

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2008

Prepared by Finance Department

CITY OF BERWYN, ILLINOIS
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INTRODUCTORY SECTION

Robert J. Lovero
Mayor



John Wysocki
Finance Director

A Century of Progress with Pride

6700 West 26th Street Berwyn, Illinois 60402-0701 Telephone: (708) 788-2660 Fax: (708) 788-0273
www.berwyn-il.gov

June 30, 2009

To the City Council and Citizens of the
City of Berwyn, Illinois:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich LLP, Certified Public Accountants & Advisors, have issued an unqualified (“clean”) opinion on the City of Berwyn’s financial statements for the year ended December 31, 2008. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Berwyn was incorporated as a City on June 6, 1908 with approximately 5,000 residents. A century later, Berwyn is home to approximately 55,000 residents. Berwyn is bordered by Roosevelt Road on the North, Harlem Avenue on the West, Lombard Avenue on the East and Pershing Road on the South. These boundaries encompass only 3.9 square miles. As of the 2000 census, the average household income was \$43,101, while the median family income was \$51,767.

Berwyn is a home rule community which operated under a Strong Mayor form of government, according to Illinois Municipal Code 65 ILCS 5/, during 2008. This form of government has an elected Mayor, clerk, treasurer, and alderman elected from wards. The Berwyn City Council consists of eight aldermen. The terms of elected officials are four years. The Mayor is given the power to appoint and remove, with the advice and consent of the City Council, his administrative assistants, budget and finance director, heads of all departments, all other officers of the

municipality, and members of commissions, boards and agencies, except those covered by civil service. The powers of the council are purely legislative.

The City provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, compliance inspections, water and sewer service, garbage removal, commuter parking, and recreational and cultural activities. The City is also financially accountable for the Berwyn Public Library and the Berwyn Development Corporation (BDC). While legally separate, they are considered component units of the City. The library is reported as a blended component unit. A library fund is reported among the City's non-major governmental funds. The BDC is a discretely presented component unit with a separate column on the Statement of Net Assets and the Statement of Activities. Additional information on these entities can be found in the notes to financial statements (See Note 1.A).

The Council is required to adopt a final budget by March 31 of each year. This annual budget provides the spending authority for the operations of the City. The budget is prepared by fund and department. Transfers between line items within a department may be made by department heads. However, transfers between departments or funds require approval from the city council.

Local Economy

Berwyn is predominantly a residential community and therefore does not have a particularly large industrial base or many large property taxpayers. By far, the largest employer in the City is MacNeal Memorial Hospital.

With a relatively large number of single family homes, the much publicized housing downturn had a significant impact on the City. In particular, the real estate transfer tax which accounted for over \$3.25 million of general fund revenue in 2005 and \$2.9 million in 2006 provided less than \$1 million of revenues in 2008 as home sales slowed. In spite of growing foreclosures, however, property tax revenues were strong in 2008. This is partially attributable to a 5% increase in the 2007 levy and the levying of a provision for losses.

In 2008, the City, like most municipalities in the state and nation, began to experience the impacts of the slowing economy in other ways as well. In particular, sales tax revenues have declined from the prior two years and are expected to decline further in 2009. While state income tax revenues increased during 2008, significant decreases in this revenue source are expected in 2009 as the impact of increasing unemployment rates is felt.

Long-term Financial Planning

With the recent change in administration, a new committee of the City Council was created to deal with issues involving business, licensing and taxation. A major focus of this committee will

be to explore ways to increase revenues. Long term, the goal is to reduce the City's reliance on property tax revenues by enhancing our retail tax base. To accomplish this, the City is working through our component unit, the Berwyn Development Corporation, to assemble properties in our TIF districts for new developments.

The City has also put in place a plan to restructure long term debt over the next several years. This will reduce the proportion of property tax revenues necessary to meet current debt service requirements thereby freeing up these revenues for use in the general fund. It has been the intent of the City to use these revenues to rebuild a fund balance in the general fund. While the national and regional economic woes have had a detrimental effect on these plans, the long term focus remains on strengthening our reserve position as further discussed below.

Relevant Financial Policies

In 2007, City Council passed a fund balance policy requiring that the general fund maintain an unreserved fund balance of 16% of the following year's budget, the motor fuel tax fund maintain an unreserved fund balance of 15% of the following year's operating budget and 25% of the following year's expected capital projects, and the water and sewer fund maintain unreserved equity of 5% of the following year's budget. The policy further requires that should any other fund have a deficit fund balance, a plan will be determined to eliminate the deficit.

At December 31, 2007, a number of funds including the general fund were out of compliance with the policy. During 2008, measures were taken that eliminated deficit balances in the debt service and library funds. However, at December 31, 2008, the general fund had a deficit unreserved fund balance primarily due to a shortfall in revenues resulting from the recession. A long term plan is being developed to re-establish a fund balance and bring the general fund into compliance with policy.

The internal service fund (which accounts for the City's liability, workers compensation and other insurance costs) also had a deficit net asset balance at December 31, 2008 due to a significant increase in liability and workers compensation claims over the prior year. The City's policy is to fund the internal service fund based on charges to other funds and departments of 115% of the prior year's claim expenses.

Major Initiatives

In May of 2009, a new Mayor and City Council took office. A number of initiatives have already been implemented and others are in process. These include the hiring of a professional city administrator to manage the day to day operations of the City, the elimination of some positions/departments, and a review of existing contracts and vendors to insure that the City is receiving the best value.

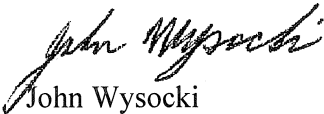
In spite of the current economic crises, development in the City has continued. The 2007 bond issue provided funding for a municipal parking garage with ground floor retail space that is on schedule for completion in the fall of 2009. Also, the City's four TIF districts have been very active in promoting development within their boundaries during 2008 and expect to remain so in 2009. Thirteen TIF projects were initiated or completed in 2008 which led to new business start up or existing business expansion.

Awards and Acknowledgements

For the first time, the City has prepared a comprehensive annual financial report (CAFR) which it is submitting to the Government Finance Officers Association (GFOA) for consideration for its Certificate of Achievement for Excellence in Financial Reporting.

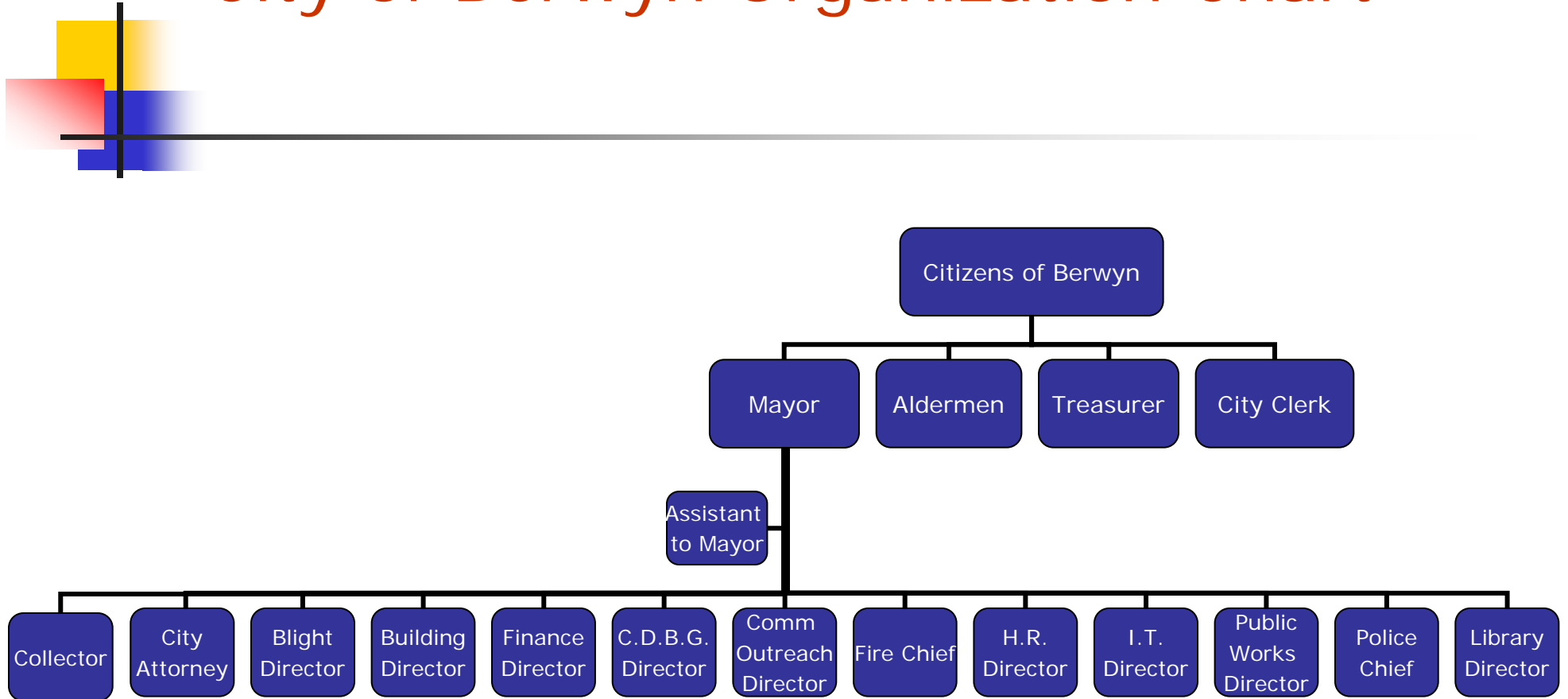
The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance department staff. I wish to express my appreciation to all members of the department for their assistance. I also want to express appreciation to the Mayor and City Council for their support and encouragement in maintaining the highest standards of professionalism in the financial operations of the City.

Respectfully submitted,



John Wysocki
Finance Director

City of Berwyn Organization Chart



**City of Berwyn
List of Elected and Appointed Officials
As of June 30, 2009**

Elected Officials

Robert J. Lovero	Mayor
Joseph Kroc	Treasurer
Thomas Pavlik	Clerk
Nona Chapman	Alderman, 1 st Ward
Jeffrey G. Boyajian	Alderman, 2 nd Ward
Margaret Paul	Alderman, 3 rd Ward
Michele Skryd	Alderman, 4 th Ward
Cesar A. Santoy	Alderman, 5 th Ward
Theodore J. Polashek	Alderman, 6 th Ward
Rafael "Ralph" Avila	Alderman, 7 th Ward
Nora Laureto	Aldermen, 8 th Ward

Appointed Officials

Anthony Bertuca	City Attorney
Robert Dwan	Director, Community Development
James Frank	Director, Information Technology
Bill Hensley	Director, Library Services
Charles Lazzara	Director, Building Department
Denis O'Halloran	Fire Chief
William Kushner	Police Chief
Anthony Martinucci	Director, Recreation Department
Brian Pabst	City Administrator
Patrick Ryan	Director, Public Works
John Wysocki	Director, Finance

FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Berwyn, Illinois, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Berwyn, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit. We did not audit the financial statements of the Berwyn Development Corporation (discretely presented component unit), which represents 100% of the assets, net assets, and revenues of the discretely component unit of the City of Berwyn, Illinois. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Berwyn Development Corporation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of the Berwyn Development Corporation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Berwyn, Illinois, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2009 on our consideration of the City of Berwyn, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules and the financial information listed as supplemental data in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Berwyn, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

Aurora, Illinois
May 21, 2009

A handwritten signature in dark ink, appearing to read "Subick CP". The signature is written in a cursive, flowing style.

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS



A Century of Progress with Pride

6700 West 26th Street Berwyn, Illinois 60402-0701 Telephone: (708) 788-2660 Fax: (708) 788-0273
www.berwyn-il.gov

Management's Discussion and Analysis

As management of the City of Berwyn, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Berwyn for the fiscal year ended December 31, 2008.

Financial Highlights

The assets of the City of Berwyn (primary government only) exceeded its liabilities at the close of the most recent fiscal year by \$43,664,017. The City has deficit unrestricted net assets of \$11,176,375 at year end.

In 2008, the City's total net assets decreased by \$4,952,917 (exclusive of prior period adjustments). This decrease is primarily due to the operations of the City's business-type activities. Business-type activities ran at an operating loss mostly due to the significant expense of depreciation on capital infrastructure which is not funded through the City's rate structure. However the governmental activities also experienced a loss in 2008 of \$1,069,626.

As of the close of the current fiscal year the City's governmental funds reported combined ending fund balances of \$36,783,017, a decrease of \$4,056,243 in comparison with the prior year.

At the end of the current fiscal year, fund balance for the General Fund was \$148,243.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Berwyn's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements found on pages 24 and 25 are designed to provide readers with a broad overview of the City of Berwyn's finances, in a manner similar to a private sector business.

The Statement of Net Assets presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, economic development, culture and recreation, and health and sanitation. The business-type activities of the City include water and sewer operations and residential waste hauling and recycling.

The government-wide financial statements include not only the City of Berwyn itself (known as the primary government), but also the legally separate Berwyn Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Berwyn maintains seventeen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Cermak Road TIF Fund, the Debt Service Fund and 2007 Bond Fund, which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance.

The basic governmental fund financial statements can be found on pages 26 and 28 of this report.

Proprietary funds – The City of Berwyn maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Berwyn uses an internal service fund to account for its workers compensation and general liability self-insurance pool. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund which is considered to be a major fund of the City, and the internal service fund.

The basic proprietary fund financial statements can be found on pages 30 - 32 of this report.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33 and 34 of this report.

Notes to financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 35 – 74 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget and actual information for the general and major special revenue funds and the City's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 75 - 87 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 88 - 109 of this report.

Government-wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest portion of the City of Berwyn's net assets represents resources that are subject to external restrictions on how they may be used. Assets restricted for use in the City's four redevelopment areas make up the bulk of these assets, followed by assets restricted by the State of Illinois for the purpose of improving streets, and assets restricted for law enforcement purposes.

Net assets of the City of Berwyn also includes its investment in capital assets (land, buildings, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Please note that the 2007 results have been restated per footnote K found on page 71.

