b>EXPENDITURES</b>			
Public works	-	60	60
Capital outlay	<u>200,000</u>	<u>67,950</u>	<u>(132,050)</u>
Total expenditures	<u>200,000</u>	<u>68,010</u>	<u>(131,990)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>810,000</u>	<u>443,775</u>	<u>(366,225)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(945,000)</u>	<u>(945,000)</u>	-
Total other financing sources (uses)	<u>(945,000)</u>	<u>(945,000)</u>	-
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (135,000)</u></u>	<u><u>(501,225)</u></u>	<u><u>\$ (366,225)</u></u>
<b>FUND BALANCE, JANUARY 1</b>		<u>5,305,331</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 4,804,106</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Capital outlay	175,000	-	(175,000)
Total expenditures	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	175,000	174,996	(4)
Total other financing sources (uses)	<u>175,000</u>	<u>174,996</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	174,996	<u>\$ 174,996</u>
FUND BALANCE, JANUARY 1		<u>490,045</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 665,041</u></u>	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Special assessments	\$ 155,000	\$ 186,037	\$ 31,037
Investment income	-	71,192	71,192
	<hr/>	<hr/>	<hr/>
Total revenues	155,000	257,229	102,229
<b>EXPENDITURES</b>			
Current			
General management and support	-	60	60
Capital outlay	681,671	681,611	(60)
	<hr/>	<hr/>	<hr/>
Total expenditures	681,671	681,671	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	(526,671)	(424,442)	102,229
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(455,360)	(455,352)	8
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(455,360)	(455,352)	8
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>	<hr/>
	\$(982,031)	(879,794)	\$ 102,237
<b>FUND BALANCE, JANUARY 1</b>		<hr/>	
		1,442,852	
<b>FUND BALANCE, DECEMBER 31</b>		<hr/>	
		\$ 563,058	

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	Chicago Main Tax Increment District			Special Service Area No. 6		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>REVENUES</b>						
Taxes						
Property taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,161,052	\$ 221,000	\$ 221,000	\$ 221,784
Investment income	-	-	89,344	250	250	14,646
Miscellaneous	-	-	-	-	-	-
Total revenues	1,000,000	1,000,000.00	1,250,396	221,250	221,250.00	236,430
<b>EXPENDITURES</b>						
Housing and economic development	2,724,000	2,724,000	2,450,672	220,000	220,000	206,759
Total expenditures	2,724,000	2,724,000	2,450,672	220,000	220,000	206,759
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,724,000)	(1,724,000)	(1,200,276)	1,250	1,250	29,671
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)						
General	(30,000)	(30,000)	(30,000)	-	-	-
Other	(241,355)	(241,355)	(241,356)	-	-	-
Total other financing sources (uses)	(271,355)	(271,355)	(271,356)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (1,995,355)	\$ (1,995,355)	(1,471,632)	\$ 1,250	\$ 1,250	29,671
FUND BALANCE (DEFICIT), JANUARY 1			1,693,678			4,555
FUND BALANCE (DEFICIT), DECEMBER 31			\$ 222,046			\$ 34,226

Special Service Area No. 7			Special Service Area No. 8			Dempster-Dodge Tax Increment District		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 142,000	\$ 142,000	\$ 144,281	\$ 60,200	\$ 60,200	\$ 62,448	\$ 180,000	\$ 180,000	\$ 442,730
200	200	1,842	-	-	807	1,000	1,000	17,939
-	-	-	-	-	-	-	-	-
142,200	142,200.00	146,123	60,200	60,200.00	63,255	181,000	181,000.00	460,669
140,000	144,223	144,223	60,200	60,632	60,632	2,000	10,943	10,943
140,000	144,223	144,223	60,200	60,632	60,632	2,000	10,943	10,943
2,200	(2,023)	1,900	-	(432)	2,623	179,000	170,057	449,726
-	-	-	-	-	-	(10,000)	(10,000)	(9,996)
-	-	-	-	-	-	(164,483)	(164,483)	(164,484)
-	-	-	-	-	-	(174,483)	(174,483)	(174,480)
\$ 2,200	\$ (2,023)	1,900	\$ -	\$ (432)	2,623	\$ 4,517	\$ (4,426)	275,246
		12,436			4,529			373,012
		\$ 14,336			\$ 7,152			\$ 648,258

(This schedule is continued on the following pages.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	Howard Ridge Tax Increment District			West Evanston Tax Increment District		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>REVENUES</b>						
Taxes						
Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,146,362	\$ 1,450,000	\$ 1,450,000	\$ 1,919,815
Investment income	10,000	10,000	95,621	5,000	5,000	115,922
Miscellaneous	5,000	5,000	43,639	10,000	10,000	-
Total revenues	<u>1,115,000</u>	<u>1,115,000</u>	<u>1,285,622</u>	<u>1,465,000</u>	<u>1,465,000</u>	<u>2,035,737</u>
<b>EXPENDITURES</b>						
Housing and economic development	<u>1,035,000</u>	<u>1,157,966</u>	<u>1,157,963</u>	<u>3,865,000</u>	<u>3,865,000</u>	<u>2,207,700</u>
Total expenditures	<u>1,035,000</u>	<u>1,157,966</u>	<u>1,157,963</u>	<u>3,865,000</u>	<u>3,865,000</u>	<u>2,207,700</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>80,000</u>	<u>(42,966)</u>	<u>127,659</u>	<u>(2,400,000)</u>	<u>(2,400,000)</u>	<u>(171,963)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)						
General	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Other	(320,913)	(320,913)	(320,916)	-	-	-
Total other financing sources (uses)	<u>(395,913)</u>	<u>(395,913)</u>	<u>(395,916)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (315,913)</u>	<u>\$ (438,879)</u>	<u>(268,257)</u>	<u>\$ (2,475,000)</u>	<u>\$ (2,475,000)</u>	<u>(246,963)</u>
FUND BALANCE (DEFICIT), JANUARY 1			<u>2,105,094</u>			<u>2,463,997</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ 1,836,837</u>			<u>\$ 2,217,034</u>

Five Fifths Tax Increment District			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ -	\$ -	\$ 919,482	\$ 4,153,200	\$ 4,153,200	\$ 6,017,954
-	-	-	16,450	16,450	336,121
-	-	-	15,000	15,000	43,639
-	-	919,482	4,184,650	4,184,650	6,397,714
100,000	920,970	920,970	8,146,200	9,103,734	7,159,862
100,000	920,970	920,970	8,146,200	9,103,734	7,159,862
(100,000)	(920,970)	(1,488)	(3,961,550)	(4,919,084)	(762,148)
-	-	-	(190,000)	(190,000)	(189,996)
-	-	-	(726,751)	(726,751)	(726,756)
-	-	-	(916,751)	(916,751)	(916,752)
<u>\$ (100,000)</u>	<u>\$ (920,970)</u>	(1,488)	<u>\$ (4,878,301)</u>	<u>\$ (5,835,835)</u>	(1,678,900)
		<u>(135,901)</u>			<u>6,521,400</u>
		<u>\$ (137,389)</u>			<u>\$ 4,842,500</u>

(See independent auditor's report.)

## **ENTERPRISE FUNDS**

Water Fund - To account for all activity related to providing water to the City's residents, as well as the Village of Skokie and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, debt service, and billing/collection.

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 24,092,234.00	\$ 22,853,411
Miscellaneous	540,650	826,241
	<hr/>	<hr/>
Total operating revenues	24,632,884	23,679,652
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Administration	2,242,896	2,033,258
Operations		
Pumping	2,991,693	3,153,356
Filtration	3,464,368	2,902,666
Distribution	2,280,400	1,789,017
Meter maintenance	461,382	345,659
Administration	1,346,764	954,188
Other	15,272,382	1,366,202
	<hr/>	<hr/>
Total operating expenses excluding depreciation	28,059,885	12,544,346
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(3,427,001)	11,135,306
Depreciation	-	3,560,735
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(3,427,001)	7,574,571
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	70,000	387,878
Interest expense	(4,072,486)	(1,351,812)
Claims reimbursements	-	-
Gain (loss) on disposal of capital assets	-	(25,506)
Issuance of bonds	4,933,000	-
Issuance of loans	45,902,000	-
	<hr/>	<hr/>
Total non-operating revenues (expenses)	46,832,514	(989,440)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	<hr/>	<hr/>
	43,405,513	6,585,131
<b>TRANSFERS AND CONTRIBUTIONS</b>		
Transfers in	-	137,792
Transfers (out)	(4,049,559)	(4,049,568)
Contributions	-	1,174,988
	<hr/>	<hr/>
Total transfers and contributions	(4,049,559)	(2,736,788)
NET INCOME	<hr/>	<hr/>
	\$ 39,355,954	3,848,343
NET POSITION, JANUARY 1		<hr/>
		86,141,550
NET POSITION, DECEMBER 31		<hr/>
		\$ 89,989,893

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>CHARGES FOR SERVICES, NET</b>		
Water Sales		
Evanston	\$ 10,292,856	\$ 9,634,189
Skokie	4,028,342	3,495,675
Northwest Water Commission	6,373,899	6,825,485
Morton Grove Niles Water Commission	2,364,095	1,933,664
Lincolnwood	1,033,042	964,398
Total charges for services	<u>24,092,234</u>	<u>22,853,411</u>
<b>MISCELLANEOUS</b>		
Fees and outside work	85,000	194,363
Fees, merchandise, and other	455,650	631,878
Total miscellaneous	<u>540,650</u>	<u>826,241</u>
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 24,632,884</u>	<u>\$ 23,679,652</u>

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

Equipment Replacement Fund - To account for the costs associated with the purchase of vehicles and equipment.

