



# EVANSTON FINANCES RECEIVE 'D' GRADE

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## THE FINANCIAL STATE OF EVANSTON

A new analysis of the latest available comprehensive annual financial report found Evanston had a Taxpayer Burden™ of \$8,200, earning it a "D" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials over the years have left Evanston with a \$206.6 million shortfall, which equates to \$8,200 for every taxpayer. Much of the city's overall debt comes from constitutionally-protected pension benefits and retiree health care costs. The city has promised \$224.1 million in pensions and \$14.7 million in other post-employment benefits. However, it hasn't set aside enough money to adequately fund these obligations.

Evanston's financial condition is not only concerning, but also misleading as government officials have failed to disclose significant amounts of retirement debt on the city's balance sheet. As a result, residents and taxpayers have been presented with an inaccurate and untruthful accounting of the city government's finances.

### Here's the truth:

**\$206.6**  
million

Money needed to  
pay bills

**-\$8,200**

Taxpayer  
Burden

**D**

Financial grade

Data included in this report is derived from the city of Evanston's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

# EVANSTON FINANCIAL BREAKDOWN

## FAST FACTS

- + Evanston has \$117 million available in assets to pay \$323.6 million worth of bills.
- + The outcome: A \$206.6 million shortfall and a \$8,200 Taxpayer Burden.
- + Despite reporting all of its pension debt, the city continues to hide \$11.8 million of its retiree health care debt.
- + Evanston's reported net position is inflated by \$44 million, largely because it has delayed recognizing changes to its net pension liability.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$664,362,000
<i>Minus:</i> Capital assets	-\$524,986,000
Restricted assets	-\$22,373,000
Assets available to pay bills	\$117,003,000
<i>Minus:</i> Bills	-\$323,612,000
Money needed to pay bills	-\$206,609,000
<b>Each taxpayer's share of this debt</b>	<b>-\$8,200</b>

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$148,988,000
Other liabilities	\$130,002,000
<i>Minus:</i> Debt related to capital assets	-\$194,182,000
Unfunded pension benefits	\$224,076,000
Unfunded retiree health care	\$14,728,000
<b>Bills</b>	<b>\$323,612,000</b>

## GRADE: D

Bottom line: Evanston does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to municipalities with a Taxpayer Burden between \$5,000 and \$20,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.