The table below shows the comparison between 2007 and 2008 Statement of Net Assets for both governmental and business-type activities:

City of Berwyn Net Assets

	Governmental activities		Business-type activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current assets	\$ 64,789,798	\$ 67,892,588	\$ 5,336,652	\$ 5,170,570	\$ 70,126,450	\$ 73,063,158
Capital assets	<u>58,529,165</u>	<u>54,491,993</u>	<u>38,073,126</u>	<u>42,046,853</u>	<u>96,602,291</u>	<u>96,538,846</u>
Total assets	123,318,963	122,384,581	43,409,778	47,217,423	166,728,741	169,602,004
Current liabilities	24,335,529	24,253,748	442,319	370,611	24,777,848	24,624,359
Long-term liabilities	<u>98,254,612</u>	<u>96,332,385</u>	<u>32,264</u>	<u>28,326</u>	<u>98,286,876</u>	<u>96,360,711</u>
Total liabilities	122,590,141	120,586,133	474,583	398,937	123,064,724	120,985,070
Invested in capital assets net of related debt	3,546,131	7,399,270	38,097,726	42,046,853	41,643,857	49,446,123
Restricted	13,196,535	13,268,265	-	-	13,196,535	13,268,265
Unrestricted	<u>(16,013,844)</u>	<u>(18,869,087)</u>	<u>4,837,469</u>	<u>4,771,633</u>	<u>(11,176,375)</u>	<u>(14,097,454)</u>
Total net assets	<u>\$ 728,822</u>	<u>\$ 1,798,448</u>	<u>\$ 42,935,195</u>	<u>\$ 46,818,486</u>	<u>\$ 43,664,017</u>	<u>\$ 48,616,934</u>

Significant Changes in the City's Statement of Net Assets:

Governmental activities

The City's governmental activities current assets decreased from 2007 by approximately \$3.1 million. This was largely a result of reduced cash balances. The cash was used to pay for increased construction activity.

Capital assets within the governmental activities increased over \$4 million in 2008 due primarily to increased construction in progress related to the 16th street fire station and the parking garage and land improvements on Cermak Avenue.

Long-term liabilities increased by about \$1.9 million due to several factors including increased liability and workers compensation claims payable and a determination that grant funds received in past years will be required to be paid back to the granting agency.

Business-type activities

There were no large additions to capital assets in the business-type activities. The decrease in net capital assets is due to depreciation. Likewise the invested in capital asset net of related debt decreased in 2008 due to the depreciation of assets.

Statement of Activities

As noted earlier, the City's Statement of Activities provides a numerical analysis of the City's financial performance during the year. Revenues are broken down between program revenues and general revenues. The table below shows a comparison between the current and previous year results of operations:

City of Berwyn Changes in Net Assets

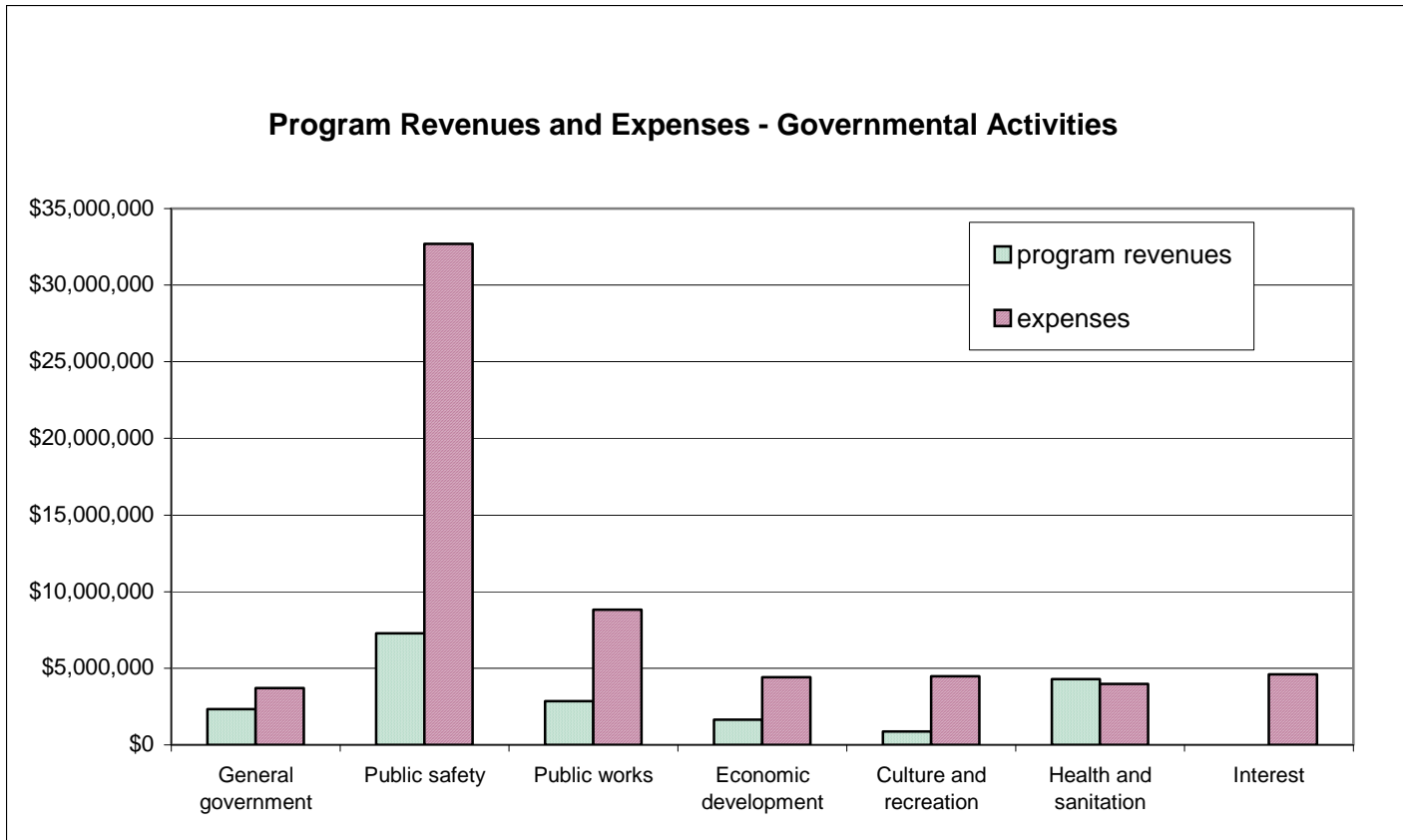
	Governmental activities		Business-type activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,967,209	\$ 12,760,778	\$ 5,285,856	\$ 4,958,994	\$ 19,253,065	\$ 17,719,772
Operating grants & contributions	4,147,105	4,108,493	-	-	4,147,105	4,108,493
Capital grants & contributions	1,185,936	1,275,193	-	-	1,185,936	1,275,193
General revenues						
Property taxes	24,009,284	21,029,820	-	-	24,009,284	21,029,820
Other taxes	17,250,682	17,227,059	-	-	17,250,682	17,227,059
Other revenues	<u>1,090,639</u>	<u>1,083,191</u>	<u>50,089</u>	<u>57,429</u>	<u>1,140,728</u>	<u>1,140,620</u>
Total revenues	61,650,855	57,484,534	5,335,945	5,016,423	66,986,800	62,500,957
Expenses:						
General government	3,704,316	3,784,866	-	-	3,704,316	3,784,866
Public safety	32,691,594	30,386,975	-	-	32,691,594	30,386,975
Highways & streets	8,834,260	7,911,236	-	-	8,834,260	7,911,236
Sanitation	3,979,436	3,793,645	-	-	3,979,436	3,793,645
Culture & recreation	4,482,379	4,378,740	-	-	4,482,379	4,378,740
Economic development	4,422,771	4,822,636	-	-	4,422,771	4,822,636
Interest on long-term debt	4,605,725	3,810,963	-	-	4,605,725	3,810,963
Water & sewer	-	-	9,219,236	9,406,507	9,219,236	9,406,507
Total expenses	<u>62,720,481</u>	<u>58,889,061</u>	<u>9,219,236</u>	<u>9,406,507</u>	<u>71,939,717</u>	<u>68,295,568</u>
Change in Net Assets	(1,069,626)	(1,404,527)	(3,883,291)	(4,390,084)	(4,952,917)	(5,794,611)
Net assets Jan 1, as restated	1,798,448	538,468	46,818,486	51,208,570	48,616,934	51,747,038
Restatement	-	<u>2,664,507</u>	-	-	-	<u>2,664,507</u>
Net assets Dec 31	<u>\$ 728,822</u>	<u>\$ 1,798,448</u>	<u>\$ 42,935,195</u>	<u>\$ 46,818,486</u>	<u>\$ 43,664,017</u>	<u>\$ 48,616,934</u>

Significant Changes in the Statement of Activities

Government activities

The City's net assets decreased by approximately \$330,000 less than in the previous year. Expenses increased by \$3.8 million offset by an increase in revenues of almost \$4.2 million. Generally speaking the City's expenses increased due to inflationary cost increases. Salaries increased on average 3 - 4%. Specific line item increases and decreases are discussed below.

The graph below shows the governmental activities revenues and expenses by function. Any deficit of revenues less expenses is then funded through general revenues, primarily taxes.



Government activities - Revenues

The table below shows the change in revenues from 2007 to 2008:

	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Chg</u>
Governmental activities				
Revenues:				
Program revenues:				
Charges for services	\$ 13,967,209	\$ 12,760,778	\$ 1,206,431	9%
Operating grants & contributions	4,141,684	4,108,493	33,191	1%
Capital grants & contributions	1,185,936	1,275,193	(89,257)	-7%
General revenues				
Property taxes	24,009,284	21,029,820	2,979,464	14%
Other taxes	17,250,682	17,227,059	23,623	0%
Other revenues	1,090,639	1,083,191	7,448	1%
Total revenues	<u>\$ 61,645,434</u>	<u>\$ 57,484,534</u>	<u>\$ 4,160,900</u>	<u>7%</u>

Significant changes:

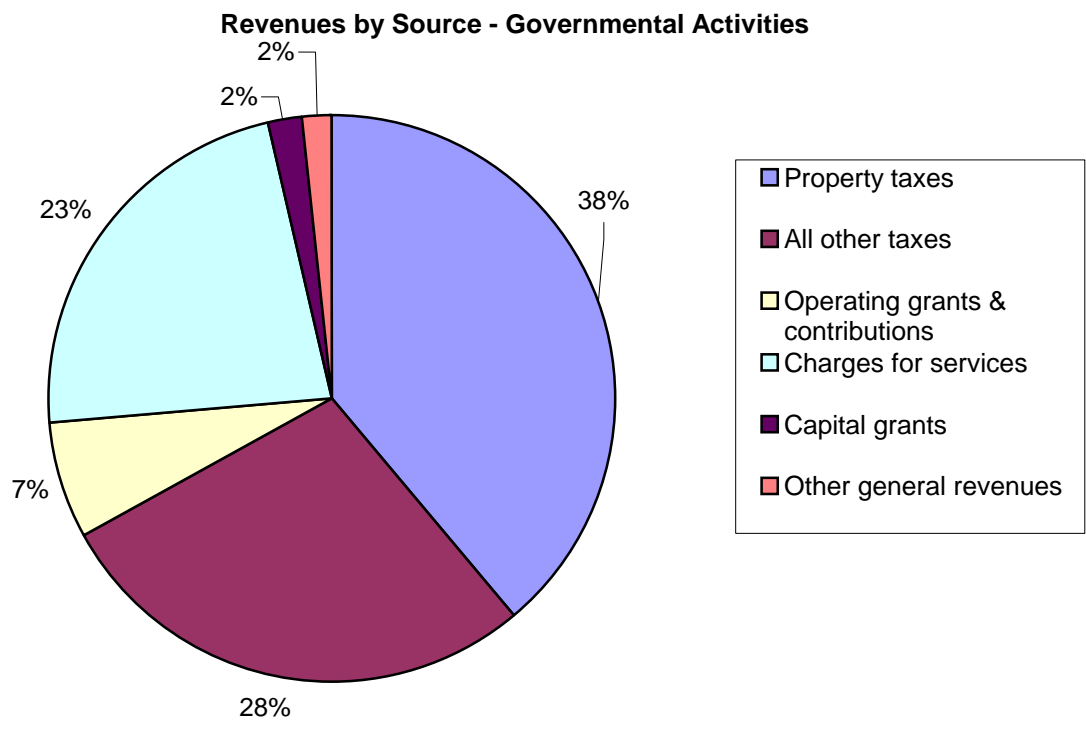
The City's charges for services increased from \$12.7 million to \$13.9 million in 2008. Charges for services are primarily made up of vehicle stickers, building and compliance permits, interdepartmental charges, court and violation fines, ambulance fees, garbage fees and (for 2008 only) 100th anniversary revenues. The increase in the City's charges for services resulted mainly from increases in towing fees of \$246,000, garbage fees of \$388,000, the new Red Speed photo enforcement program of \$276,000 and the 100th anniversary celebration revenues of \$287,000. These increases were offset by a decrease of approximately \$384,000 in ambulance billings.

The City's property taxes overall increased in 2008 after a decline in 2007. Part of this is due to a 5% increase in the tax levy. Also, after experiencing a collection rate of under 95% in 2007 compared to a historical rate of over 97%, the City collected approximately 99% of our tax levy in 2008. In spite of the declining real estate market and a large increase in the number of foreclosures, the City's collection rate was strong in 2008 because a 3% allowance for uncollectible taxes was added to the 2007 tax levy to be collected in 2008. This had not been done in the past due to the City's historically high collection rate. However, it is common practice among other municipalities in Cook County.

The real estate market continued to have a negative impact on the City's real estate transfer taxes. In 2007 the City received \$1.6 million from a tax on the sale of real property within the City. Due to the decline in real estate sales, the City's transfer taxes were under \$1 million in 2008. Sales tax also declined somewhat. However, increased municipal utility and income tax collections offset the declines.

Composition of Revenues:

The graph below shows the full composition of governmental activities revenues.



The City's governmental activities are supported mainly by property taxes, followed by all other taxes. These percentages shifted slightly from 2007 when property taxes accounted for 37% of all revenues, charges for services were 22% and all other taxes accounted for 30% of all revenues.

Governmental activities - Expenses

The table below shows the change in expenses from 2007 to 2008:

Changes in Governmental Activities Expenses

	Governmental activities			
	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>% Chg</u>
Expenses:				
General government	\$ 3,704,316	\$ 3,784,866	\$ (80,550)	-2%
Public safety	32,691,594	30,386,975	2,304,619	8%
Public works	8,834,260	7,911,236	923,024	12%
Economic development	4,422,771	4,822,636	(399,865)	-8%
Culture and recreation	4,482,379	4,378,740	103,639	2%
Health and sanitation	3,979,436	3,793,645	185,791	5%
Interest on long-term debt	<u>4,605,725</u>	<u>3,810,963</u>	<u>794,762</u>	<u>21%</u>
Total expenses	<u>\$ 62,720,481</u>	<u>\$ 58,889,061</u>	<u>\$ 3,831,420</u>	<u>7%</u>

Significant changes:

As previously mentioned salaries increased 3-4% in 2008. Other significant increases and decreases are addressed below.