Fleet Services Fund - To account for the cost of operating the municipal service center maintenance facility for transportation vehicles/equipment used by city departments. Such costs are billed to the user departments.

Insurance Fund - To account for all costs related to general liability and workers' compensation claims. Health insurance premiums are also accounted for in this fund. This internal service fund uses "funding premium" payments from city operating funds to pay claim and premium costs incurred.

**CITY OF EVANSTON, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

December 31, 2023

	<b>Equipment Replacement</b>	<b>Fleet Services</b>	<b>Insurance</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,092,697	\$ -	\$ 531,453	\$ 1,624,150
Inventories	-	1,744,318	-	1,744,318
Prepaid items	2,194,480	-	3,834,793	6,029,273
Due from other funds	211,129	46,051	2,698,403	2,955,583
<b>Total current assets</b>	<b>3,498,306</b>	<b>1,790,369</b>	<b>7,064,649</b>	<b>12,353,324</b>
<b>CAPITAL ASSETS</b>				
Capital assets being depreciated	27,929,501	617,552	-	28,547,053
Accumulated depreciation	(19,929,931)	(617,447)	-	(20,547,378)
<b>Total capital assets</b>	<b>7,999,570</b>	<b>105</b>	<b>-</b>	<b>7,999,675</b>
<b>Total assets</b>	<b>11,497,876</b>	<b>1,790,474</b>	<b>7,064,649</b>	<b>20,352,999</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB items	-	19,678	-	19,678
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>19,678</b>	<b>-</b>	<b>19,678</b>
<b>Total assets and deferred outflows of resources</b>	<b>11,497,876</b>	<b>1,810,152</b>	<b>7,064,649</b>	<b>20,372,677</b>
<b>CURRENT LIABILITIES</b>				
Vouchers payable	365,130	196,194	188,768	750,092
Due to other funds	-	-	-	-
Compensated absences payable	-	18,222	-	18,222
Total OPEB liability	-	3,870	-	3,870
Claims payable	-	-	621,750	621,750
<b>Total current liabilities</b>	<b>365,130</b>	<b>218,286</b>	<b>810,518</b>	<b>1,393,934</b>
<b>LONG-TERM LIABILITIES</b>				
General obligation bonds payable	660,000	-	-	660,000
Compensated absences payable	-	72,889	-	72,889
Total OPEB liability	-	112,113	-	112,113
Claims payable	-	-	2,963,999	2,963,999
<b>Total long-term liabilities</b>	<b>660,000</b>	<b>185,002</b>	<b>2,963,999</b>	<b>3,809,001</b>
<b>Total liabilities</b>	<b>1,025,130</b>	<b>403,288</b>	<b>3,774,517</b>	<b>5,202,935</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB items	-	25,239	-	25,239
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>25,239</b>	<b>-</b>	<b>25,239</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,025,130</b>	<b>428,527</b>	<b>3,774,517</b>	<b>5,228,174</b>
<b>NET POSITION</b>				
Net investment in capital assets	7,022,767	105	-	7,022,872
Unrestricted	3,449,979	1,381,520	3,290,132	8,121,631
<b>TOTAL NET POSITION</b>	<b>\$ 10,472,746</b>	<b>\$ 1,381,625</b>	<b>\$ 3,290,132</b>	<b>\$ 15,144,503</b>

(See independent auditor's report.)

**CITY OF EVANSTON, ILLINOIS**

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

For the Year Ended December 31, 2023

	<b>Equipment Replacement</b>	<b>Fleet Services</b>	<b>Insurance</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for services				
General Fund	\$ 750,000	\$ 2,316,996	\$ 3,780,000	\$ 6,846,996
Sewer Fund	-	260,004	369,804	629,808
Solid Waste	-	321,996	-	321,996
Water Fund	-	180,000	1,665,132	1,845,132
Motor Vehicle Parking System Fund	-	159,996	369,072	529,068
Library Fund	4,884	5,436	-	10,320
Emergency Telephone System	-	-	19,140	19,140
Claims reimbursements	-	-	442,229	442,229
Health insurance contributions				
Contributions from other funds	-	-	10,892,617	10,892,617
Employee contributions	-	-	3,489,611	3,489,611
Other contributions	-	20,269	592,812	613,081
Miscellaneous	-	10,590	-	10,590
Total operating revenues	<u>754,884</u>	<u>3,275,287</u>	<u>21,620,417</u>	<u>25,650,588</u>
<b>OPERATING EXPENSES</b>				
General support	-	1,549,916	43,905	1,593,821
Major maintenance	319	2,587,805	-	2,588,124
General liability claims	-	-	3,233,225	3,233,225
Workers' compensation claims	-	-	1,353,807	1,353,807
Health insurance premiums	-	-	14,561,202	14,561,202
Total operating expenses	<u>319</u>	<u>4,137,721</u>	<u>19,192,139</u>	<u>23,330,179</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	754,565	(862,434)	2,428,278	2,320,409
Depreciation	<u>1,596,479</u>	<u>-</u>	<u>-</u>	<u>1,596,479</u>
OPERATING INCOME (LOSS)	<u>(841,914)</u>	<u>(862,434)</u>	<u>2,428,278</u>	<u>723,930</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	15,399	-	9,051	24,450
Gain (loss) on sale of property	<u>238,503</u>	<u>-</u>	<u>-</u>	<u>238,503</u>
Total non-operating revenues (expenses)	<u>253,902</u>	<u>-</u>	<u>9,051</u>	<u>262,953</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(588,012)</u>	<u>(862,434)</u>	<u>2,437,329</u>	<u>986,883</u>
<b>TRANSFERS</b>				
Transfers in	<u>1,737,001</u>	<u>1,900,000</u>	<u>3,000,000</u>	<u>6,637,001</u>
Total transfers	<u>1,737,001</u>	<u>1,900,000</u>	<u>3,000,000</u>	<u>6,637,001</u>
CHANGE IN NET POSITION	1,148,989	1,037,566	5,437,329	7,623,884
NET POSITION (DEFICIT), JANUARY 1	<u>9,323,757</u>	<u>344,059</u>	<u>(2,147,197)</u>	<u>7,520,619</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 10,472,746</u>	<u>\$ 1,381,625</u>	<u>\$ 3,290,132</u>	<u>\$ 15,144,503</u>

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2023

	Equipment Replacement	Fleet Services	Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ -	\$ -	\$ 3,931,840	\$ 3,931,840
Receipts from (payments for)				
Interfund services provided	754,884	3,255,018	17,095,765	21,105,667
Receipts from other agencies	4,994	20,269	592,812	618,075
Payments to suppliers	(302,231)	(2,595,484)	(43,905)	(2,941,620)
Payments to employees	-	(1,535,707)	(3,233,225)	(4,768,932)
Payments for insurance premiums	-	-	(15,915,273)	(15,915,273)
Net cash from operating activities	457,647	(855,904)	2,428,014	2,029,757
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund transfers	1,737,001	1,900,000	3,000,000	6,637,001
Interfund activity	(90,996)	(1,044,096)	(4,975,612)	(6,110,704)
Net cash from noncapital financing activities	1,646,005	855,904	(1,975,612)	526,297
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of capital assets	255,552	-	-	255,552
Acquisition and construction of capital assets	(2,339,743)	-	-	(2,339,743)
Net cash from capital and related financing activities	(2,084,191)	-	-	(2,084,191)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	15,399	-	9,051	24,450
Net cash from investing activities	15,399	-	9,051	24,450
NET INCREASE IN CASH AND CASH EQUIVALENTS	34,860	-	461,453	496,313
CASH AND CASH EQUIVALENTS, JANUARY 1	1,057,837	-	70,000	1,127,837
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 1,092,697</b>	<b>\$ -</b>	<b>\$ 531,453</b>	<b>\$ 1,624,150</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (841,914)	\$ (862,434)	\$ 2,428,278	\$ 723,930
Adjustments to reconcile operating income (loss) to				
Net cash from operating activities				
Depreciation	1,596,479	-	-	1,596,479
Changes in assets and liabilities				
Increase (decrease) in accounts receivable miscellaneous	4,994	-	-	4,994
Prepaid expenses	(362,613)	-	483,170	120,557
Inventories	-	(4,828)	-	(4,828)
Compensated absences	-	5,297	-	5,297
OPEB items	-	8,912	-	8,912
Vouchers payable	60,701	(2,851)	68,059	125,909
Claims payable	-	-	(551,493)	(551,493)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 457,647</b>	<b>\$ (855,904)</b>	<b>\$ 2,428,014</b>	<b>\$ 2,029,757</b>