The public safety expenses increased \$2.3 million from 2007. Almost \$900,000 of the increase is a result of grant expenditures incurred in prior years that were found to be ineligible and must be reimbursed to the granting agency. This was recorded as a current year liability and expenditure in the government wide statements.

Public works increased \$0.9 million from 2007. The increase is due to additional expenditures in the motor fuel tax fund of \$719,000 with \$384,000 of these resulting from increased rock salt costs and \$367,000 from increased traffic control electrical costs.

Economic development expenses fluctuate annually as the majority of the City's TIF projects are reported within this function. In 2007 the City incurred \$1.0 million in expenses as a developer incentive condominium project which was not incurred in 2008. This savings was partially offset by increases in other TIF project spending. In 2008, 13 TIF projects resulted in the improvements of 48,750 square feet of commercial space. Public investment totaling \$896,000 supported approximately \$1,770,000 in total investment. The size and number of these projects change annually.

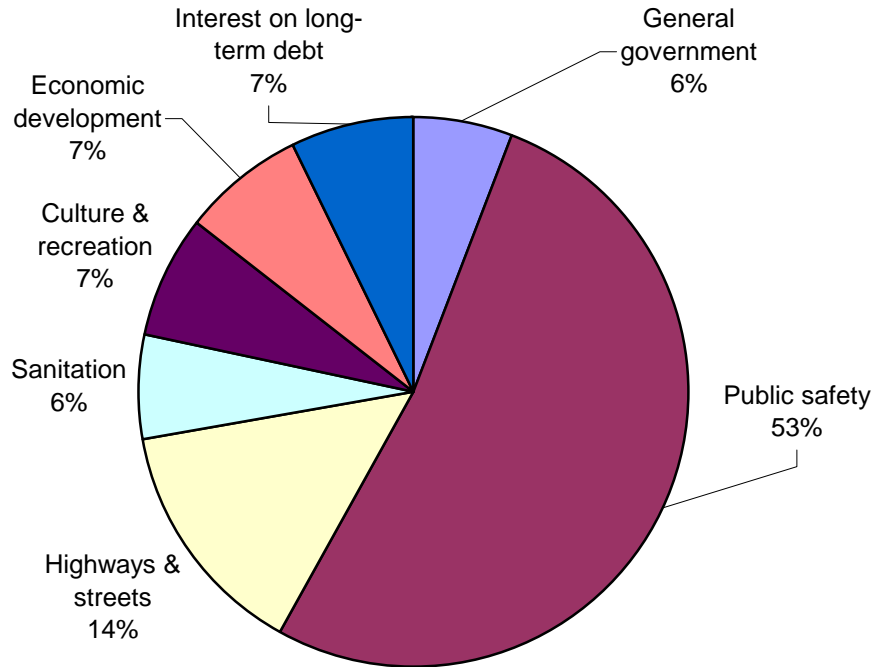
Health and sanitation costs increased in accordance with the City's agreement with our outside contractor for refuse and recycling. The contract provides for annual increases based on the consumer price index and fuel costs.

Interest on long-term debt has increased as a result of a full year of interest on the 2007 bond issues.

Composition of expenses:

As in the prior year, the City's largest area of expense continues to be public safety, accounting for over 53% of governmental expenses. The expense composition remained substantially the same as in 2007 with the only differences being an increase in interest on long term debt from 6% to 7% and a decrease in economic development from 8% to 7%.

Governmental Activities - Expense Composition



Business-type activities

	Business-type activities		Change	% Chg
	2008	2007		
Revenues:				
Program revenues:				
Charges for services	\$ 5,285,856	\$ 4,958,994	\$ 326,862	7%
Expenses:				
Water & sewer	\$ 9,219,236	\$ 9,406,507	\$ (187,271)	-2%

Significant changes:

Business-type activities represent the City's water and sewer utility. The utility's primary source of revenue is user fees for water and sewer usage. The rates are designed to recover substantially all of the costs associated with providing water and sewer service, except for depreciation. The rates do provide some cost recovery for depreciation but are not designed to fund the entire expense. Thus, business-type activities decreased the City's net assets by \$3.9 million.

Water and sewer usage charges for 2008 increased from 2007 primarily due to an 8% rate increase.

Expenses within the water utility decreased slightly in 2008. The utility wrote off a large receivable in 2007 incurring \$341,000 of additional expenses that did not occur during 2008. This was partially offset by an increase in the cost of water charged to the City by the City of Chicago.

Financial Analysis of the Governmental Funds

As noted earlier, the City of Berwyn uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Significant changes – Fund balances

	Fund				Nonmajor Governmental Funds
	General Fund	Cermak Road TIF	Debt Service	2007 Bond	
Revenues	\$ 41,858,042	\$ 1,868,747	\$ 6,369,652	\$ 678,888	\$ 9,947,123
Expenditures	43,980,108	2,053,750	5,050,198	4,770,597	9,812,182
Other Financing Sources (Uses) net	1,558,637	-	1,586,674	(476,947)	(1,785,645)
Net change in fund balance	(563,429)	(185,003)	2,906,128	(4,568,656)	(1,650,704)
Fund balance, beginning as restated	711,672	9,525,459	(1,319,907)	21,715,835	10,206,201
Fund balance, ending	<u>\$ 148,243</u>	<u>\$ 9,340,456</u>	<u>\$ 1,586,221</u>	<u>\$ 17,147,179</u>	<u>\$ 8,555,497</u>

General Fund revenues increased by \$4.9 million or 14% from 2007 to 2008. Most of this increase was in property taxes which increased \$3.9 million or 58% in the General Fund. In addition to a 5% property tax increase for the 2007 levy year which was collected in 2008 and the inclusion of a 3% allowance for uncollectible taxes added to the levy, a significantly greater portion of the City's overall tax levy was made available to the General Fund than in prior years. As a result of debt restructuring accomplished in 2007, the property tax levy designated for debt service was reduced substantially and instead levied for General Fund purposes.

General Fund expenditures increased slightly (2%) from the prior year. In spite of the significant increase in revenues and relatively stable level of expenditures, fund balance declined in 2008. However, the \$563,000 decrease in fund balance does represent an improvement over past years which saw annual declines in fund balance of over \$2 million per year.

Additional development activity in the Cermak Road TIF resulted in expenditures exceeding revenues in the fund. This development included a \$1.2 million median project. Consequently, fund balance decreased slightly from 2007. This TIF districts was created in 1987 and is set to expire in 2010. The City is currently working on plans for development for the remaining life of the district.

The Debt Service Fund had a net change in fund balances of \$2.9 million. The fund balance had been negative as a result of the repayment of short term borrowings out of the Debt Service Fund in past years without a sufficient tax levy in that fund to make the payments. In 2008, the City remedied this deficit fund balance by refunding a portion of their 1998 bonds. One effect of the refunding was that the City would not have to use property tax revenues collected in the Debt Service Fund during 2008 to make the scheduled \$3.3 million payment that had been due in 2008 on the 1998 bonds. Instead, these property tax collections were used to restore the fund balance in the Debt Service Fund to an appropriate level.

The 2007 Bond Fund decreased fund balance by \$4.6 million as the construction activity for which these funds were intended commenced during 2008. The City is building a parking garage, a new fire station and completing several other capital projects with these funds.

Financial Analysis of the Proprietary Funds

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water & Sewer Fund at the end of the current fiscal year amounted to \$4.8 million. The total decrease in net assets was \$3.9 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

The City's internal service fund mainly represents costs for the City's workmen's compensation and general liability insurances. Revenues within this fund are from charges to other funds of the City. Expenses are in the form of claim payments, third party claim processing fees, insurance costs and liability reserve funding. During 2008 the fund's expenses increased from \$2.4 million to \$3.9 million. This increase is primarily due to a need to increase liability reserves for claims incurred but not yet paid. Revenues within the internal service fund decreased to \$2.7 million from \$3.3 million in 2007. The decrease in revenues combined with the increase in expenses resulted in a decrease in net assets of \$1.1 million in 2008. Net assets at December 31, 2008 are negative \$2.7 million. During 2007 the City passed a new funding policy related to the internal service fund. The new policy requires the City to fund the internal service fund at 115% of the prior year's expenses. The City believes this will gradually eliminate the deficit within this fund. While the deficit is primarily related to an estimate of potential future claims, which may or may not be settled for the amounts estimated, the City believes that a larger reserve should exist within this fund and has acted to begin rebuilding the equity within the internal service fund.

General Fund Budgetary Highlights

The City's ordinances require it to periodically review and amend the budget on an annual basis. Currently the City Council, department heads and Mayor's office receive monthly financial information. As part of this review and during preparation for the subsequent years' budget, each department's budget to actual reports are analyzed to determine whether an amendment may be necessary during the year.

The City amended the general fund budget during 2008. The primary purpose for the amendment was to reallocate budget dollars across departments. Increased legal costs, the higher cost of fuel for much of the year, unanticipated repair costs, and higher than anticipated utility tax rebates to other local governments were the more significant expenditures requiring additional budget dollars.

The table below summarizes the City's final budget compared to actual results for the current year.

	General Fund			
	Final Budget	Actual	Variance	% Var.
Revenues				
Property taxes	\$ 10,747,243	\$ 10,618,434	\$ (128,809)	-1%
Other taxes	17,238,800	16,839,965	(398,835)	-2%
Charges for services	6,449,000	6,345,259	(103,741)	-2%
Fines and fees	4,212,000	4,145,086	(66,914)	-2%
Licenses and permits	2,681,500	2,476,742	(204,758)	-8%
Intergovernmental	89,951	91,203	1,252	1%
Investment income	35,000	59,446	24,446	70%
Miscellaneous	1,050,281	1,281,907	231,626	22%
Total Revenues	42,503,775	41,858,042	(645,733)	-2%
Expenditures				
Current				
General government	3,767,280	3,582,290	184,990	5%
Public safety	29,651,480	29,645,807	5,673	0%
Highways and streets	4,180,223	4,122,945	57,278	1%
Sanitation	3,996,399	3,979,436	16,963	0%
Economic development	854,861	801,661	53,200	6%
Culture and recreation	1,383,903	1,214,740	169,163	12%
Capital outlay	537,441	478,287	59,154	11%
Debt Service	188,015	154,942	33,073	18%
Total expenditures	44,559,602	43,980,108	579,494	1%

Significant changes from budget

Revenues

General Fund property taxes were less than budget by \$128,209 or 1%. As previously mentioned, the addition of a 3% allowance for loss to the tax levy resulted in collections approximating budget in spite of increased foreclosures and a depressed housing market. Other taxes were also less than budgeted due to the decline in the economy during the last quarter of the year. In particular, real estate transfer tax collections were only 63% of the budgeted amount – a variance of \$586,000. State sales tax revenues were also 10% less than budget. These negative variances were partially offset by increased municipal utility tax collections.

Charges for services were under budget primarily due to ambulance revenues falling short of budget by about 15%.

Licenses and permits were under budget primarily due to a budgeted increase in passenger vehicle permits that did not occur.

Miscellaneous revenues consist mainly of cable franchise fees, interdepartmental charges and reimbursements. Reimbursements include a variety of items such as reimbursements for damage to City property happening in prior years, reimbursements from homeowners for board up or lawn cutting services, etc.. Reimbursements are unpredictable and difficult to budget and were the primary cause of the positive budget variance for miscellaneous revenues.

Expenditures

The general government function within the General Fund was under budget due to an overall effort to reduce costs. For example, a new position that had been budgeted for in the Information Technology Department was not filled and Human Resource Department staff was reduced.

Public safety expenditures approximated budget. However, Police Department expenditures were less than budgeted by \$265,000 primarily due to some budgeted positions which were not filled and internal service fund charges that were less than budgeted. Internal service fund charges are based on 115% of the prior year's actual expenses of the Internal Service Fund. 2007 expenses in that fund were less than anticipated resulting in actual expenditures in most departments being less than budgeted. These savings were partially reduced by a \$234,000 unanticipated expenditure resulting from unallowable grant costs from prior years that will need to be paid back.

The savings in the Police Department were approximately offset by over budget expenditures in the Fire Department. Fire Department expenditures exceeded budget primarily due to some unbudgeted promotions and other payroll related costs.

Culture and recreation costs were under budget due mostly to salary and benefits being less than budgeted as a result of swimming pools opening a month late due to some repair work.

Capital outlay within the General Fund was under budget due to the postponement of some budgeted capital purchases because of the difficult economic situation. Debt service expenditures were under budget as a result of the timing of some new equipment leases which happened later in the year than originally anticipated.

Capital Asset and Debt Administration

Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2008 with comparative figures for 2007.

City of Berwyn Capital Assets (net of accumulate depreciation)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 9,721,739	\$ 9,234,218	\$ 24,600	\$ 24,600	\$ 9,746,339	\$ 9,258,818
CIP	4,651,020	755,992	-	-	4,651,020	755,992
Buildings	8,564,281	8,534,230	312,483	326,540	8,876,764	8,860,770
Equipment	999,829	887,423	-	-	999,829	887,423
Land improvements	2,269,803	1,269,895	67,655	82,689	2,337,458	1,352,584
Vehicles	2,207,385	2,249,954	68,674	84,630	2,276,059	2,334,584
Infrastructure	30,115,108	31,560,280	37,624,314	41,528,394	67,739,422	73,088,674
Total	<u>\$ 58,529,165</u>	<u>\$ 54,491,992</u>	<u>\$ 38,097,726</u>	<u>\$ 42,046,853</u>	<u>\$ 96,626,891</u>	<u>\$ 96,538,845</u>

The City continued to invest in all categories of capital assets during 2008. A significant amount of construction was undertaken during 2008 with the building of a new 16th Street fire station, construction on a new parking garage in the South Berwyn TIF district, and a Roosevelt Road sewer project. Completion of these projects is expected during 2009. All of these projects are being funded, at least in part, with proceeds from the 2007 bond issue. Additional funding for the fire station and parking garage is from grants.

Some of the other larger additions were: completion of the Windsor Street fire station remodeling, purchase of a street sweeper (\$151,000), alley improvements on Ogden (\$837,000), the purchase of two ambulances (totaling \$195,000), acquisition of three parcels of land (totaling \$487,000), implementation of a new phone system (\$286,000), and median construction on Cermak (\$1.2 million). Other projects begun during 2008 and expected to be completed in 2009 include the implementation of a new 911 phone system and the implementation of an ERP system which includes new general ledger, human resources, utility billing, cash receipting and community development modules.

These increases in capital assets were offset by depreciation charges of \$3,504,000.

There were no additions or deletions within the business-type activities. Additional information on the City's capital assets can be found in Note III.C. in the notes to the financial statements of this report.

Significant change – Long-term debt

The changes to the City's long-term obligations are summarized below.