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2023

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	<b>Equipment Replacement</b>	<b>Fleet Services</b>	<b>Insurance</b>	<b>Total</b>
<b>NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES</b>				
Capital assets acquired through vouchers and retainage payable	\$ 316,803	\$ -	\$ -	\$ 316,803
Loss on sale of capital assets	(17,049)	-	-	(17,049)

(See independent auditor's report.)

**COMPONENT UNIT - PUBLIC LIBRARY**

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

STATEMENT OF NET POSITION AND COMBINING BALANCE SHEET

December 31, 2023

	<b>Operating</b>	<b>Permanent Endowment</b>	<b>Capital Improvement</b>
<b>ASSETS</b>			
Cash and investments	\$ 4,164,568	\$ 4,453,815	\$ -
Property taxes receivable	8,326,631	-	-
Other receivables	-	-	-
Due from primary government	185,510	-	-
Due from other funds	488,514	-	-
Net pension asset - IMRF	-	-	-
Capital assets not being depreciated	-	-	-
Capital assets net of accumulated depreciation	-	-	-
	13,165,223	4,453,815	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	-	-	-
OPEB items	-	-	-
	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 13,165,223	\$ 4,453,815	\$ -
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 124,788	\$ -	\$ -
Accrued interest	-	-	-
Due to other funds	-	-	488,514
	124,788	-	488,514
Total current liabilities	124,788	-	488,514
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	-	-	-
	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	124,788	-	488,514
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	-	-	-
OPEB items	-	-	-
Unavailable property taxes	8,213,664	-	-
	8,213,664	-	-
Total deferred inflows of resources	8,213,664	-	-
Total liabilities and deferred inflows of resources	8,338,452	-	488,514
<b>FUND BALANCES/NET POSITION</b>			
Net investment in capital assets	-	-	-
Restricted for pensions	-	-	-
Restricted for debt service	-	-	-
Restricted for endowment	-	4,453,815	-
Unassigned/unrestricted (deficit)	4,826,771	-	(488,514)
	4,826,771	4,453,815	(488,514)
Total fund balances (deficit)/net position	4,826,771	4,453,815	(488,514)
<b>TOTAL FUND BALANCE/NET POSITION</b>	<b>\$ 13,165,223</b>	<b>\$ 4,453,815</b>	<b>\$ -</b>

<b>Debt Service</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
\$ -	\$ 8,618,383	\$ -	\$ 8,618,383
574,677	8,901,308	-	8,901,308
-	-	-	-
2,781	188,291	-	188,291
-	488,514	(488,514)	-
-	-	-	-
-	-	311,380	311,380
-	-	10,491,351	10,491,351
577,458	18,196,496	10,314,217	28,510,713
-	-	2,519,160	2,519,160
-	-	58,046	58,046
-	-	2,577,206	2,577,206
\$ 577,458	\$ 18,196,496	\$ 12,891,423	\$ 31,087,919
\$ -	\$ 124,788	\$ -	\$ 124,788
-	-	18,440	18,440
-	488,514	(488,514)	-
-	613,302	(470,074)	143,228
-	-	451,180	451,180
-	-	6,963,814	6,963,814
-	-	7,414,994	7,414,994
-	613,302	6,944,920	7,558,222
-	-	94,987	94,987
-	-	74,447	74,447
574,677	8,788,341	-	8,788,341
574,677	8,788,341	169,434	8,957,775
574,677	9,401,643	7,114,354	16,515,997
-	-	4,081,234	4,081,234
-	-	-	-
2,781	2,781	-	2,781
-	4,453,815	-	4,453,815
-	4,338,257	1,695,835	6,034,092
2,781	8,794,853	5,777,069	14,571,922
\$ 577,458	\$ 18,196,496	\$ 12,891,423	\$ 31,087,919

(See independent auditor's report.)

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

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

For the Year Ended December 31, 2023

	<u>Operating</u>	<u>Permanent Endowment</u>	<u>Capital Improvement</u>
<b>REVENUES</b>			
Property taxes	\$ 7,745,736	\$ -	\$ -
Intergovernmental			
Grant revenue	250,451	-	-
Charges for services	49,269	-	-
Fines and forfeits	-	-	-
Other			
Investment income	262,236	512,751	-
Donations	394,709	-	-
Miscellaneous	4,867	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	8,707,268	512,751	-
<b>EXPENDITURES</b>			
Current			
Community services	8,057,563	-	-
Capital outlay	-	-	1,192,903
Debt service			
Payment primary government	-	-	-
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	8,057,563	-	1,192,903
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	649,705	512,751	(1,192,903)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	166,460	-	-
Transfer (out)	-	(166,460)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	166,460	(166,460)	-
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	816,165	346,291	(1,192,903)
FUND BALANCE/NET POSITION, JANUARY 1	<hr/>	<hr/>	<hr/>
	4,010,606	4,107,524	704,389
<b>FUND BALANCE (DEFICIT)/NET POSITION, DECEMBER 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,826,771	\$ 4,453,815	\$ (488,514)

<b>Debt Service</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
\$ 507,912	\$ 8,253,648	\$ -	\$ 8,253,648
-	250,451	-	250,451
-	49,269	-	49,269
-	-	-	-
-	774,987	-	774,987
-	394,709	-	394,709
-	4,867	-	4,867
507,912	9,727,931	-	9,727,931
-	8,057,563	1,065,349	9,122,912
-	1,192,903	(1,192,903)	-
-	-	-	-
275,730	275,730	(275,730)	-
232,183	232,183	(33,898)	198,285
507,913	9,758,379	(437,182)	9,321,197
(1)	(30,448)	437,182	406,734
-	166,460	(166,460)	-
-	(166,460)	166,460	-
-	-	-	-
(1)	(30,448)	437,182	406,734
2,782	8,825,301	5,339,887	14,165,188
\$ 2,781	\$ 8,794,853	\$ 5,777,069	\$ 14,571,922

(See independent auditor's report.)

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

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

For the Year Ended December 31, 2023

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 7,535,472	\$ 7,745,736	\$ 210,264
Intergovernmental			
Grant revenue	331,866	250,451	(81,415)
Charges for services	33,394	49,269	15,875
Other			
Investment income	21,600	262,236	240,636
Donations	400,000	394,709	(5,291)
Miscellaneous	5,400	4,867	(533)
Total revenues	<u>8,327,732</u>	<u>8,707,268</u>	<u>379,536</u>
<b>EXPENDITURES</b>			
General management and support	8,948,042	8,057,563	(890,479)
Debt service			
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,948,042</u>	<u>8,057,563</u>	<u>(890,479)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(620,310)</u>	<u>649,705</u>	<u>1,270,015</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>250,000</u>	<u>166,460</u>	<u>(83,540)</u>
Total other financing sources (uses)	<u>250,000</u>	<u>166,460</u>	<u>(83,540)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (370,310)</u></u>	<u>816,165</u>	<u><u>\$ 1,186,475</u></u>
FUND BALANCE, JANUARY 1		<u>4,010,606</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 4,826,771</u></u>	

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the City of Evanston, Illinois' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	157-166
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	167-169
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.	170-174
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.	175-176
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.	177-182

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

**CITY OF EVANSTON, ILLINOIS**

**NET POSITION BY COMPONENT**

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 46,633	\$ 47,953	\$ 51,588	\$ 51,575
Restricted	25,446	16,409	18,523	11,990
Unrestricted	(11,436)	(136,007)	(170,270)	(164,614)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 60,643</b>	<b>\$ (71,645)</b>	<b>\$ (100,159)</b>	<b>\$ (101,049)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 246,382	\$ 255,622	\$ 268,851	\$ 278,446
Restricted	649	-	-	-
Unrestricted	23,563	22,785	18,928	14,249
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 270,594</b>	<b>\$ 278,407</b>	<b>\$ 287,779</b>	<b>\$ 292,695</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 293,015	\$ 303,575	\$ 320,439	\$ 330,021
Restricted	26,095	16,409	18,523	11,990
Unrestricted	12,127	(113,222)	(151,342)	(150,365)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 331,237</b>	<b>\$ 206,762</b>	<b>\$ 187,620</b>	<b>\$ 191,646</b>

\*The City implemented GASB Statement No. 68 which resulted in a decrease in unrestricted net position.