	Governmental activities		Business-type activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 86,468,157	\$ 86,297,397	\$ -	\$ -	\$ 86,468,157	\$ 86,297,397
Installment notes payable	2,014,738	2,244,258	-	-	2,014,738	2,244,258
Unamortized premiums	2,114,809	2,420,729	-	-	2,114,809	2,420,729
Unamortized loss on refunding	(1,534,191)	(1,587,340)	-	-	(1,534,191)	(1,587,340)
Capital Leases	537,770	318,877	-	-	537,770	318,877
Claims Payable	3,700,324	2,856,475	-	-	3,700,324	2,856,475
Net pension obligation	50,553	161,158	-	-	50,553	161,158
Net OPEB Obligation	732,617	337,575	-	-	732,617	337,575
IMRF early retirement liability	928,763	994,173	-	-	928,763	994,173
Grant refunds	883,266	-	-	-	883,266	-
Compensated absences	2,357,805	2,289,082	32,264	28,325	2,390,069	2,317,407
Total	\$ 98,254,611	\$ 96,332,384	\$ 32,264	\$ 28,325	\$ 98,286,875	\$ 96,360,709

During 2008, the City was able to maintain its uninsured bond rating of A-. However, all of the City's outstanding debt is insured with an AAA rating.

During 2008, the City continued the restructuring of its outstanding general obligation debt which was begun in 2007. The City issued \$7.83 million of General Obligation Bonds, Series 2008 to partially refund the City's Initially Taxable Convertible General Obligation Refunding Bonds, Series 1998. The effect of the refunding was to allow for the repayment by the Debt Service Fund of a short term loan from the Water and Sewer Fund and to eliminate the negative fund balance that existed in the Debt Service Fund. The details of this refunding along with additional information on the City's long-term debt can be found in Note III.E in the notes to financial statements.

Total long term debt increased during 2008 primarily as a result of the following four factors: 1. additional capital leases entered into to finance the purchase of a street sweeper and two ambulances; 2. an increase in liability claims payable; 3. an increase in the actuarially determined net Other Post Employment Benefit (OPEB) obligation; and 4. a determination that prior year grant funds would need to be returned to the granting agency.

Economic Factors and Next Year's Budgets and Rates

Economic conditions in the country and in Illinois, in particular, will present a challenge for the City in 2009. Some of the City's most significant revenues including income tax and state and home rule sales tax are expected to decline during 2009. In particular, the recent closing of a large retailer and an automobile dealership in the City will impact sales tax revenue. At the same time, there will be some significant cost increases related to health care benefits which will increase by 19% beginning in May of 2009. Also, the large increase in insurance claims recorded in the internal service fund during 2008 will impact general fund expenditures in 2009 since it is the City's policy to provide funding to our internal service fund based on 115% of the prior year expenditures of that fund.

In spite of a troublesome economic outlook, the City is well positioned to continue the capital projects currently underway and to increase economic development efforts. A 378 car parking structure that includes retail space is scheduled for completion in the fall of 2009. Funding is available from the 2007 bond issue and several grants. In 2009, the City transferred property to the developer upon completion of construction of a mixed use site with 15,000 square feet of retail space and 52 condominiums in the South Berwyn TIF district. The City also transferred property in the Cermak TIF to a developer that is undertaking a \$1.4 million renovation. The remaining site is expected to be purchased for \$1.4 million later in 2009, and a 31,000 square foot medical office building will be constructed.

In May of 2009, a new mayor and city council took office. A number of changes were immediately instituted which will positively impact the 2009 budget including the elimination of the Community Outreach department and elimination of funding of the Regional Housing Authority. Also, a full time professional city administrator has been hired to manage the daily operations of the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Berwyn's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Berwyn Finance Director, 6700 W. 26th Street, Berwyn, Illinois 60402.

CITY OF BERWYN, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Corporation
ASSETS				
Cash and investments	\$ 31,216,783	\$ 749,645	\$ 31,966,428	\$ 771,436
Restricted cash	1,376,164	-	1,376,164	258,281
Receivables, net of allowance where applicable				
Property tax	19,130,765	-	19,130,765	-
Sales tax	634,183	-	634,183	-
Home rule sales tax	482,307	-	482,307	-
Income tax	844,472	-	844,472	-
Utility tax	764,758	-	764,758	-
Accounts	1,879,012	1,113,685	2,992,697	29,976
Interest	559	-	559	-
Prepaid expenses	16,627	-	16,627	7,391
Due (to) from other funds	(3,448,722)	3,448,722	-	-
Due (to) from fiduciary funds	(65,179)	-	(65,179)	-
Due from other governments	1,763,384	-	1,763,384	-
Notes receivable	2,654,995	-	2,654,995	2,661,822
Deferred charges	1,274,701	-	1,274,701	-
Net pension asset	54,678	-	54,678	-
Land held for resale	6,210,311	-	6,210,311	-
Capital assets, not being depreciated	14,372,759	24,600	14,397,359	-
Capital assets, being depreciated (net of accumulated depreciation)	44,156,406	38,073,126	82,229,532	65,467
Total Assets	<u>123,318,963</u>	<u>43,409,778</u>	<u>166,728,741</u>	<u>3,794,373</u>
LIABILITIES				
Accounts payable	2,581,872	402,717	2,984,589	51,072
Accrued payroll	949,376	39,602	988,978	-
Accrued interest payable	435,320	-	435,320	-
Unearned revenue	20,124,014	-	20,124,014	-
Other liabilities	244,947	-	244,947	258,281
Noncurrent liabilities				
Due within one year	3,798,937	9,123	3,808,060	2,103,531
Due in more than one year	94,455,675	23,141	94,478,816	350,589
Total Liabilities	<u>122,590,141</u>	<u>474,583</u>	<u>123,064,724</u>	<u>2,763,473</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,546,131	38,097,726	41,643,857	65,467
Restricted for				
Public safety	858,401	-	858,401	-
Public works	754,455	-	754,455	-
Economic development	11,583,679	-	11,583,679	83,851
Unrestricted (deficit)	<u>(16,013,844)</u>	<u>4,837,469</u>	<u>(11,176,375)</u>	<u>881,582</u>
TOTAL NET ASSETS	<u>\$ 728,822</u>	<u>\$ 42,935,195</u>	<u>\$ 43,664,017</u>	<u>\$ 1,030,900</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2008

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Assets							Component Unit Berwyn Development Corporation
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental Activities								
General government	\$ 3,704,316	\$ 2,338,313	\$ -	\$ -	\$ (1,366,003)	\$ -	\$ (1,366,003)	\$ -
Public safety	32,691,594	5,285,205	842,848	1,171,521	(25,392,020)	-	(25,392,020)	-
Public works	8,834,260	1,273,465	1,587,463	-	(5,973,332)	-	(5,973,332)	-
Economic development	4,422,771	-	1,645,147	-	(2,777,624)	-	(2,777,624)	-
Culture and recreation	4,482,379	785,325	71,647	14,415	(3,610,992)	-	(3,610,992)	-
Health and sanitation	3,979,436	4,284,901	-	-	305,465	-	305,465	-
Interest	4,605,725	-	-	-	(4,605,725)	-	(4,605,725)	-
Total Governmental Activities	<u>62,720,481</u>	<u>13,967,209</u>	<u>4,147,105</u>	<u>1,185,936</u>	<u>(43,420,231)</u>	<u>-</u>	<u>(43,420,231)</u>	<u>-</u>
Business-Type Activities								
Water and sewer	<u>9,219,236</u>	<u>5,285,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,933,380)</u>	<u>(3,933,380)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 71,939,717</u>	<u>\$ 19,253,065</u>	<u>\$ 4,147,105</u>	<u>\$ 1,185,936</u>	<u>(43,420,231)</u>	<u>(3,933,380)</u>	<u>(47,353,611)</u>	<u>-</u>
COMPONENT UNIT								
Berwyn Development Corporation	<u>\$ 1,414,408</u>	<u>\$ 1,402,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,633)</u>
General Revenues								
Taxes								
Property					24,009,284	-	24,009,284	-
Sales					2,723,620	-	2,723,620	-
Home rule sales					2,000,041	-	2,000,041	-
Income					5,924,698	-	5,924,698	-
Replacement					254,006	-	254,006	-
Municipal utility					4,548,527	-	4,548,527	-
Real estate transfer					989,133	-	989,133	-
Other					810,657	-	810,657	-
Investment income					863,193	50,089	913,282	-
Gain on sale of capital assets					150,000	-	150,000	-
Miscellaneous					77,446	-	77,446	-
Total General Revenues					<u>42,350,605</u>	<u>50,089</u>	<u>42,400,694</u>	<u>-</u>
CHANGE IN NET ASSETS					(1,069,626)	(3,883,291)	(4,952,917)	(11,633)
NET ASSETS, JANUARY 1, RESTATED					<u>1,798,448</u>	<u>46,818,486</u>	<u>48,616,934</u>	<u>1,042,533</u>
NET ASSETS, DECEMBER 31					<u>\$ 728,822</u>	<u>\$ 42,935,195</u>	<u>\$ 43,664,017</u>	<u>\$ 1,030,900</u>

CITY OF BERWYN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2008

	<u>General</u>	<u>Cermak Road TIF</u>	<u>Debt Service</u>	<u>2007 Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 563,901	\$ 4,411,472	\$ 122,644	\$ 17,955,091	\$ 7,193,208	\$ 30,246,316
Restricted cash	-	-	1,376,164	-	-	1,376,164
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	12,537,915	47,699	3,958,732	-	2,586,419	19,130,765
Sales taxes	634,183	-	-	-	-	634,183
Home rule sales tax	482,307	-	-	-	-	482,307
Income taxes	844,472	-	-	-	-	844,472
Utility tax	764,758	-	-	-	-	764,758
Accounts	1,854,312	5,503	-	13,583	5,614	1,879,012
Interest	242	34	-	-	283	559
Prepaid items	6,779	-	-	-	9,848	16,627
Due from other funds	10,251	-	-	-	-	10,251
Due from other governments	45,601	-	-	755,850	961,933	1,763,384
Notes receivable	575,660	-	-	-	2,079,335	2,654,995
Advances to other funds	-	650,000	-	-	-	650,000
Land held for resale	-	4,270,804	-	-	1,939,507	6,210,311
Total Assets	<u>\$ 18,320,381</u>	<u>\$ 9,385,512</u>	<u>\$ 5,457,540</u>	<u>\$ 18,724,524</u>	<u>\$ 14,776,147</u>	<u>\$ 66,664,104</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,044,550	\$ 45,056	\$ -	\$ 821,495	\$ 670,771	\$ 2,581,872
Accrued payroll	1,426,175	-	-	-	100,662	1,526,837
Deferred revenues	12,380,790	-	3,871,319	755,850	4,111,320	21,119,279
Due to other funds	2,776,497	-	-	-	682,476	3,458,973
Due to fiduciary funds	65,179	-	-	-	-	65,179
Other liabilities	478,947	-	-	-	-	478,947
Advances from other funds	-	-	-	-	650,000	650,000
Total Liabilities	<u>18,172,138</u>	<u>45,056</u>	<u>3,871,319</u>	<u>1,577,345</u>	<u>6,215,229</u>	<u>29,881,087</u>
FUND BALANCES						
Reserved						
Notes receivable	575,660	-	-	-	-	575,660
Advances	-	650,000	-	-	-	650,000
Prepaid items	6,779	-	-	-	-	6,779
Land held for resale	-	4,270,804	-	-	-	4,270,804
Public safety	-	-	-	-	803,723	803,723
Public works	-	-	-	-	754,455	754,455
Economic development	-	4,419,652	-	-	7,164,027	11,583,679
Capitalized interest	-	-	1,376,164	-	-	1,376,164
Unreserved (deficit)						
General Fund	(434,196)	-	-	-	-	(434,196)
Special Revenue Funds	-	-	-	-	(189,840)	(189,840)
Debt Service Fund	-	-	210,057	-	-	210,057
Capital Projects Funds	-	-	-	17,147,179	28,553	17,175,732
Total Fund Balances	<u>148,243</u>	<u>9,340,456</u>	<u>1,586,221</u>	<u>17,147,179</u>	<u>8,560,918</u>	<u>36,783,017</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,320,381</u>	<u>\$ 9,385,512</u>	<u>\$ 5,457,540</u>	<u>\$ 18,724,524</u>	<u>\$ 14,776,147</u>	<u>\$ 66,664,104</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

December 31, 2008

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	36,783,017
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		58,529,165
Some receivables that are not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements		995,265
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds		54,678
The net other post employment benefits obligation is not a current use of funds and, therefore, is not reported in the governmental funds		(732,617)
The net pension obligation is not a current use of funds and, therefore, is not reported in the governmental funds		(50,553)
The unamortized bond issuance cost is not a current financial resource and therefore, is not reported in the governmental funds		1,274,701
The unamortized bond premium (discount) is not a current financial resource and, therefore, is not reported in the governmental funds		(2,114,809)
The unamortized loss on refunding is not a current financial use of funds and, therefore, is not reported in the governmental funds		1,534,191
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds		(435,320)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		(92,379,038)
The unrestricted net assets (deficit) of the internal service funds are included in the governmental activities in the statement of net assets		<u>(2,729,858)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>728,822</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	<u>General</u>	<u>Cermak Road TIF</u>	<u>Debt Service</u>	<u>2007 Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Property taxes	\$ 10,618,434	\$ 1,708,605	\$ 6,348,299	\$ -	\$ 5,333,946	\$ 24,009,284
Other taxes	16,839,965	-	-	-	20,628	16,860,593
Licenses and permits	2,476,742	-	-	-	-	2,476,742
Charges for services	6,345,259	-	-	-	23,371	6,368,630
Fines and forfeitures	4,145,086	-	-	-	34,891	4,179,977
Intergovernmental	91,203	-	-	259,789	4,259,064	4,610,056
Investment income	59,446	160,142	21,353	419,099	210,524	870,564
Miscellaneous	1,281,907	-	-	-	70,120	1,352,027
Total Revenues	<u>41,858,042</u>	<u>1,868,747</u>	<u>6,369,652</u>	<u>678,888</u>	<u>9,952,544</u>	<u>60,727,873</u>
EXPENDITURES						
Current						
General government	3,582,290	-	-	-	-	3,582,290
Public safety	29,645,807	-	-	-	559,959	30,205,766
Public works	4,122,945	-	-	-	1,764,979	5,887,924
Economic development	801,661	2,053,750	-	-	3,519,517	6,374,928
Culture and recreation	1,214,740	-	-	-	2,845,915	4,060,655
Health and sanitation	3,979,436	-	-	-	-	3,979,436
Capital outlay	478,287	-	-	4,770,597	665,261	5,914,145
Debt service						
Principal	126,438	-	580,000	-	229,520	935,958
Interest and fiscal charges	28,504	-	4,090,555	-	227,031	4,346,090
Bond issuance costs	-	-	379,643	-	-	379,643
Total Expenditures	<u>43,980,108</u>	<u>2,053,750</u>	<u>5,050,198</u>	<u>4,770,597</u>	<u>9,812,182</u>	<u>65,666,835</u>
Excess (deficiency) of revenues over expenditures	<u>(2,122,066)</u>	<u>(185,003)</u>	<u>1,319,454</u>	<u>(4,091,709)</u>	<u>140,362</u>	<u>(4,938,962)</u>
OTHER FINANCING SOURCES (USES)						
Bonds issued, at par	-	-	7,830,000	-	-	7,830,000
Premium on issuance of long-term debt	-	-	(64,086)	-	-	(64,086)
Payment to escrow agent	-	-	(7,379,125)	-	-	(7,379,125)
Sale of capital assets	150,000	-	-	-	-	150,000
Proceeds on capital lease	345,930	-	-	-	-	345,930
Transfers in	1,307,707	-	1,199,885	-	245,000	2,752,592
Transfers (out)	<u>(245,000)</u>	<u>-</u>	<u>-</u>	<u>(476,947)</u>	<u>(2,030,645)</u>	<u>(2,752,592)</u>
Total Other Financing Sources (Uses)	<u>1,558,637</u>	<u>-</u>	<u>1,586,674</u>	<u>(476,947)</u>	<u>(1,785,645)</u>	<u>882,719</u>
NET CHANGE IN FUND BALANCES	(563,429)	(185,003)	2,906,128	(4,568,656)	(1,645,283)	(4,056,243)
FUND BALANCES, JANUARY 1 (as restated)	<u>711,672</u>	<u>9,525,459</u>	<u>(1,319,907)</u>	<u>21,715,835</u>	<u>10,206,201</u>	<u>40,839,260</u>
FUND BALANCES, DECEMBER 31	<u>\$ 148,243</u>	<u>\$ 9,340,456</u>	<u>\$ 1,586,221</u>	<u>\$ 17,147,179</u>	<u>\$ 8,560,918</u>	<u>\$ 36,783,017</u>

See accompanying notes to financial statements.

CITY OF BERWYN, 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, 2008

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,056,243)
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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	7,588,726
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	(47,409)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(8,111,844)
The accretion on capital appreciation bonds does not require the use of current financial resources and, therefore, is not reported in the governmental funds	(90,760)
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	8,106,557
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(3,504,145)
Other post employment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements	(395,042)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	770,265
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Change in pension obligation	54,009
Change in accrued interest payable	(59,389)
Amortization of discount and issuance costs	(89,643)
Capitalization of issuance costs	379,643
Amortization of accounting loss on refunding	(261,944)
Capitalization of accounting loss on refunding	208,795
Amortization of bond premium	241,834
Change in compensated absences	(69,373)
Change in long-term portion of prior year unallowable costs	(649,266)
Change in IMRF liability	65,410
The change in net assets of certain activities of internal service funds is reported with governmental activities	<u>(1,149,807)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,069,626)</u>
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See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

December 31, 2008

	<u>Business-Type Water and Sewer</u>	<u>Governmental Activities Internal Service</u>
CURRENT ASSETS		
Cash and investments	\$ 749,645	\$ 970,467
Receivables		
Accounts (net of allowance)	1,113,685	-
Due from other funds	<u>3,448,722</u>	<u>-</u>
Total Current Assets	<u>5,312,052</u>	<u>970,467</u>
NONCURRENT ASSETS		
Capital assets		
Capital assets, not being depreciated	24,600	-
Capital assets, net of accumulated depreciation	<u>38,073,126</u>	<u>-</u>
Net Capital Assets	<u>38,097,726</u>	<u>-</u>
Total Assets	<u>43,409,778</u>	<u>970,467</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	402,717	-
Claims payable	-	560,194
Accrued payroll	39,602	-
Compensated absences	<u>9,123</u>	<u>-</u>
Total Current Liabilities	<u>451,442</u>	<u>560,194</u>
LONG-TERM LIABILITIES		
Claims payable	-	3,140,131
Compensated absences payable	<u>23,141</u>	<u>-</u>
Total Long-Term Liabilities	<u>23,141</u>	<u>3,140,131</u>
Total Liabilities	<u>474,583</u>	<u>3,700,325</u>
NET ASSETS		
Invested in capital assets	38,097,726	-
Unrestricted (deficit)	<u>4,837,469</u>	<u>(2,729,858)</u>
Total Net Assets (Deficit)	<u>\$ 42,935,195</u>	<u>\$ (2,729,858)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Business-Type Water and Sewer	Governmental Activities Internal Service
	<u> </u>	<u> </u>
OPERATING REVENUES		
Charges for services		
Billings	\$ 5,014,987	\$ -
Penalties	204,461	-
Plumbing inspections	39,819	-
Water and sewer taps	14,500	-
Internal service charges	-	2,745,990
Other revenue	<u>12,089</u>	<u>-</u>
 Total Operating Revenues	 <u>5,285,856</u>	 <u>2,745,990</u>
OPERATING EXPENSES		
Salaries and benefits	942,927	-
Internal service fund charge	217,214	-
Cost of water	3,049,610	-
Contractual services	77,180	621,637
Utilities and cost of water	188,592	-
Repairs and maintenance	201,416	-
Postage, printing and publications	59,159	-
Commodities and supplies	68,572	-
Interdepartmental charges	465,439	-
Claims expense	-	3,276,875
Depreciation	<u>3,949,127</u>	<u>-</u>
 Total Operating Expenses	 <u>9,219,236</u>	 <u>3,898,512</u>
 Operating income (loss)	 (3,933,380)	 (1,152,522)
NONOPERATING INCOME		
Investment income	<u>50,089</u>	<u>2,715</u>
 CHANGE IN NET ASSETS	 (3,883,291)	 (1,149,807)
NET ASSETS (DEFICIT), JANUARY 1 as restated	<u>46,818,486</u>	<u>(1,580,051)</u>
 NET ASSETS (DEFICIT), DECEMBER 31	 <u>\$ 42,935,195</u>	 <u>\$ (2,729,858)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2008

	Business-Type Water and Sewer	Governmental Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 4,911,846	\$ 2,745,990
Payments to suppliers	(3,576,001)	(3,054,662)
Payments to employees	(935,809)	-
Payments for interfund services used	(682,653)	-
	<u>(282,617)</u>	<u>(308,672)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Reduction of interfund receivable	175,969	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
none	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	<u>52,989</u>	<u>4,595</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(53,659)	(304,077)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>803,304</u>	<u>1,274,544</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 749,645</u>	<u>\$ 970,467</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (3,933,380)	\$ (1,152,522)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation	3,949,127	-
Changes in assets and liabilities		
Accounts receivable	(374,010)	-
Accounts payable	68,528	-
Accrued payroll and compensated absences	7,118	-
Claims payable	-	843,850
	<u>(282,617)</u>	<u>(308,672)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (282,617)</u>	<u>\$ (308,672)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

December 31, 2008

ASSETS

Cash and investments	
Cash and cash equivalents	\$ 182,562
Investments	
Certificates of deposit	3,127,847
U.S. Treasury securities	7,568,003
U.S. Agency securities	14,158,835
Money market mutual funds	3,141,803
Equities	3,041,299
Equity mutual funds	14,297,157
Insurance contracts	63,369
State and local obligations	538,454
Corporate bonds	<u>962,481</u>
 Total Cash and Investments	 <u>47,081,810</u>

Receivables	
Accrued interest	264,056
Due from governmental funds	<u>65,179</u>
 Total Receivables	 <u>329,235</u>

Total Assets	<u>47,411,045</u>
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LIABILITIES

Accounts payable	<u>11,130</u>
 Total Liabilities	 <u>11,129</u>

**NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS**

	<u>\$ 47,399,916</u>
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See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

ADDITIONS

Contributions	
Employer	\$ 3,946,166
Participants	1,431,645
Total Contributions	<u>5,377,811</u>
Investment income	
Net appreciation in fair value of investments	(7,632,202)
Interest earned	2,260,656
Less investment expenses	<u>(169,110)</u>
Total Investment Income	<u>(5,540,656)</u>
Total Additions	<u>(162,845)</u>

DEDUCTIONS

Administrative	64,488
Pension benefits and refunds	<u>4,922,819</u>
Total Deductions	<u>4,987,307</u>

NET INCREASE (DECREASE) (5,150,152)

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS - January 1 52,550,068

**NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS - December 31** \$ 47,399,916

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Berwyn, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. 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, Berwyn Public Library's (the Library), and Berwyn Development Corporation's (the BDC) accounting policies are described below.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units.

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

Police Pension Fund

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all 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 contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees, and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

Firefighters' Pension Fund

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The City's Mayor, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and elected fire employees constitute the pension board. The City and FPERS participants are obligated to fund all 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. Although it possesses many of the characteristics of a legally separate government, the FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters and because of the fiduciary nature of such activities. The FPERS is reported as a pension trust fund.

The City's financial statements also include two component units.

Discretely Presented Component Unit

Berwyn Development Corporation (the BDC)

The BDC provides low-interest lending assistance to local business. The City guarantees the lines of credits used to fund these loans and approves all loans to local businesses. Therefore, the BDC is fiscally dependent on the City. In addition, the BDC manages loans provided directly by the City to local business and also manages the City's tax increment financing projects.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (continued)

Blended Component Unit

Berwyn Public Library (the Library)

The Library's board consists of seven individuals appointed by the Mayor and approved by the City Council, none of which are members of the City's governing body. The Library's budget is subject to the approval of the City's governing body. In addition, the taxing authority and issuance of debt is also subject to the approval of the City's governing body. Additionally, the activities of the Library are open to all citizens and benefit the citizens of the City.

B. Fund Accounting

The City uses funds to report on its financial position, changes in financial position, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of governmental long-term debt (debt service funds).

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 to 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).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used between funds has not been eliminated in the process of consolidation. 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, segment or program 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 and 2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not included among program revenues but are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

Cermak Road Tax Increment Financing (TIF) Fund is used for the revenues and expenditures related to tax increment financing of Cermak Road projects.

Debt Service Fund is used to account for the payment of governmental long-term debt, other than debt service payments made by the proprietary funds.

2007 Bond Fund is used to account for the capital portions of the 2007 Bonds to be used for capital project purposes.

The City reports the following fiduciary funds:

The City reports Pension Trust Funds as fiduciary funds to account for the Firefighters' Pension Fund and the Police Pension Fund.

The City reports the following proprietary funds:

The Water and Sewer Fund, an enterprise fund, is used for water and sewer services to the residents of the City.

The Self Insurance Retention Fund, an internal service fund, is used to account for the liability and workers' compensation claims of the City.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 90 days. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the City also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The City reports unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" or "earned" criteria for recognition in the current period. Unearned/deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/deferred revenue is removed from the financial statements and revenue is recognized.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

E. Cash and Investments

For purposes of the statement of cash flows, the City's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit 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 based on prices listed on national exchanges as of December 31, 2008 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of December 31, 2008.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements. Short-term interfund loans, if any, are classified as “interfund receivables/payables.”

Internal service transactions are accounted for as revenues, expenditures or expenses. 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, except internal services transactions and reimbursements, are reported as transfers.

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

H. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 - 20 years
Equipment	5 - 15 years
Land improvements	18 - 25 years
Buildings	15 - 50 years
Infrastructure	17 - 75 years

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

Under terms of employment and various union contracts, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Vacation time does not accumulate; any vacation time not taken by current employees is forfeited at year end. Upon termination or resignation during the year, employees are compensated for that year's earned vacation time. As such, no liability is reported for unused vacation time.

Employees earn sick leave at various rates. Any unused sick leave at year end accumulates in that employee's bank. Employees' banks are capped at 30 - 40 days, depending on the applicable contract. After year end, any days in excess of the cap are purchased back by the City. Upon retirement, certain employees are eligible to have their sick leave paid out. Upon termination or resignation, no compensation for unused sick leave is made. However, unused sick leave may be converted to years of service for IMRF purposes. The City has accrued all accumulated sick leave as a liability in the government-wide financial statements. Only the portion of sick leave purchased back in the following year is accrued within the fund statements. At December 31, 2008, the City reported \$577,461 within its General Fund and \$9,123 within its Water and Sewer Fund related to sick leave purchased back in 2009.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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 financial statements. Bond premiums and discounts, as well as issuance costs and losses on refundings, are deferred and amortized over the life of the bonds on the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Unamortized bond issuance costs are reported as deferred charges and losses on refunding.

In the fund financial statements, governmental funds 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 expenditures.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Net assets have not been restricted by enabling legislation adopted by the City. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

M. GASB Pronouncements

The City has elected, under the provisions of GASB Statement 20, titled "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

N. Restricted Cash

Certain proceeds from the City's 2007 general obligation bond issue are classified as restricted cash on the balance sheet because their use is limited by applicable bond covenants. The restricted cash is to be used to make future interest payments as follows:

Payment Date	Amount
6/1/2009	\$ 472,726
12/1/2009	472,727
6/1/2010	430,711
	<u>\$ 1,376,164</u>

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balances

The City's Internal Service Fund had deficit net assets as of December 31, 2008 of \$2,729,858. This deficit is primarily due to the accrual of claims payable not expected to be paid out in 2009. The City has adopted a funding policy to eliminate this deficit over time.

The Grant Fund had a deficit fund balance of \$239,415 due to state grant funding uncertainty. It is anticipated that the deficit will be funded in 2009.

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

City Deposits and Investments

The City's cash and investments (including pension funds) at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 15,469,273	\$ 16,540,403	Custodial credit deposits
Illinois Funds	18,186,400	18,186,400	Credit and interest rate
Certificates of deposit	2,996,620	2,996,620	Custodial credit deposits Custodial credit investments
US Treasuries	7,631,951	7,631,951	and interest rate risk Custodial credit investments, credit, concentration of credit
US Agencies	14,094,887	14,094,887	and interest rate risk
Insurance company contracts	64,059	63,371	
Money market	1,637,422	1,637,422	Credit and interest rate
Equities	9,953,424	9,953,424	Credit and interest rate
Corporate bonds	962,481	962,481	Credit and interest rate
State and local obligations	538,454	538,454	Credit and interest rate
Money market mutual funds	8,889,432	8,889,432	Credit and interest rate
Total cash and investments	<u>\$ 80,424,403</u>	<u>\$ 81,494,845</u>	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 31,966,428		
Restricted cash	\$ 1,376,164		
Per statement of net assets - Fiduciary Funds			
Pension Trust Funds	47,081,811		
Total cash and investments	<u>\$ 80,424,403</u>		

The City's investment policy authorizes the City to 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 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, and Illinois Funds. Pension funds may also invest in 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.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold.

It is the policy of the City 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 City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

City Deposits and Investments (Continued)

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it.