\*\*The City implemented GASB Statement No. 75 which resulted in a decrease in unrestricted net position.

Data Source

City Finance Division

<b>2018**</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 52,536	\$ 53,784	\$ 65,388	\$ 69,636	\$ 80,018	\$ 93,847
8,708	15,554	19,843	23,472	62,604	25,274
(194,435)	(181,451)	(199,044)	(164,859)	(173,298)	(144,601)
<u>\$ (133,191)</u>	<u>\$ (112,113)</u>	<u>\$ (113,813)</u>	<u>\$ (71,751)</u>	<u>\$ (30,676)</u>	<u>\$ (25,480)</u>
\$ 283,981	\$ 289,023	\$ 284,516	\$ 289,165	\$ 289,165	\$ 302,774
-	-	-	-	-	-
11,896	9,883	16,150	20,315	20,315	19,485
<u>\$ 295,877</u>	<u>\$ 298,906</u>	<u>\$ 300,666</u>	<u>\$ 309,480</u>	<u>\$ 309,480</u>	<u>\$ 322,259</u>
\$ 336,517	\$ 342,807	\$ 349,904	\$ 358,801	\$ 358,801	\$ 396,621
8,708	15,554	19,843	23,472	23,472	25,274
(182,539)	(171,568)	(182,894)	(144,544)	(144,544)	(125,116)
<u>\$ 162,686</u>	<u>\$ 186,793</u>	<u>\$ 186,853</u>	<u>\$ 237,729</u>	<u>\$ 237,729</u>	<u>\$ 296,779</u>

**CITY OF EVANSTON, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>EXPENSES</b>				
Governmental activities				
General management and support	\$ 13,811	\$ 12,493	\$ 18,163	\$ 20,890
Public safety	58,795	57,443	55,625	61,191
Public works	25,825	20,011	13,668	24,793
Health and human resource development	3,837	2,911	3,319	3,354
Recreational and cultural opportunities	9,358	14,794	14,380	14,744
Housing and economic development	12,443	10,532	21,063	7,023
Interest	3,919	3,757	3,779	3,354
Total governmental activities expenses	127,988	121,941	129,997	135,349
Business-type activities				
Water	11,977	10,748	11,450	12,239
Sewer	7,293	6,608	6,683	6,540
Solid waste	4,856	5,150	4,967	4,907
Motor vehicle parking system	7,856	7,862	8,532	8,575
Total business-type activities expenses	31,982	30,368	31,632	32,261
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 159,970</b>	<b>\$ 152,309</b>	<b>\$ 161,629</b>	<b>\$ 167,610</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General management and support	\$ 9,374	\$ 8,629	\$ 10,094	\$ 8,145
Culture and recreation	5,360	5,572	5,560	5,669
Other activities	15,253	11,268	15,739	12,712
Operating grants and contributions	7,151	5,535	6,809	5,931
Capital grants and contributions	501	275	368	325
Total governmental activities program revenues	37,639	31,279	38,570	32,782
Business-type activities				
Charges for services				
Water	15,052	15,722	16,419	17,588
Sewer	12,785	12,511	13,049	12,478
Solid waste	3,971	4,004	4,031	4,061
Motor vehicle parking system	6,080	6,164	6,688	6,530
Operating grants and contributions	15	-	38,400	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	37,903	38,401	78,587	40,657
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 75,542</b>	<b>\$ 69,680</b>	<b>\$ 117,157</b>	<b>\$ 73,439</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (90,349)	\$ (90,662)	\$ (91,427)	\$ (102,567)
Business-type activities	5,921	8,033	46,955	8,396
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (84,428)</b>	<b>\$ (82,629)</b>	<b>\$ (44,472)</b>	<b>\$ (94,171)</b>

	2018	2019	2020	2021	2022	2023
\$	20,016	\$ 19,444	\$ 18,630	\$ 19,041	\$ 22,825	\$ 29,868
	80,789	56,755	83,015	58,842	70,097	79,009
	22,718	26,584	18,573	16,861	20,712	29,297
	3,455	2,895	3,719	3,970	3,158	6,095
	14,061	11,081	1,326	9,148	11,098	11,930
	9,129	6,907	20,992	11,046	10,318	15,347
	4,683	5,454	5,252	4,430	5,161	3,854
	154,851	129,120	151,507	123,338	143,369	175,400
	12,964	12,880	13,612	14,562	14,563	17,482
	6,735	6,492	6,795	6,706	6,386	6,943
	4,852	5,079	5,316	5,476	5,149	6,191
	9,321	9,585	8,982	8,395	8,882	9,917
	33,872	34,036	34,705	35,139	34,980	40,533
\$	188,723	\$ 163,156	\$ 186,212	\$ 158,477	\$ 178,349	\$ 215,933
\$	8,985	\$ 8,768	\$ 7,267	\$ 8,736	\$ 9,403	\$ 9,546
	6,037	6,119	4,831	6,080	6,962	7,207
	11,945	10,917	12,200	12,090	16,260	12,480
	5,244	5,775	9,672	10,067	9,913	7,530
	125	8,630	2,971	4,275	937	911
	32,336	40,209	36,941	41,248	43,475	37,674
	15,642	17,789	23,934	20,900	22,926	23,680
	11,920	10,780	10,242	10,374	9,638	9,349
	4,083	4,668	4,618	4,969	5,324	5,328
	6,621	10,640	7,289	8,090	8,889	9,730
	-	-	-	-	-	-
	-	-	383	-	-	-
	38,266	43,877	46,466	44,333	46,777	48,087
\$	70,602	\$ 84,086	\$ 83,407	\$ 85,581	\$ 90,252	\$ 85,761
\$	(122,515)	\$ (88,911)	\$ (114,566)	\$ (82,090)	\$ (99,894)	\$ (137,726)
	4,394	9,841	11,761	9,194	11,797	7,554
\$	(118,121)	\$ (79,070)	\$ (102,805)	\$ (72,896)	\$ (88,097)	\$ (130,172)

**CITY OF EVANSTON, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property taxes	\$ 48,579	\$ 45,840	\$ 45,610	\$ 46,563
Sales taxes	17,362	17,758	17,932	16,071
Intergovernmental	-	-	-	-
Investment earnings	(258)	30	118	235
Miscellaneous	26,612	30,950	33,217	35,011
Transfers	610	631	434	3,797
Total governmental activities	<u>92,905</u>	<u>95,209</u>	<u>97,311</u>	<u>101,677</u>
Business-type activities				
Property taxes	-	-	-	-
Investment earnings	(156)	27	59	114
Gains on sale of capital assets	-	-	-	-
Miscellaneous	-	301	(245)	203
Transfers	(610)	(631)	(434)	(3,797)
Total business-type activities	<u>(766)</u>	<u>(303)</u>	<u>(620)</u>	<u>(3,480)</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	2,556	4,547	5,884	(890)
Business-type activities	5,155	7,730	46,335	4,916
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<u>\$ 7,711</u>	<u>\$ 12,277</u>	<u>\$ 52,219</u>	<u>\$ 4,026</u>

Data Source

City Finance Division

	2018	2019	2020	2021	2022	2023
\$	47,102	\$ 44,163	\$ 51,655	\$ 53,269	\$ 52,498	\$ 54,426
	16,963	16,905	16,445	21,497	23,443	23,725
	-	-	-	4,800	7,659	7,434
	778	1,669	423	74	1,334	5,809
	38,786	39,051	34,123	42,242	51,246	46,315
	1,480	8,203	10,219	2,270	4,790	5,212
	105,109	109,991	112,865	124,152	140,970	142,921
	410	820	1,333	1,333	1,333	1,333
	234	565	140	(39)	-	764
	-	7	-	217	-	-
	-	-	-	379	-	-
	(1,480)	(8,203)	(10,219)	(2,270)	(4,790)	(5,212)
	(836)	(6,811)	(8,746)	(380)	(3,457)	(3,115)
	(17,406)	21,080	(1,701)	42,062	41,076	5,195
	3,558	3,030	3,015	8,814	8,340	4,439
\$	(13,848)	\$ 24,110	\$ 1,314	\$ 50,876	\$ 49,416	\$ 9,634