The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held at an independent third-party institution in the name of the City. As of December 31, 2008, \$4,955,696 of the City's bank balances remained uninsured and uncollateralized.

Investments - 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 investments or collateral securities that are in the possession of an outside party.

To limit its exposure, the City'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 custodian designated by the City, in the City's name. As of December 31, 2008, none of the City's investments were exposed to custodial credit risk as related to investments as all investments were uninsured, registered in the name of the City, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the City's name.

Credit Risk

Credit Risk – is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The City 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 external investment pools. Illinois Funds is rated AAA.

Interest Rate Risk

As of December 31, 2008, the City's investments matured as follows:

<u>Investment Type</u>	<u>Maturity Date</u>	<u>Fair Value</u>
Illinois Funds	less than 1 year	<u>\$ 18,186,400</u>

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

Concentration of Credit Risk

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. At December 31, 2008, the City had greater than five percent of its overall portfolio invested in Illinois Funds. The City's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Police Pension Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. Agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. Agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock and the Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Custodial Credit Risk

The Fund's investment policy requires pledging of collateral for all deposits in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds. At December 31, 2008, the deposits were collateralized in accordance with the investment policy.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. Money market mutual funds and equity mutual funds are not subject of custodial credit risk. To limit its exposure, the Police Pension Fund's investment policy requires the investment broker/custodian to acquire an excess SIPC policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Police Pension Fund's investment policy, the Police Pension Fund is required to maintain sufficient cash on hand to pay the monthly expenditures. The investment policy defines this as approximately 3% of the total assets of the Police Pension Fund, which is \$914,233, or a minimum of \$600,000.

As of December 31, 2008, the Police Pension Fund's investments matured as follows:

Investment Type	Fair Value	Maturity in years			
		Less than 1	1 - 5	6 - 10	Over 10
US Treasuries	\$ 6,767,556	\$ -	\$ 1,421,916	\$ 3,002,401	\$ 2,343,239
US Agencies	10,479,975	1,001,879	3,926,074	3,047,438	2,504,584
State, Local & Corporate	1,500,935	-	1,273,536	-	227,399
Money market mutual funds	<u>1,504,399</u>	<u>1,504,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 20,252,865</u>	<u>\$ 2,506,278</u>	<u>\$ 6,621,526</u>	<u>\$ 6,049,839</u>	<u>\$ 5,075,222</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Police Pension Deposits and Investments (Continued)

Credit Risk

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the U.S. Government and/or its agencies that are implicitly guaranteed by the U.S. Government. The investments in the securities of U.S. Government Agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated. Unrated investments individually are under \$400,000 and total \$1,769,930.

The Police Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Concentration of Credit Risk

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of their investments invested in one type of investment. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation. At December 31, 2008, the Police Pension Fund had greater than five percent of its overall portfolio invested in the following:

Investment	Amount invested	Percentage of total portfolio
Federal Home Loan Mortgage Corp	\$ 3,909,423	12.94%
Federal National Mortgage Bank	3,942,894	13.05%

The Police Pension Fund's investment policy requires diversification of investments to avoid unreasonable risk. The Police Pension Fund's investment policy has a stated target that 54% of its portfolio be in fixed income securities, 41% target in equities with the remaining 5% cash and equivalents. The Police Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

Washington Large Cap Value Fund - \$2,531,016
Allianz Small Cap Value Fund - \$1,605,016
iShares TR Index Fund - \$1,390,660
Harbor Int'l Fund - \$1,384,642
Putnam Capital Manager Insurance Contract - \$4,917

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Firefighters' Pension Deposits and Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments 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 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 and the Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value). The Firefighters' Pension Fund's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the Firefighters' Pension Fund 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 Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Custodial Credit Risk

At December 31, 2008, \$29,980 in deposits was uninsured and uncollateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension 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 Firefighters' Pension Fund's investment policy requires all investments be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries, and advisors and soundly diversified.

Interest Rate Risk

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

As of December 31, 2008, the Firefighters' Pension Fund's investments matured as follows:

Investment Type	Fair Value	Maturity in years			
		Less than 1	1 - 5	6 - 10	Over 10
US Treasuries	\$ 800,447	\$ 101,953	\$ 325,758	\$ 372,736	\$ -
Certificates of deposit	2,996,620	936,601	1,819,060	240,959	-
US Agencies	3,678,860	302,439	1,170,108	575,202	1,631,111
Annuities - life ins	58,453	58,453	-	-	-
Money market mutual funds	1,637,404	1,637,404	-	-	-
Total	\$ 9,171,784	\$ 3,036,850	\$ 3,314,926	\$ 1,188,897	\$ 1,631,111

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Firefighters' Pension Deposits and Investments (Continued)

Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Firefighters' Pension Fund's investment policy does not address this issue. The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of their investments invested in one type of investment. At December 31, 2008, the Firefighters' Pension Fund had greater than five percent of its overall portfolio invested in the Goldman Sachs Financial Square U.S. Treasury Fund, the Vanguard Institutional Index #94 Fund and the Vanguard GNMA Fund. The Firefighters' Pension Fund investment policy has stated the following allocations for its investments:

Investment	Minimum	Maximum
Money markets	0%	10%
GNMA's	10%	40%
CD's	5%	40%
Agencies/Treasuries	10%	40%
Equity based mutual funds	20%	45%
Other investments	0%	10%

B. Receivables

Property Taxes

Property taxes for 2008 attach as an enforceable lien on January 1, 2008 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about March 1, 2009 and October 1, 2009 and are payable in two installments, on or about April 1, 2009 and November 1, 2009. The County collects such taxes and remits them periodically.

CDBG Rehabilitation Notes Receivable

The City makes loans to city residents for the rehabilitation of single-family housing. Initial funding for these loans was from Community Development Block Grant (CDBG) funds. These loans are title transfer loans which are due in full when the housing unit is sold. Repayments of principal on these receivables, which are recorded in the CDBG Fund, are used to make additional rehabilitation loans. Loan activity for the current year is summarized as follows:

	Interest Rates	Beginning Balance	Loans Made	Repayments	Loan Write-offs	Ending Balance
CDBG Rehab Loans	0%	\$ 1,377,630	\$ -	\$ 23,295	\$ -	\$ 1,354,335

The entire balance of the CDBG Rehab loans are included in unearned revenue.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Berwyn Development Corporation Notes Receivable

The City provides low interest lending assistance to local businesses through its partnership with the BDC. The loans are administered by the BDC. Notes outstanding at December 31, 2008 are as follows:

<u>Original Loan</u>	<u>Beginning Balance</u>	<u>Loans Issued</u>	<u>Principal Paid</u>	<u>Ending Balance</u>	<u>Current Portion</u>
\$ 100,000	\$ 13,563	\$ -	\$ 13,563	\$ -	\$ -
320,000	198,913	-	14,822	184,091	18,149
35,000	30,406	-	6,251	24,155	5,000
390,000	348,437	-	12,340	336,097	14,747
45,000	40,727	-	9,410	31,317	8,435
<u>\$ 890,000</u>	<u>\$ 632,046</u>	<u>\$ -</u>	<u>\$ 56,386</u>	<u>\$ 575,660</u>	<u>\$ 46,331</u>

\$100,000 note receivable in 120 consecutive monthly principal and interest payments of \$957 commencing January 1, 1999. Interest is calculated on unpaid balances at a variable rate of prime minus 1% adjusted each December 1.

\$320,000 note receivable in 180 consecutive principal and interest payments commencing July 20, 2001. Interest is calculated on unpaid balances at 3.5% per annum.

\$35,000 note receivable in 83 consecutive payments of \$417 commencing May 31, 2007 and one final payment of all outstanding liabilities on May 1, 2011. Interest accrues on unpaid balances at a variable rate of prime plus 2% adjusted each December 1.

\$390,000 note receivable in 152 consecutive payments commencing November 1, 2006 through June 1, 2019. Interest accrues on unpaid balances at a variable rate adjusted each December 1. As of year end the interest rate on this note was 10% per annum.

\$45,000 note receivable in 60 consecutive principal and interest payments of \$829 commencing August 18, 2007 and one final payment of all outstanding liabilities on July 18, 2012. Interest accrues on unpaid balances at a 4% per annum.

Roosevelt Road TIF Note Receivable

In October, 2005, the City entered into an agreement with a developer to construct a condominium development in the Roosevelt Road TIF district. Funding for the developer's purchase of the property was provided by the TIF in exchange for a non-interest bearing note from the developer in the amount of \$725,000 secured by a mortgage on the property. Upon completion of construction, the City would execute a partial release of mortgage for each condominium unit that was sold and closed. As of December 31, 2008, no units have been sold and closed, so the balance of the note receivable remains at \$725,000.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Accounts Receivable

The accounts receivable as disclosed on the government-wide financial statements were comprised of the following:

Description	Governmental Activities	Business-Type Activities
Ambulance	\$ 2,854,431	\$ -
Utility billings	-	1,171,027
Allowance for uncollectible	(1,722,614)	(57,342)
Garbage	385,478	-
Franchise fee	86,978	-
Other	274,739	-
Total	<u>\$ 1,879,012</u>	<u>\$ 1,113,685</u>

Deferred/Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used 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. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Description	Unavailable	Unearned	Total Deferred
Subsequent year's tax levy	\$ -	\$ 18,749,421	\$ 18,749,421
CDBG loan program	-	1,354,335	1,354,335
Grants	995,265	20,258	1,015,523
Total	<u>\$ 995,265</u>	<u>\$ 20,124,014</u>	<u>\$ 21,119,279</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

Primary Government	Balance January 1	Additions	Retirements	Balance December 31
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 9,234,218	\$ 487,521	\$ -	\$ 9,721,739
CIP	<u>755,992</u>	<u>4,491,588</u>	<u>596,560</u>	<u>4,651,020</u>
Total Capital Assets Not Being Depreciated	<u>9,990,210</u>	<u>4,979,109</u>	<u>596,560</u>	<u>14,372,759</u>
Capital Assets Being Depreciated				
Vehicles	5,532,086	457,231	608,881	5,380,436
Equipment	1,620,605	364,046	185,000	1,799,651
Land improvements	3,547,672	1,237,564	-	4,785,236
Buildings	11,206,811	310,121	-	11,516,932
Infrastructure	<u>52,379,777</u>	<u>837,215</u>	<u>78,957</u>	<u>53,138,035</u>
Total Capital Assets Being Depreciated	<u>74,286,951</u>	<u>3,206,177</u>	<u>872,838</u>	<u>76,620,290</u>
Less Accumulated Depreciation for:				
Vehicles	3,282,132	471,088	580,169	3,173,051
Equipment	733,182	235,748	169,108	799,822
Land improvements	2,277,777	237,656	-	2,515,433
Buildings	2,672,580	280,071	-	2,952,651
Infrastructure	<u>20,819,497</u>	<u>2,279,582</u>	<u>76,152</u>	<u>23,022,927</u>
Total Accumulated Depreciation	<u>29,785,168</u>	<u>3,504,145</u>	<u>825,429</u>	<u>32,463,884</u>
Total Capital Assets Being Depreciated, Net	<u>44,501,783</u>	<u>(297,968)</u>	<u>47,409</u>	<u>44,156,406</u>
Total Governmental Activities	<u>\$ 54,491,993</u>	<u>\$ 4,681,141</u>	<u>\$ 643,969</u>	<u>\$ 58,529,165</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Function	Amount
Governmental Activities	
General government	\$ 40,066
Public safety	604,965
Public works	2,507,556
Culture and recreation	<u>351,558</u>
Total Governmental Activities	<u>\$ 3,504,145</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Primary Government	Balance January 1	Additions	Retirements	Balance December 31
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 24,600	\$ -	\$ -	\$ 24,600
Total Capital Assets Not Being Depreciated	<u>24,600</u>	<u>-</u>	<u>-</u>	<u>24,600</u>
Capital Assets Being Depreciated				
Vehicles	147,333	-	-	147,333
Land improvements	251,291	-	-	251,291
Buildings	633,151	-	-	633,151
Infrastructure	<u>108,700,100</u>	<u>-</u>	<u>-</u>	<u>108,700,100</u>
Total Capital Assets Being Depreciated	<u>109,731,875</u>	<u>-</u>	<u>-</u>	<u>109,731,875</u>
Less Accumulated Depreciation for:				
Vehicles	62,703	15,956	-	78,659
Land improvements	168,602	15,034	-	183,636
Buildings	306,611	14,057	-	320,668
Infrastructure	<u>67,171,706</u>	<u>3,904,080</u>	<u>-</u>	<u>71,075,786</u>
Total Accumulated Depreciation	<u>67,709,622</u>	<u>3,949,127</u>	<u>-</u>	<u>71,658,749</u>
Total Capital Assets Being Depreciated, Net	<u>42,022,253</u>	<u>(3,949,127)</u>	<u>-</u>	<u>38,073,126</u>
Total Business-Type Activities	<u>\$ 42,046,853</u>	<u>\$ (3,949,127)</u>	<u>\$ -</u>	<u>\$ 38,097,726</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Disclosures

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Emergency 911	\$ 10,251	Salary reimbursement
Water and Sewer Fund	General Fund	2,776,497	Cash subsidy
Water and Sewer Fund	Grant Fund	260,695	Cash subsidy
Water and Sewer Fund	CDBG Fund	411,530	Cash subsidy
Total Water and Sewer Fund		<u>3,448,722</u>	
Subtotal - Fund Financial Statements		3,458,973	
Less: Fund eliminations		<u>(10,251)</u>	
Total - Internal Balances - Government- Wide Statement of Net Assets		<u>\$ 3,448,722</u>	

All interfund balances are expected to be repaid during 2009.

Due To/From Fiduciary Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Police Pension	\$ 34,814	Tax collections
General Fund	Fire Pension	30,365	Tax collections
Total - Internal Balances - Government-Wide Statement of Net Assets		<u>\$ 65,179</u>	

These interfunds are related to tax collections made in January or February and remitted to the fiduciary funds in January or February. All of these interfunds were repaid during 2009.

Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
Cermak TIF Fund	South Berwyn TIF	\$ 650,000

The advance to South Berwyn TIF was established in order to fund a developer agreement. The repayment schedule calls for principal payments of \$300,000 in November 2009 and \$350,000 in November 2010. Interest is paid bi-annually at 5.179% of the outstanding balance.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Disclosures (Continued)

Transfers

Transfers between funds during the year were as follows:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Emergency 911	\$ 46,872	Reimbursement of salaries
General Fund	2007 Bond	476,947	Reimbursement for capital items
General Fund	Motor Fuel Tax	<u>783,888</u>	Reimbursement of salaries
Total General Fund		<u>1,307,707</u>	
Debt Service Fund	Roosevelt Road TIF	80,370	Debt service
Debt Service Fund	Odgen Avenue TIF	474,598	Debt service
Debt Service Fund	South Berwyn TIF	<u>644,917</u>	Debt service
Total Debt Service Fund		1,199,885	
Community Outreach	General Fund	218,642	Operating subsidy
CDBG Fund	General Fund	<u>26,358</u>	Operating subsidy
Subtotal - Fund Financial Statements		2,752,592	
Less: Fund eliminations		<u>(2,752,592)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

E. Long-term Obligations

Long-term obligations activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Governmental Activities:					
Bonds and Notes Payable:					
General obligation debt	\$ 86,297,397	\$ 7,920,760	\$ 7,750,000	\$ 86,468,157	\$ 2,045,000
Installment notes payable	2,244,258	-	229,520	2,014,738	229,520
Unamortized premiums (discounts)	2,420,729	(64,086)	241,834	2,114,809	n/a
Unamortized loss on refunding	<u>(1,587,340)</u>	<u>(208,795)</u>	<u>(261,944)</u>	<u>(1,534,191)</u>	n/a
Total Bonds and Notes Payable	<u>89,375,044</u>	<u>7,647,879</u>	<u>7,959,410</u>	<u>89,063,513</u>	<u>2,274,520</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Other Liabilities:					
Capital leases	\$ 318,877	\$ 345,930	\$ 127,037	\$ 537,770	\$ 152,762
Claims payable	2,856,475	3,276,875	2,433,026	3,700,324	560,194
Net pension obligation	161,158	-	110,605	50,553	-
Net OPEB obligation	337,575	395,042	-	732,617	-
IMRF early retirement liability	994,173	74,563	139,973	928,763	-
Grant refunds	-	883,267	-	883,267	234,000
Compensated absences	<u>2,289,082</u>	<u>811,868</u>	<u>743,145</u>	<u>2,357,805</u>	<u>577,461</u>
 Total Other Liabilities	 <u>6,957,340</u>	 <u>5,787,545</u>	 <u>3,553,786</u>	 <u>9,191,099</u>	 <u>1,524,417</u>
 Total Governmental Long-Term Obligations	 <u>\$ 96,332,384</u>	 <u>\$ 13,435,424</u>	 <u>\$ 11,513,196</u>	 <u>\$ 98,254,612</u>	 <u>\$ 3,798,937</u>
 Business-Type Activities					
Compensated absences	<u>\$ 28,325</u>	<u>\$ 14,408</u>	<u>\$ 10,469</u>	<u>\$ 32,264</u>	<u>\$ 9,123</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds. All general obligation debt is backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

General obligation bonds currently outstanding are as follows:

	Date of Issue	Interest Rate	Final Maturity	Original Amount	Balance 12/31/08
Governmental Activities					
General Obligation Debt					
Corporate purpose	11/1/98	5.00%	10/15/10	\$ 19,880,000	\$ 3,005,000
	2/1/99	3.90-5.25%	12/1/18	65,000,000	7,730,000
	6/15/01	3.20-4.60%	12/1/11	3,890,000	315,000
	8/15/07	5.00%	12/1/27	28,165,000	28,165,000
	10/9/08	4.30-5.00%	12/1/28	7,830,000	7,830,000
Capital appreciation bonds	4/3/02	3.00-5.25%	12/1/10	3,295,140	2,658,157
Refunding bonds	3/4/04	2.00-5.00%	12/1/14	19,710,000	14,670,000
Taxable bonds	4/3/02	3.20-5.10%	12/1/20	940,000	700,000
	8/15/07	5.62-5.71%	12/1/22	21,395,000	<u>21,395,000</u>
 Total Government Activities General Obligation Debt					 <u>\$ 86,468,157</u>

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

Installment Notes Payable

The City entered into a \$1,939,507 loan on April 10, 2006 for the purchase of certain real property and program costs. The balance of the financed amount is due in quarterly installments, including variable interest at 8.50%. The total amount outstanding under the agreement at December 31, 2008 was \$1,512,815. Principal payments made in 2008 totaled \$155,161. Debt service on the agreement is an expenditure of the South Berwyn Corridor TIF Fund.

The City entered into a \$725,000 loan on February 8, 2006 for the purchase of real property. The balance is due in quarterly installments, including variable interest at 8.50%. The total amount outstanding under the agreement at December 31, 2008 was \$501,923. Principal payments made in 2008 totaled \$74,359. Debt service on the agreement is an expenditure of the Roosevelt Road TIF Fund.

Debt service requirements to maturity for general obligation debt and installment notes payable are as follows:

	Governmental Activities General Obligation Debt		Governmental Activities Installment Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 2,045,000	\$ 4,271,295	\$ 229,520	\$ 96,433
2010	6,585,000	4,122,889	229,520	84,957
2011	2,805,000	3,842,095	229,520	73,481
2012	2,870,000	3,729,085	229,520	62,005
2013	3,045,000	3,585,735	229,520	50,530
2014 - 2018	17,845,000	15,462,398	867,138	98,633
2019 - 2023	23,535,000	10,236,565	-	-
2024 - 2028	25,855,000	3,537,500	-	-
Accretion balance	1,883,157	-	-	-
Totals	\$ 86,468,157	\$ 48,787,562	\$ 2,014,738	\$ 466,039

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

Installment Notes Payable (Continued)

The annual requirements to amortize to maturity capital appreciation bonds outstanding as of December 31, 2008 are as follows:

	Principal	Interest Accretion
2009	\$ -	\$ 95,362
2010	-	100,197
2011	410,000	105,256
2012	410,000	90,889
2013	410,000	75,421
2014	415,000	58,577
2015	410,000	40,203
2016	<u>415,000</u>	<u>20,938</u>
 Totals	 <u>\$ 2,470,000</u>	 <u>\$ 586,843</u>
 Accretion to date	 <u>\$ 1,883,157</u>	

Capital Leases - Lessee

The City entered into a lease financing agreement in November 2006 for the purchase of two ambulances which are included in capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 4.73%. The total amount outstanding under the agreement at December 31, 2008 was \$67,994. Principal payments made in 2008 totaled \$31,693. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$106,747 lease financing agreement in June 2006 for the purchase of a wheel loader which is included in capital assets of the governmental activities. The balance of the financed amount is due in monthly installments, including interest at 7.50%. The total amount outstanding under the agreement at December 31, 2008 was \$48,129. Principal payments made in 2008 totaled \$26,787. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$145,827 lease financing agreement in November 2007 for the purchase of a street sweeper which is included in capital assets of the governmental activities. The balance of the financed amount is due in monthly installments, including interest at 4.85%. The total amount outstanding under the agreement at December 31, 2008 was \$117,155. Principal payments made in 2008 totaled \$26,519. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a lease financing agreement in April 2008 for the purchase of two ambulances which are included in capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.8%. The total amount outstanding under the agreement at December 31, 2008 was \$174,221. Principal payments made in 2008 totaled \$20,557. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$151,152 lease financing agreement in March 2008 for the purchase of a street sweeper which is included in capital assets of the governmental activities. The balance of the financed amount is due in monthly installments, including interest at 3.81%. The total amount outstanding under the agreement at December 31, 2008 was \$130,271. Principal payments made in 2008 totaled \$20,881. Debt service on the agreement is an expenditure of the General Fund.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

Capital Leases - Lessee (Continued)

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2008, are as follows:

	Governmental Activities	
	Capital leases payable	
	Principal	Interest
2009	\$ 149,797	\$ 20,972
2010	157,844	13,993
2011	100,811	7,599
2012	110,578	3,403
2013	18,740	234
Totals	\$ 537,770	\$ 46,201

Legal Debt Margin

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution 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 General Assembly has set no limits for home rule municipalities.

Advance Refundings

Current Year Defeasance of Debt

On October 9, 2008, the City issued \$7,830,000 in tax-exempt bonds with an average interest rate of 4.65% to advance refund a portion of the 1998 general obligation refunding bonds with an average interest rate of 5.00%. \$7,379,125 of these proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 general obligation refunding bonds refunded. \$3,130,000 was due on November 15, 2008 and paid from escrow. As a result, \$4,040,000 of the 1998 general obligation refunding bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Obligations (Continued)

Advance Refundings (Continued)

Current Year Defeasance of Debt (Continued)

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$7,656,000 from 2008 through 2010. The cash flow requirements on the 2008 tax exempt bonds used to refund the 1998 bonds are \$13,686,932 from 2009 through 2028. The advance refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$208,795. The City refunded these bonds at a loss in order to restructure the annual debt service payments.

Prior-Year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2008, \$28,065,889 of bonds outstanding are considered defeased.

Unamortized Loss on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deduction from debt payable in the government-wide and proprietary fund statements. Amortization for 2008 was \$261,944 which is reported in the governmental activities.

Noncommitment Debt – Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2008, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of June 30, 2008 was \$1,173,707.

Grant Refunds

During 2008, the Department of Justice contacted the City regarding questioned costs relating to expenditures made in fiscal 2004 and 2005 from the Police Seizure Fund. Subsequent to year end, it was determined that the City will need to reimburse \$883,266 of these questioned costs, and therefore a liability has been recorded. The reimbursement will be made by offsetting future grant revenues to be earned in the Police Seizure Fund. An estimate of the current portion of this liability of \$234,000 is reflected in the General Fund's Other Liabilities.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

F. 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 for which the City carries commercial insurance. The City has established a limited self-insurance program for workers' compensation and liability claims. The City is self-insured for the first \$750,000 for liability claims and \$400,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. The City's self-insurance activities are reported in the Self-Insurance Retention Fund which is an internal service fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. The total claims liability as of December 31, 2008 was \$3,700,324.

The City has purchased insurance from private insurance companies for employee health insurance. Risks covered include medical, dental, and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

A reconciliation of claims liability for the current year and that of the preceding year follows:

		Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance
2007	\$	3,009,409	\$ 1,847,666	\$ (2,000,600)	\$ 2,856,475
2008		2,856,475	3,276,875	(2,433,026)	3,700,324

G. Contingent Liabilities

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

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 additional expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

III. DETAILED NOTES ON ALL FUNDS (Continued)

G. Contingent Liabilities (Continued)

Home Equity Assurance Program

In prior years the City allowed its residents to participate in a Home Equity Assurance Program wherein residents' home market values were guaranteed by the City not to depreciate. Each participating resident, after submitting an appraisal along with the application and appropriate fee, received a Certificate of Participation. There is no expiration date on the Certificates. Given the current real estate market in the City, the City has determined that it has no exposure to liability related to this program as of the date of this report.

Loan Guarantees - Berwyn Development Corporation (BDC)

During 2008, BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance drawn under this credit line as of December 31, 2008 is \$2,454,120. Of this balance, \$2,014,738 is reported as installment notes payable within the City's long-term obligations as these loans were made to the City. The City is the guarantor of amounts drawn under this line of credit.

Loan Guarantees - South Berwyn Corridor TIF Redevelopment Project

In 2006, the City entered into an agreement with a developer to redevelop property within the South Berwyn Corridor TIF district. In order to finance the project, the developer entered into a construction loan agreement with a bank for an amount not to exceed \$15,220,000. The City is the guarantor of this construction loan. The outstanding balance at December 31, 2008 was \$1,850,000. However, the City's obligation as guarantor terminates upon the completion of phase I and IA of the project and the transfer of the real estate from the City to the developer. These events have taken place subsequent to year end on March 20, 2009.

Loan Guarantees - Automobile Dealership

In 2007, the City agreed to guarantee a portion of a term note and revolving line of credit that a local automobile dealership entered into with a bank. The maturity dates of the notes shall not extend beyond March 15, 2012 and the City's guarantee is limited to \$1,500,000.

H. Economic Development and Redevelopment Agreements

In 2002, the City entered into a tax incentive agreement with an automobile dealership who wished to acquire two new automobile franchises. Under the terms of the agreement, the City would reimburse the vendor for its principal and interest payments incurred under the development loan in an amount equal to the municipal sales tax derived solely from sales and service revenue on the two new automobile dealerships. Payments were scheduled on a quarterly basis.

The City determined that the addition of two new automobile franchises substantially added to the City's tax base, increased employment opportunities and generated new tax revenue, and therefore the City was willing to reimburse the vendor for the costs of remodeling and rehabilitation to the extent of compliance with existing TIF laws. The City advanced the vendor \$1,200,000 to fund the costs of the improvements under the first amendment to the incentive agreement dated April 29, 2002. The new automobile franchises were not able to generate enough revenue to meet expenses and, on November 18, 2004, the vendor filed for bankruptcy relief under Chapter 11 of Title 11 of the United States Code.

On August 10, 2005, the City agreed to enter into a second amendment to the economic incentive agreement with the vendor predicated on the repayment of the outstanding loan and the provision of a signed lease agreement for operation of the dealership. The vendor's liability to the City was repaid on April 24, 2005. Upon commencement of operation of the new dealership, the City agreed to reimburse the

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

H. Economic Development and Redevelopment Agreements (Continued)

vendor for interest paid on the new debt to the extent that municipal sales tax exceeds \$90,000 per annum (limited to one-third if interest due and owing under TIF law). The reimbursements are to be made monthly upon receipt of sales tax reports from the Illinois Department of Revenue and limited to \$7,500 per month. The agreement terminates on December 31, 2017. \$90,000 in payments were made to the vendor under the terms of this account in 2008.

Concurrent with the second amendment to the agreement, the City agreed to pay the BDC the sum of \$87,000 for sums disbursed to the vendor by the BDC under the previous agreements.

Subsequent to December 31, 2008, the dealership ceased operations. Therefore, no future reimbursements will be made after the date on which operations ceased.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Post-Employment Benefits (OPEB)

Plan Description

The City offers post-employment health care benefits in accordance with Illinois Compiled Statutes and the personnel policy manual of the City. All employees who are eligible to receive a monthly pension benefit from one of the City's pension plans are eligible to purchase post-retirement health care benefits. Qualified dependents of eligible retirees may also continue to be covered by the City's plan. The retiree pays 100% of the cost each month for retiree health insurance premiums. Additionally, public safety officers who qualify for duty disability have their health insurance paid by the City for the remainder of their life. The City funds these post-employment benefits on a pay-as-you-go basis, accordingly no liability is recognized within the fund financial statements. However, a liability is recorded for the unfunded liability on the government-wide financial statements on a go forward basis beginning in January 1, 2007 as allowed under GASB Statement No. 45.