**CITY OF EVANSTON, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>GENERAL FUND</b>				
Nonspendable	\$ -	\$ 118	\$ -	\$ 300
Assigned	5,347	5,672	5,046	4,180
Unassigned	9,636	4,914	6,622	8,868
<b>TOTAL GENERAL FUND</b>	<b>\$ 14,983</b>	<b>\$ 10,586</b>	<b>\$ 11,668</b>	<b>\$ 13,348</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 1,430	\$ 2,158	\$ -	\$ -
Restricted	26,003	16,409	18,523	11,418
Committed	3,540	2,556	2,996	-
Assigned	10,467	5,517	7,668	12,301
Unassigned	(153)	(221)	(252)	(204)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 41,287</b>	<b>\$ 26,419</b>	<b>\$ 28,935</b>	<b>\$ 23,515</b>

Data Source

City Finance Division

2018	2019	2020	2021	2022	2023
\$ 310	\$ 415	\$ 220	\$ 125	\$ 103	\$ 4,407
4,303	4,330	1,573	1,807	3,345	14,589
9,242	11,145	16,882	31,739	57,675	32,703
\$ 13,855	\$ 15,890	\$ 18,675	\$ 33,671	\$ 61,123	\$ 51,699
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25,651	15,933	19,457	27,151	22,962	25,417
-	-	-	-	-	-
17,065	20,306	13,324	12,910	7,762	5,469
(227)	(226)	(215)	(207)	(336)	(8,310)
\$ 42,489	\$ 36,013	\$ 32,566	\$ 39,854	\$ 30,388	\$ 22,576

**CITY OF EVANSTON, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>REVENUES</b>				
Taxes	\$ 77,933	\$ 75,747	\$ 76,047	\$ 78,157
Licenses, fees, and permits	14,503	12,184	17,933	13,358
Special assessments	167	8,312	169	260
Intergovernmental	24,300	3,554	24,886	22,627
Charges for services	7,793	23,834	8,791	8,713
Fines and penalties	3,358	148	3,612	3,468
Investment earnings	89	30	118	235
Other revenues	1,791	1,722	3,892	3,843
<b>Total revenues</b>	<b>129,934</b>	<b>125,531</b>	<b>135,448</b>	<b>130,661</b>
<b>EXPENDITURES</b>				
General management and support	13,314	13,444	17,064	18,152
Public safety	59,425	59,654	62,252	64,347
Public works	19,821	19,815	13,477	14,041
Health and human development	3,837	3,141	3,021	3,111
Recreation and cultural opportunities	10,524	11,087	11,894	12,371
Housing and economic development	9,348	13,292	10,477	7,225
Capital outlay	6,286	9,151	9,953	14,953
Debt service				
Principal	10,040	20,833	19,661	24,253
Interest	4,411	4,413	4,276	4,040
Fiscal agent fees	43	16	14	2
<b>Total expenditure</b>	<b>137,049</b>	<b>154,846</b>	<b>152,089</b>	<b>162,495</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,115)</b>	<b>(29,315)</b>	<b>(16,641)</b>	<b>(31,834)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from borrowing	9,989	22,377	19,652	26,558
Payment to escrow agent	-	-	-	-
Transfers in	9,202	10,308	16,011	17,428
Transfers (out)	(9,665)	(9,315)	(15,542)	(15,893)
<b>Total other financing sources (uses)</b>	<b>9,526</b>	<b>23,370</b>	<b>20,121</b>	<b>28,093</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,411</b>	<b>\$ (5,945)</b>	<b>\$ 3,480</b>	<b>\$ (3,741)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>11.05%</b>	<b>17.33%</b>	<b>17.62%</b>	<b>19.18%</b>

Data Source

City Finance Division

	2018	2019	2020	2021	2022	2023
\$	81,281	\$ 78,645	\$ 82,567	\$ 92,738	\$ 98,538	\$ 97,260
	11,664	10,012	11,853	11,033	12,562	9,846
	199	230	185	109	318	186
	23,004	25,278	27,592	38,587	43,756	41,272
	10,053	8,925	7,879	10,762	14,549	13,604
	3,765	5,108	2,983	3,644	3,790	4,095
	778	1,669	423	74	1,334	5,809
	5,220	12,130	6,105	6,184	4,810	3,312
	135,964	141,997	139,587	163,131	179,657	175,384
	18,330	19,206	18,767	19,708	24,065	29,985
	65,533	65,821	66,970	67,159	66,387	81,665
	22,069	15,848	18,787	20,930	23,663	24,917
	3,142	2,989	3,749	4,473	4,781	5,961
	12,789	12,247	9,351	11,036	11,352	12,983
	9,006	6,567	9,043	10,372	11,432	14,031
	11,399	39,796	12,389	2,480	6,676	7,587
	17,557	10,166	9,988	9,311	10,054	9,972
	4,536	5,749	5,643	5,604	5,642	5,265
	537	274	214	172	7	6
	164,898	178,663	154,901	151,245	164,059	192,372
	(28,934)	(36,666)	(15,314)	11,886	15,598	(16,988)
	46,892	23,976	18,576	12,954	-	-
	-	-	(12,143)	(3,975)	-	-
	20,698	14,405	15,633	10,831	12,292	14,324
	(19,174)	(6,156)	(7,414)	(9,411)	(9,903)	(14,573)
	48,416	32,225	14,652	10,399	2,389	(249)
\$	19,482	\$ (4,441)	\$ (662)	\$ 22,285	\$ 17,987	\$ (17,237)
	14.39%	11.62%	11.40%	10.45%	9.57%	8.50%

**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
2013	\$ 1,653,524,481	\$ 15,956	\$ 452,108,891	\$ 94,820,879	\$ 1,226,831	\$ 2,201,697,038	\$ 6,605,091,114	1.760
2014	1,792,383,435	15,467	416,165,953	34,726,327	1,278,793	2,244,569,975	6,733,709,925	1.766
2015	1,751,252,888	15,467	410,670,248	32,549,681	1,533,241	2,196,021,525	6,588,064,575	1.762
2016	2,151,672,082	15,467	483,830,858	33,333,491	1,559,871	2,670,411,769	8,011,235,307	1.501
2017	2,178,182,897	15,467	527,589,667	32,680,857	1,591,232	2,740,060,120	8,220,180,360	1.490
2018	2,150,065,734	15,467	537,739,734	31,050,996	1,708,983	2,720,580,914	8,161,742,742	1.570
2019	2,653,214,356	15,467	742,361,383	34,692,634	1,864,707	3,432,148,547	10,296,445,641	1.413
2020	2,686,706,545	15,467	735,655,726	37,326,126	1,943,606	3,461,647,470	10,384,942,410	1.452
2021	2,492,953,368	15,467	690,224,247	35,719,445	1,943,606	3,220,856,133	9,662,568,399	1.518
2022	3,005,718,395	15,467	705,199,673	37,413,363	2,318,541	3,750,665,439	11,251,996,317	1.296

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

Source: Illinois Department of Revenue and Cook County Clerk's Office

**CITY OF EVANSTON, ILLINOIS**

Principal Property Taxpayers

Current Year and Nine Years Ago

2022 Levy				2013 Levy			
Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV	Tax Payer	Total Equalized Assessed Value (EAV)	Rank	Percentage of Total City Taxable EAV
Rotary International	\$ 46,926,063	1	1.25%	Rotary International	\$ 25,119,560	1	1.14%
Orrington TT LLC Golub	44,473,433	2	1.19%	FSP 909 Davis Street	20,171,381	2	0.92%
1890 Maple LLC	27,070,857	3	0.72%	Lowe Enterprises	19,842,592	3	0.90%
FDS/David Alperstein	26,796,438	4	0.71%	Church Street Plaza	15,297,739	4	0.69%
TIAA Pk Evanston Inc	24,337,245	5	0.65%	Inland	14,032,720	5	0.64%
MB Sherman Highlands	23,087,661	6	0.62%	Omni Orrington Hotel	12,188,009	6	0.55%
Omni Orrington Hotel	22,547,402	7	0.60%	Northshore University Healthcare	11,529,496	7	0.52%
900 950 Church Street	21,318,371	8	0.57%	ITIAA Pk Evanston Inc	10,676,164	8	0.48%
FSP 909 Davis Street	20,283,168	9	0.54%	Cambridge Realty	9,571,831	9	0.43%
Albion at Evanston LLC	17,109,427	10	0.46%	New Albertson's LLC	9,422,663	10	0.43%
Total	<u>\$ 273,950,065</u>		<u>7.30%</u>	Total	<u>\$ 147,852,155</u>		<u>6.72%</u>
Total EAV	<u>\$ 3,750,665,439</u>			Total EAV	<u>\$ 2,201,697,038</u>		

Source: Cook County

**CITY OF EVANSTON, ILLINOIS**

Property Tax Levies and Collections

Last Ten Levy Years

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Receipts		Collections in Subsequent Years	Total Collected to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 45,557,079	\$ 44,280,493	97.20%	\$ 270,619	\$ 44,551,112	97.79%
2015	46,394,914	44,974,845	96.94%	205,607	45,180,452	97.38%
2016	47,538,529	46,723,672	98.29%	97,249	46,820,921	98.49%
2017	48,161,247	46,866,198	97.31%	197,415	47,063,613	97.72%
2018	49,712,625	49,032,839	98.63%	217,133	49,249,972	99.07%
2019	55,139,563	54,616,777	99.05%	186,248	54,803,025	99.39%
2020	55,711,545	55,836,792	100.22%	538,227	56,375,019	101.19%
2021	55,711,545	57,100,401	102.49%	531,709	57,632,110	103.45%
2022	58,737,165	56,499,872	96.19%	836,393	57,336,265	97.61%
2023	56,344,336	See Note	See Note	See Note	See Note	See Note

Note: Levy Year 2023 is collected through December 31, 2024

Source: City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended	Population	Equalized Assessed Valuation <sup>1</sup>	Gross General Obligation Bonded Debt <sup>2</sup>	Debt Service Monies Available	Debt Payable From Other Revenues <sup>3</sup>	Net General Obligation Debt	Total Personal Income	Debt to Equalized Assessed Valuation	Debt to Total Personal Income	Net General Obligation Bonded Debt Per Capita
2014	75,282	\$ 2,201,697,038	\$ 150,421,841	\$ 12,209,139	\$ 34,614,357	\$ 103,598,345	\$ 3,112,157,880	6.83%	4.83%	\$ 1,376
2015	75,603	2,244,569,975	149,352,238	438,453	37,651,325	111,262,460	3,235,052,370	6.65%	4.62%	1,472
2016	75,472	2,196,021,525	147,017,512	745,997	34,547,933	111,723,582	3,316,617,040	6.69%	4.43%	1,480
2017	75,557	2,670,411,769	148,627,212	241,781	37,104,152	111,281,279	3,472,297,492	5.57%	4.28%	1,473
2018	75,157	2,740,060,120	178,238,427	417,987	39,701,503	138,118,937	3,702,459,291	6.50%	4.81%	1,838
2019	74,587	2,720,580,914	195,456,220	417,431	42,263,176	152,775,613	3,857,863,401	7.18%	5.07%	2,048
2020	73,979	3,432,148,547	199,878,623	721,459	38,634,626	160,522,538	3,971,562,615	5.82%	5.03%	2,170
2021	78,454	3,461,647,470	196,907,459	8,675,881	37,196,303	151,035,275	4,520,990,204	5.69%	4.36%	1,925
2022	77,181	3,220,856,133	184,568,601	8,476,464	35,881,685	140,210,452	4,930,939,728	5.73%	3.74%	1,817
2023	77,181 <sup>4</sup>	3,750,665,439	171,822,893	7,747,535	33,974,009	130,101,349	4,930,939,728	4.58%	3.48%	1,686

<sup>1</sup>Equalized assessed values do not include tax increment financing district incremental equalized assessed values.

<sup>2</sup>Excludes limited purpose special service district bonds.

<sup>3</sup>These amounts include the general obligation bonds that are being repaid from the Water Fund, Solid Waste Fund, Sewer Fund, Motor Vehicle Parking System Fund, Howard Hartrey Tax Increment District, Washington National Tax Increment District, and Special Assessment Fund.

<sup>4</sup>2023 data not available for Personal Income or Population Data, so 2022 data was used

Source: Cook County and City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business- Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Service District Bonds	Capital Lease	General Obligation Bonds	Water Revenue Bonds	IEPA Loans			
2014	\$ 119,060,744	\$ 795,000	\$ -	\$ 30,566,097	\$ -	\$ 58,412,659	\$ 208,834,500	6.71%	\$ 2,774
2015	117,035,540	405,000	-	31,911,608	-	51,901,172	201,253,320	6.22%	2,662
2016	116,091,162	-	-	30,926,350	-	45,256,237	192,273,749	5.80%	2,548
2017	122,151,162	-	-	26,476,050	-	40,328,108	188,955,320	5.44%	2,501
2018	151,056,754	-	-	27,182,674	-	34,921,821	213,161,249	5.76%	2,836
2019	164,873,935	-	-	30,582,285	-	40,691,551	236,147,771	6.12%	3,166
2020	161,243,997	-	-	38,634,626	-	43,407,478	243,286,101	6.13%	3,289
2021	159,711,156	-	-	37,196,303	-	40,272,232	237,179,691	5.25%	3,023
2022	148,686,916	-	-	35,881,685	-	47,503,827	232,072,428	4.71%	3,007
2023	137,848,888	-	-	33,974,010	-	53,309,670	225,132,568	4.57%	2,917

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Note: See the Schedule of Demographics and Economic Statistics for personal income and population data.

Source: City Finance Division

**CITY OF EVANSTON, ILLINOIS**

Direct and Overlapping Governmental Activities Debt

As of December 31, 2023

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	Total Outstanding	Percentage of Debt Applicable to the City	The City's Share of Debt
Direct debt - bonds, notes, and contracts outstanding	<u>\$ 137,848,884</u>	100.00%	<u>\$ 137,848,884</u>
Other bonded debt by taxing body			
High School District 202	25,840,000	91.19%	23,563,532
School District 65	55,463,965	91.19%	50,577,667
Community College District 535	54,930,000	12.77%	7,012,489
Cook County	2,093,131,750	2.03%	42,492,721
Cook County Forest Preserve District	90,940,000	2.03%	1,846,155
Metropolitan Water Reclamation District	2,503,179,075	2.06%	51,654,947
Skokie Park District	<u>23,916,363</u>	0.75%	180,265
 Total Overlapping Debt	 <u>4,847,401,153</u>		 <u>177,327,775</u>
 Total Direct and Overlapping Debt (Less Debt Supported by Other Sources)	 <u><u>\$ 4,985,250,037</u></u>		 <u><u>\$ 315,176,659</u></u>

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

Source: Bonds Statement

**CITY OF EVANSTON, ILLINOIS**

Legal Debt Margin

December 31, 2023

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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						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Resources	Debt Service			
				Principal	Interest		
2014	\$ 15,051,732	\$ 7,938,838	\$ 7,112,894	\$ 305,000	\$ 6,672	\$ 22.82	
2015	NA	NA	NA	-	-	NA	
2016	NA	NA	NA	-	-	NA	
2017	NA	NA	NA	-	-	NA	
2018	NA	NA	NA	-	-	NA	
2019	NA	NA	NA	-	-	NA	
2020	NA	NA	NA	-	-	NA	
2021	NA	NA	NA	-	-	NA	
2022	NA	NA	NA	-	-	NA	
2023	NA	NA	NA	-	-	NA	

The City has no revenue bonds outstanding after December 31, 2014.

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expense.

Source: Various City departments

**CITY OF EVANSTON, ILLINOIS**

Principal Employers

Current Year and Nine Years Ago

<u>2023</u>				<u>2014</u>			
<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>%</u>	<u>Rank</u>
Northwestern University	6,500	33%	1	Northwestern University	9,471	48%	1
Northshore University Health System	4,652	24%	2	Northshore University Healthcare	3,727	19%	2
PT Solutions Holdings	2,000	10%	3	Evanston School District 65	1,599	8%	3
Evanston School District 65	1,500	8%	5	St. Francis Hospital	1,272	6%	4
KPFF, Inc.	1,293	7%	4	City of Evanston	918	5%	5
City of Evanston	864	4%	6	Presbyterian Homes/McGaw Care	602	3%	6
Presence Saint Francis Hospital	800	4%	7	Rotary International	535	3%	7
School District 202	663	3%	8	School District 202	520	3%	8
FourGen Holdings, Inc.	631	3%	9	C.E. Neihoff & Co	480	2%	9
Right at School, LLC	<u>586</u>	3%	10	Mather Lifeways	<u>450</u>	2%	10
Total	<u>19,489</u>			Total	<u>19,574</u>		

Source: City Economic Development Division

**CITY OF EVANSTON, ILLINOIS**

Demographic and Economic Statistics

Last Ten Years

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Calendar Year	Population	Total Personal Income	Per Capita Personal Income	Median Age	Education % of Population with HS Diploma or Higher	School Enrollment	Unemployment Rate
2013	74,937	\$ 3,093,699,108	\$ 41,284	34.6	94.3%	10,465	8.5%
2014	75,282	3,112,157,880	41,340	34.7	93.8%	10,793	8.2%
2015	75,603	3,235,052,370	42,790	35.2	94.0%	10,671	7.3%
2016	75,472	3,316,617,040	43,945	35.3	94.0%	10,640	6.2%
2017	75,557	3,472,297,492	45,956	36.0	93.4%	10,899	5.0%
2018	75,157	3,702,459,291	49,263	36.2	93.4%	10,980	4.1%
2019	74,587	3,857,863,401	51,723	36.1	93.7%	10,802	4.2%
2020	73,979	3,971,562,615	53,685	36.2	94.2%	10,355	5.0%
2021	78,454	4,520,990,204	57,626	36.6	95.4%	10,946	5.6%
2022	77,181	4,930,939,728	63,888	37.6	95.8%	10,552	6.1%

Note: 2023 data not yet available through US Census

Note: Figures in this table may differ from past years. After identifying minor inconsistencies with this data, City Staff identified a consistent method for obtaining these figures from the US Census Bureau.

Source: United States Census Bureau  
 Tables DP03, DP05, S1401, S1501  
 Using 5-Year Estimates

**CITY OF EVANSTON, ILLINOIS**

Budgeted Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Fund/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
City Clerk	2.20	2.00	2.00	2.00	1.00	2.00	1.00	2.00	1.00	2.00
City Manager's Office	14.00	13.00	28.50	32.00	30.00	27.50	28.50	28.50	29.50	32.90
Law	7.00	8.00	8.00	4.50	4.50	4.50	4.50	4.50	7.00	7.00
Administrative Services	49.00	51.00	57.20	57.70	55.70	53.10	54.10	54.50	59.00	65.00
Community Development	21.00	19.00	21.50	26.25	22.00	23.50	25.75	30.15	27.45	29.40
Police	227.00	227.00	225.50	225.80	220.00	217.00	216.00	201.00	201.00	201.00
Fire	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.50	118.50
Human and Health Services	21.10	22.10	21.10	21.10	21.75	17.75	8.75	8.75	13.25	11.45
Parks and Recreation	69.64	74.23	77.13	78.83	76.13	75.46	69.08	69.21	73.71	84.84
Public Works	108.45	107.45	84.25	84.25	72.50	70.00	71.00	69.00	78.00	78.50
<b>Total General Fund</b>	<b>629.39</b>	<b>633.78</b>	<b>635.18</b>	<b>642.43</b>	<b>613.58</b>	<b>600.81</b>	<b>588.68</b>	<b>577.61</b>	<b>600.41</b>	<b>630.59</b>
General Assistance Fund	0.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25	4.25	4.25
Human Services Fund	0.00	0.00	0.00	0.00	0.00	0.00	17.90	17.90	17.00	22.10
Sustainability Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50
Emergency Telephone System (E911) Fund	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
CDBG Fund	2.60	2.60	2.80	2.50	2.75	2.90	4.40	2.90	5.60	6.00
HOME Fund	0.00	0.40	0.50	0.50	0.35	0.35	0.35	0.73	0.70	0.70
Affordable Housing Fund	0.00	1.75	1.75	1.75	1.75	1.75	1.50	1.43	1.35	1.10
Parking Fund	15.50	15.50	15.50	15.50	18.00	19.00	17.00	16.50	16.00	16.00
Water Fund	42.50	44.50	44.50	44.50	45.75	45.25	46.25	47.75	48.25	56.25
Sewer Fund	13.33	11.33	11.33	11.33	12.25	12.25	12.25	12.75	11.75	11.75
Solid Waste Fund	9.66	9.66	9.66	9.66	10.50	11.50	13.50	13.50	15.50	15.50
Fleet Services Fund	12.00	12.50	12.50	12.00	9.50	9.90	9.90	10.00	11.00	12.00
Library Fund	63.13	66.45	66.87	73.88	71.05	69.81	78.45	78.04	79.58	78.93
Neighborhood Stabilization Program <sup>1</sup>	1.31	0.50	0.45	0.30	0.15	0.00	0.00	0.00	0.00	0.00
Economic Development Fund <sup>2</sup>	6.25	6.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Improvements Fund <sup>3</sup>	0.00	0.00	0.00	0.00	4.50	4.50	4.50	4.50	0.00	0.00
Insurance Fund <sup>4</sup>	5.00	5.00	5.00	5.50	5.50	5.50	5.50	5.50	0.00	0.00
<b>Total Non-General Funds</b>	<b>176.28</b>	<b>185.44</b>	<b>179.86</b>	<b>186.42</b>	<b>191.30</b>	<b>191.96</b>	<b>220.75</b>	<b>221.75</b>	<b>216.98</b>	<b>233.08</b>
<b>Total All Funds</b>	<b>805.67</b>	<b>819.22</b>	<b>815.04</b>	<b>828.85</b>	<b>804.88</b>	<b>792.77</b>	<b>809.43</b>	<b>799.36</b>	<b>817.39</b>	<b>863.67</b>

<sup>1</sup>Positions in Neighborhood Stabilization Program were rolled into the CDBG Fund in 2019

<sup>2</sup>Positions in the Economic Development Fund were rolled into the General Fund (CMO) in 2016

<sup>3</sup>Positions in the Capital Improvements Fund were rolled into the General Fund (Public Works) in 2022

<sup>4</sup>Positions in the Insurance Fund were rolled into the General Fund (Law) in 2022

Source: City of Evanston HR Division

**CITY OF EVANSTON, ILLINOIS**

Property Tax Rates per \$100 - Direct and Overlapping Governments

Last Ten Levy Years

Government Unit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City of Evanston <sup>1</sup>	1.760	1.766	1.800	1.536	1.524	1.604	1.446	1.452	1.560	1.332
City of Evanston Library Fund	0.234	0.265	0.282	0.241	0.247	0.254	0.218	0.216	0.233	0.208
Consolidated Elections	0.031	-	0.034	-	0.031	-	0.030	-	0.019	-
Cook County	0.560	0.568	0.552	0.533	0.496	0.489	0.454	0.453	0.446	0.431
Cook County Forest Preserve District	0.069	0.069	0.069	0.063	0.062	0.060	0.059	0.058	0.058	0.081
Metropolitan Water Reclamation District	0.417	0.430	0.426	0.406	0.402	0.396	0.389	0.378	0.382	0.374
North Shore Mosquito Abatement District	0.007	0.011	0.012	0.010	0.010	0.010	0.009	0.009	0.009	0.008
Evanston Township	0.053	-	-	-	-	-	-	-	-	-
Community College 535	0.256	0.258	0.271	0.231	0.232	0.246	0.221	0.227	0.252	0.221
School District 202	2.689	2.659	2.792	2.332	2.329	2.462	2.024	2.072	2.286	2.060
School District 65	3.671	3.686	3.810	3.676	3.673	3.891	3.185	3.258	3.593	3.230
<b>Total Tax Rate for Property not in Park District</b>	<b>9.747</b>	<b>9.712</b>	<b>10.048</b>	<b>9.028</b>	<b>9.006</b>	<b>9.412</b>	<b>8.035</b>	<b>8.123</b>	<b>8.838</b>	<b>7.945</b>
<b>Percent of Total Tax Rate Levied by City of Evanston</b>	<b>18.06%</b>	<b>18.18%</b>	<b>17.91%</b>	<b>17.01%</b>	<b>16.92%</b>	<b>17.04%</b>	<b>18.00%</b>	<b>17.88%</b>	<b>17.65%</b>	<b>16.77%</b>

<sup>1</sup>City of Evanston rate includes General Assistance beginning in 2014. Does not include Library Fund or Special Service Areas

Note: 2023 data not available

Note: This table excludes partial taxing districts, such as Ridgeville Park District, Skokie Park District, and School District 73 1/2, which only impact a small portion of Evanston residents

Source: Cook County Assessor's Office

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Type of Customer  
(in 100 cubic feet)

Last Ten Fiscal Years

Type of Customer	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single-Family	915,024	949,824	916,853	1,070,119	1,068,781	1,029,919	1,177,703	999,810	897,739	887,598
Multi-Family	1,150,956	1,148,336	1,140,860	1,215,640	1,275,855	1,178,104	1,237,476	1,098,479	104,867	1,048,792
Residential Subtotal	2,065,980	2,098,160	2,057,713	2,285,759	2,344,636	2,208,023	2,415,179	2,098,289	1,002,606	1,936,390
Commercial	1,036,034	1,045,791	1,061,080	1,115,236	1,083,414	1,154,229	953,343	925,927	885,367	845,818
Industrial	11,627	10,772	9,808	12,777	16,405	14,182	12,604	10,589	9,233	8,797
Business Subtotal	1,047,661	1,056,563	1,070,888	1,128,013	1,099,819	1,168,411	965,947	936,516	894,600	854,615
City	13,883	15,221	14,351	16,776	19,137	17,515	11,780	14,633	1,854	15,682
Parks	4,218	6,632	5,969	7,728	5,984	7,429	8,720	13,267	10,588	12,110
Schools	35,631	33,632	37,645	43,043	46,941	44,121	21,706	24,746	33,715	34,806
Public Subtotal	53,732	55,485	57,965	67,547	72,062	69,065	42,206	52,646	46,157	62,598
Overall Total	3,167,373	3,210,208	3,186,566	3,481,319	3,516,517	3,445,499	3,423,332	3,087,451	1,943,363	2,853,603

Total direct rate

per 100 cubic feet      \$      1.98    \$      2.18    \$      2.18    \$      2.31    \$      2.47    \$      2.74    \$      2.74    \$      2.89    \$      3.17    \$      3.33

Source: City of Evanston Public Works Agency

**CITY OF EVANSTON, ILLINOIS**

Water Sold by Major Customers

Last Ten Fiscal Years

Type of Customer	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Evanston residents/businesses	\$ 5,826,404	\$ 6,388,923	\$ 6,800,682	\$ 6,987,878	\$ 7,278,627	\$ 7,631,465	\$ 8,235,089	\$ 8,613,315	\$ 8,636,384	\$ 9,066,546	\$ 9,430,024
Village of Skokie	2,772,424	2,805,425	2,863,525	2,941,912	3,635,940	5,773,487	5,572,511	5,455,762	3,491,947	3,335,672	3,495,675
Northwest Water Commission	5,183,425	5,075,042	5,189,439	5,695,812	5,898,634	5,930,626	5,416,394	5,549,357	5,670,328	6,625,624	6,825,485
Morton Grove and Niles	-	-	-	-	-	27,677	1,075,089	1,918,954	1,813,040	2,077,157	1,933,644
Village of Lincolnwood	-	-	-	-	-	-	-	352,370	509,932	931,224	964,398
<b>Total</b>	<b>\$ 13,782,253</b>	<b>\$ 14,269,390</b>	<b>\$ 14,853,646</b>	<b>\$ 15,625,602</b>	<b>\$ 16,813,201</b>	<b>\$ 19,363,255</b>	<b>\$ 20,299,083</b>	<b>\$ 21,889,757</b>	<b>\$ 20,121,631</b>	<b>\$ 22,036,223</b>	<b>\$ 22,649,226</b>

Source: City Utilities Department

**CITY OF EVANSTON, ILLINOIS**

Operating Indicators by Function/Programs

Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Violent offenses	97	80	130	122	140	73	88	96	114	124
Property offenses	1,959	1,872	1,681	1,777	1,708	1,979	1,481	2,453	2,910	3,439
911 calls received	44,177	46,749	42,763	38,525	36,642	39,357	38,279	40,924	39,634	41,258
<b>Fire</b>										
Emergency responses	9,617	9,630	10,267	10,058	10,014	10,256	9,091	9,867	11,083	11,084
Fires extinguished	120	99	114	90	111	69	77	89	105	106
Inspections	740	760	760	1,267	1,275	446	728	850	900	901
EMS Responses (reported beginning 2016)	-	-	6,441	6,456	6,419	6,678	5,912	6,529	7,542	7,543
<b>Parks and Recreation</b>										
Athletic field usage (hours)	16,270	15,531	27,426	22,920	24,263	22,054	8,749	17,287	18,868	20,678
Picnic permits issued	448	404	229	652	572	641	94	644	650	677
<b>Library</b>										
Volumes in collection (online & physical materials)	401,300	481,626	534,533	540,696	514,756	562,567	535,527	424,619	654,134	557,615
Total volumes borrowed	1,074,972	1,071,401	1,078,653	1,039,585	1,207,419	1,191,600	699,631	1,139,779	964,682	1,001,132
<b>Water</b>										
New connections	18	9	3	3	7	15	8	10	7	11
Water main breaks	70	23	28	28	32	28	29	40	39	34
Average daily consumption (millions of gallons)	36.79	36.63	39.645	39.645	41.122	43.151	46.50	48.30	46.00	46.08
Peak daily consumption (millions of gallons)	48.91	50.59	55.084	55.084	55.291	60.248	62.630	66.500	60.760	65.652
<b>Other Public Works</b>										
Street resurfacing (estimated miles)	4.9	2.7	2.9	2.9	2.9	1.9	2.9	2.65	2.65	1.60

Note: Indicators are not available for general government functions

**CITY OF EVANSTON, ILLINOIS**

Capital Assets Statistics by Function

Last Ten Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>											
Number of stations	1	1	1	1	1	1	1	1	1	1	1
Budgeted sworn officers	164	164	164	165	165	165	166	154	153	153	153
<b>Fire</b>											
Fire Stations	5	5	5	5	5	5	5	5	5	5	5
Budgeted sworn firefighters	107	107	107	107	107	107	107	107	107	107	115
<b>Parks and Recreation</b>											
Acreage	290	290	290	290	290	290	290	290	290	290	290
Playgrounds	51	51	51	51	51	60	60	60	60	60	60
Baseball/softball diamonds	18	18	18	18	18	13	16	16	16	16	16
Soccer/football fields	27	27	27	27	27	27	27	27	27	27	27
Community centers	5	5	6	6	7	7	7	7	7	7	8
<b>Water</b>											
Water mains (miles)	157	157	156.4	155.6	155.6	155.8	157.5	156.2	156.0	156.0	156.1
Fire hydrants	1,399	1,477	1,484	1,490	1,490	1,508	1,511	1,501	1,522	1,531	1,535
Storage capacity (millions of gallons)	22	22	22	22	22	22	22	22	22	22	22
<b>Other Public Works</b>											
Streets (miles)	147	147	147	147	147	147	147	147	147	147	147
Streetlights	5,641	5,641	5,641	5,736	5,736	5,736	5,641	5,641	5,675	5,675	5,675
Street resurfacing (estimated miles)	3.40	4.90	2.70	2.90	2.90	2.90	1.90	2.90	2.65	2.65	1.60

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

Source: Various City departments; Budget

Source: City Finance division

## APPENDIX B

### DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

City of Evanston  
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2024 (the “*Bonds*”), to the amount of \$31,580,000, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2025	\$ 960,000	5.00
2026	1,005,000	5.00
2027	1,060,000	5.00
2028	1,115,000	5.00
2029	1,170,000	5.00
2030	1,225,000	5.00
2031	1,290,000	5.00
2032	1,355,000	5.00
2033	1,420,000	5.00
2034	1,495,000	5.00
2035	1,565,000	5.00
2036	1,640,000	5.00
2037	1,725,000	5.00
2038	1,815,000	5.00
2039	1,905,000	5.00
2040	2,000,000	4.00
2041	2,080,000	4.00
2042	2,165,000	4.00
2043	2,250,000	4.00
2044	2,340,000	4.00

the Bonds due on or after December 1, 2034, 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, 2033, 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. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. 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 \$31,580,000 General Obligation Corporate Purpose Bonds, Series 2024 (the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 28<sup>th</sup> day of May, 2024 (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*” means financial information and operating data of the type contained in the Official Statement under the following captions:

“DEBT INFORMATION” (excluding “Overlapping Debt”);

“PROPERTY AND TAX INFORMATION”; and

“FINANCIAL INFORMATION” (tables only).

*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 June 26, 2024, 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: July 11, 2024

**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, 2023. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

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

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

**EXHIBIT III  
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (299228)
2025	KL9
2026	KM7
2027	KN5
2028	KP0
2029	KQ8
2030	KR6
2031	KS4
2032	KT2
2033	KU9
2034	KV7
2035	KW5
2036	KX3
2037	KY1
2038	KZ8
2039	LA2
2040	LB0
2041	LC8
2042	LD6
2043	LE4
2044	LF1