Eligibility for these benefits as of December 31, 2008 was as follows:

Membership	Participants
Retirees and beneficiaries currently receiving benefits	28
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	359
Nonvested	-
	-
Total	387

Actuarial Assumptions and Methods

Actuarial valuation date	December 31, 2008
Actuarial cost method	Entry-age
Asset valuation method	Market
Amortization method	Level Percentage of Pay, Closed
Remaining amortization period	28 Years
Rate of return on (includes inflation at 3.0%)	5.0%
Projected healthcare inflation rate	8.0% initial and 6.0% ultimate
Percentage of employees assumed to elect benefit	20.0%

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

I. Other Post-Employment Benefits (Continued)

Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation (asset) for the year ended December 31, 2008 was as follows:

Annual required contributions	\$	481,093
Interest on net OPEB obligation		16,879
Adjustment to annual required contribution		<u>(11,253)</u>
Annual OPEB cost		486,719
Contributions made		<u>91,677</u>
Increase in net OPEB obligation		395,042
Net OPEB obligation beginning of year		<u>337,575</u>
NET OPEB OBLIGATION END OF YEAR	\$	<u><u>732,617</u></u>

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The City implemented GASB Statement No. 45 as of January 1, 2007. Due to this timing only two years are presented.

		<u>2007</u>	<u>2008</u>
Annual OPEB cost	\$	458,184	\$ 486,719
Actual contribution		120,609	91,677
Percentage of annual OPEB cost contributed		26.32%	18.80%
Net OPEB obligation		337,575	732,617

Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2008 was as follows:

Actuarial value of assets		19,155,476
Unfunded actuarial accrued liability (UALL)		33,167,436
Funded ratio		36.6%
Covered payroll		4,861,734
UAAL as a percentage of covered payroll		682.2%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans

Plan Descriptions

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP) which is affiliated with 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 the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at City Hall. IMRF and SLEP issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 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.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2008 was 10.64% of covered payroll.

Sheriff's Law Enforcement Personnel

Sheriff's law enforcement personnel having accumulated at least 20 years of SLEP service may elect to retire at or after age 50 and receive an annual retirement benefit, payable monthly for life. The plan also provides death and disability benefits. Participating members are required to contribute 7.5% of their annual salary to SLEP. The City is required to contribute at an actuarially determined rate. The employer rate for the year ended December 31, 2008 was 13.63% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The City accounts for the plan as a pension trust fund.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans (Continued)

Plan Descriptions (Continued)

Police Pension Plan (Continued)

At December 31, 2007, the Police Pension Plan membership consisted of:

Membership	Participants
Retirees and beneficiaries currently receiving benefits	57
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	70
Nonvested	32
 Total	 160

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service 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 of 2.5% of final salary for each year of service.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3.00% of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended December 31, 2007, the City's contribution was 28.86% of covered payroll.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans (Continued)

Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At December 31, 2007, the Firefighters' Pension Plan membership consisted of:

Membership	Participants
Retirees and beneficiaries currently receiving benefits	62
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	46
Nonvested	20
	<hr/>
Total	128

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children received 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their 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 contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended December 31, 2007 the City's contribution was 47.88% of covered payroll.

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters

The costs of administering the Police and Firefighters' Pension Plans are financed through employer and employee contributions.

The benefits and refunds of the Police and Firefighters' Pension Plans are recognized when due and payable in accordance with the terms of the Police and Firefighters' Pension Plans.

Annual Pension Cost

	Illinois Retirement Fund	Municipal Fund	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2006		December 31, 2005	December 31, 2007	December 31, 2007
Actuarial cost method	Entry-age Normal		Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 year Market	Smoothed Market	5 year Market	Smoothed Market	Market
Amortization method	Level Percentage of Payroll		Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Remaining amortization period	24 Years, Closed		28 Years, Closed	26 Years, Closed	26 Years, Closed
Significant actuarial assumptions					
a) Rate of return on present and future assets	7.50% Compounded		7.50% Compounded	7.25% Compounded	7.25% Compounded
b) Projected salary increase - attributable to inflation	Annually 4.00% Compounded		Annually 4.00%	Annually 5.00%* Compounded	Annually 5.00%* Compounded
c) Additional projected salary increases - seniority/merit	Annually 0.40 – 11.6%		Annually 0.40 – 10.0%	Annually 0.00%	Annually 0.00%
d) Post-retirement benefit increases	3.00%		3.00%	3.00%	3.00%
* Increase includes inflation at				3.00%	3.00%

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans (Continued)

Net Pension Obligation

The City's annual pension cost and net pension obligation (asset) for the year ended December 31, 2007 were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,981,989	\$ 2,387,190
Interest on net pension obligation	11,281	(7,789)
Adjustment to annual required contribution	(7,229)	4,992
Annual pension cost	1,986,041	2,384,393
Contributions made	2,096,646	2,327,797
Increase (decrease) in net pension obligation (asset)	(110,605)	56,596
Net pension obligation (asset) beginning of year	161,158	(111,274)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ 50,553	\$ (54,678)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

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

	Fiscal	Illinois Municipal	Sheriff's Law	Police	Firefighters'
	Year	Retirement Fund	Enforcement Personnel	Pension	Pension
Annual pension cost (APC)	2006	\$ 592,030	\$ -	\$ 1,749,061	\$ 1,674,024
	2007	725,616	14,742	1,984,638	2,127,469
	2008	755,995	15,394	1,986,041	2,384,393
Actual contribution	2006	592,030	-	1,859,590	1,859,590
	2007	725,616	14,742	1,923,606	2,129,607
	2008	755,995	15,394	2,096,646	2,327,797
Percentage of APC contributed	2006	100.00%	100.00%	106.32%	111.09%
	2007	100.00%	100.00%	96.92%	100.10%
	2008	100.00%	100.00%	105.57%	97.63%
NPO (Asset)	2006	-	-	100,126	(109,136)
	2007	-	-	161,158	(111,274)
	2008	-	-	50,553	(54,678)

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

J. Defined Benefit Pension Plans (Continued)

Funded Status and Funding Progress

	Illinois Municipal Retirement Fund	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Percent Funded	72.33%	175.37%	55.9%	36.6%
Actuarial Accrued Liability	\$14,892,557	\$38,039	\$59,763,379	\$52,322,912
Actuarial Value of Assets	\$10,771,058	\$66,709	\$33,394,593	\$19,155,476
Unfunded Actuarial Accrued Liability	\$4,121,499	(\$28,670)	\$26,368,786	\$33,167,436
Covered Payroll	\$7,105,221	\$112,946	\$7,264,574	\$4,861,734
Ratio of the UAAL to Covered Payroll	58%	None	363%	682%

The schedule of funding progress presented as required supplementary information (RSI) following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

In past years the City has allowed individual employees to retire early through IMRF and has funded the purchase of this option. The payments for these 12 early retirees are being made on an annual basis of 1.36% of the City's payroll to the IMRF system. This liability accrues interest at varying annual rates, 7.50% for 2008. The outstanding balance of \$928,763 is recorded as a noncurrent liability within the government-wide financial statements.

K. Prior Period Adjustments

The City has restated fund equity as of January 1, 2008 as follows:

Description	South Berwyn Corridor TIF	Roosevelt Road TIF
Land held for resale not previously recorded	\$ 1,939,507	\$ -
Note receivable not previously recorded	-	725,000
Total effects of restatements	1,939,507	725,000
EQUITY AS PREVIOUSLY REPORTED	824,265	1,589,610
EQUITY AS RESTATED	\$ 2,763,772	\$ 2,314,610

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

III. DETAILED NOTES ON ALL FUNDS (Continued)

K. Prior Period Adjustments (Continued)

The City has restated net assets as of January 1, 2008 as follows:

Description	Governmental Activities	Business-Type Activites
Land held for resale not previously recorded	\$ 1,939,507	\$ -
Note receivable not previously recorded	<u>725,000</u>	<u>-</u>
Total effects of restatements	2,664,507	-
NET ASSETS AS PREVIOUSLY REPORTED	<u>(866,059)</u>	<u>46,818,486</u>
NET ASSETS AS RESTATED	<u>\$ 1,798,448</u>	<u>\$ 46,818,486</u>

L. Component Unit – Berwyn Development Corporation (BDC)

Summary of Significant Accounting Policies

The purpose of the BDC is to serve the residents of the City of Berwyn as a charitable and educational organization by facilitating community development via forums to engage both residents and businesses for long term economic planning.

The BDC's primary functions are:

- 1) to encourage communication between the local business community, various business organizations, government officials, educational and recreational bodies, civic and ethnic groups, local service providers, and the community residents as a resource planning group for the purpose of identifying community problems and facilitating constructive solutions.
- 2) to produce and publish material designed to educate residents about community resource and development issues and to promote community spirit and cooperation among the various ethnic and cultural parts of the City.
- 3) to encourage local businesses and area residents to renovate and improve private property within the community so as to counteract the natural deterioration of the homes and commercial properties due to age and use.
- 4) to develop plans and resources intended to improve the overall economic conditions of the City and to encourage local business and employment opportunities.

The BDC is exempt from Federal income taxes under the provisions of IRC code section 501(c)(3); however, it remains subject to the payment of income taxes on net earnings from unrelated business income.

Method of Accounting

The financial statements of the BDC have been prepared on the accrual basis of accounting where revenues and expenses are recognized when earned or incurred.

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

II. DETAILED NOTES ON ALL FUNDS (Continued)

L. Component Unit – Berwyn Development Corporation (BDC) (Continued)

Summary of Significant Accounting Policies (Continued)

Cash Equivalents

Cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased.

Leasehold Improvements, Furniture and Equipment

Leasehold improvements, furniture and equipment are stated at their historic costs. Depreciation is computed using a straight-line method over the estimated economic useful asset life of 5 years for leasehold improvements and 5-7 years for furniture and equipment. Depreciation expense for the year ended December 31, 2008 amounted to \$23,931. The BDC expended \$7,154 for asset purchases in 2008.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of asset and liability accounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could vary from the estimates that were used.

Cash and investments

The BDC's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 829,717	\$ 963,034	Custodial credit risk
Certificates of deposit	200,000	200,000	Custodial credit risk
Total Cash and Investments	<u>\$ 1,029,717</u>	<u>\$ 1,163,034</u>	

The BDC does not have an investment policy.

Custodial Credit Risk

Deposits - Custodial credit risk for is the risk that in the event of bank failure, the City's deposits may not be returned to it.

As of December 31, 2008, \$902,342 of the BDC's demand deposits and CD balances were uninsured and uncollateralized.

Notes Receivable

There are currently seven notes funded through the line of credit including two from the City – one payable from the South Berwyn Corridor TIF with a balance at December 31, 2008 of \$1,512,815 and one payable from the Roosevelt Road TIF with a balance at December 31, 2008 of \$501,923. Notes receivable have a gross value of \$2,661,822 at December 31, 2008. No provision for loan losses has been established because the fair market value of the various collateral is in excess of the related

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

DETAILED NOTES ON ALL FUNDS (Continued)

L. Component Unit – Berwyn Development Corporation (BDC) (Continued)

Notes Receivable (Continued)

mortgage note balances with the exception of the amounts due from the City. Payments are applied to interest due and late fees before principal. Payments are past due 10 days after the due date and will result in a late fee of 5% of total monthly payment. Note receivable detail is as follows:

Rate	Maturity	Payment Amount	Payment Frequency	Balance Due
Prime+1%	4/1/2009	\$ 2,023	Monthly	\$ 7,911
Prime+2%	8/22/2013		Monthly	53,531
Prime+1%	9/30/2018	38,790+ Int.	Quarterly	1,512,815
Prime+1%	9/30/2015	18,590+ Int.	Monthly	501,923
Prime-0.5%	8/11/2017	3,139	Monthly	235,989
Prime-0.5%	5/26/2009	3,378	Monthly	213,883
Prime+1%	10/26/2016	2,001	Monthly	135,770
Total				<u>\$ 2,661,822</u>

Long-Term Debt - Notes Payable

During 2008, the BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance of this credit line at December 31, 2008 is \$2,454,120. The City is the guarantor of this line of credit and has final approval of all loans funded under this program.

Maturities of long-term debt are as follows:

	Principal
2009	\$ 2,103,532
2010	-
2011	-
2012	350,588
2013	-
Totals	<u>\$ 2,454,120</u>

Lease Commitments

The BDC rents office space under a lease, which expires September, 2013. Total rent paid during 2008 was \$7,000. Terms of the lease are effective September 1, 2008. In addition, the BDC leases a copier and telephone equipment under a non-cancelable operating lease with expiration dates in 2010 and 2012, respectively. Total lease expense in 2008 was \$26,204. Future minimum annual rental and lease payments are:

2009	\$26,583
2010	29,854
2011	20,969
2012	16,484
2013	8,000

III. DETAILED NOTES ON ALL FUNDS (Continued)

L. Component Unit – Berwyn Development Corporation (BDC) (Continued)

Restricted Cash

The BDC controls three separate cash escrow accounts for various entities with the purpose of being a control factor of necessary payments to third parties. In these cases, the BDC collects money from a community organization or business, holds the funds until a payment is due, then remits the payment to the third party on behalf of the community member. Although the BDC has signor privileges on the cash accounts, they do not take ownership of the money and therefore, carry a liability equal to the escrow accounts to offset the carrying value.

Retirement Plan

The BDC has established a SIMPLE IRA retirement plan for all eligible employees who are not members of a collective bargaining unit, have attained age 21, and have at least one year of service. The plan provides that each participant may elect to defer up to the legal limits established by the Internal Revenue Service. The BDC will match an amount equal to the first 3%. Matching contributions were \$2,842 in 2008.

Activities with the City of Berwyn Funding Authorizations

BDC continues its cooperation with the City to bring low-interest lending assistance to local businesses. The BDC provides the required documentation and administers the loan program, as noted above. The BDC manages the City loan program and such loans are reported as part of the City's annual audit. The BDC also manages the tax incremental finance projects (TIF) within the City's four TIF Redevelopment Districts on behalf and for the benefit of the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 10,747,243	\$ 10,747,243	\$ 10,618,434	\$ (128,809)
Other taxes	17,238,800	17,238,800	16,839,965	(398,835)
Licenses and permits	2,681,500	2,681,500	2,476,742	(204,758)
Charges for services	6,309,000	6,449,000	6,345,259	(103,741)
Fines and forfeitures	4,212,000	4,212,000	4,145,086	(66,914)
Intergovernmental	89,951	89,951	91,203	1,252
Investment income	35,000	35,000	59,446	24,446
Miscellaneous	<u>1,050,281</u>	<u>1,050,281</u>	<u>1,281,907</u>	<u>231,626</u>
Total Revenues	<u>42,363,775</u>	<u>42,503,775</u>	<u>41,858,042</u>	<u>(645,733)</u>
EXPENDITURES				
Current				
General government	4,021,280	3,767,280	3,582,290	184,990
Public safety	29,701,480	29,651,480	29,645,807	5,673
Public works	4,094,123	4,180,223	4,122,945	57,278
Economic development	666,761	854,861	801,661	53,200
Culture and recreation	1,343,903	1,383,903	1,214,740	169,163
Health and sanitation	3,996,399	3,996,399	3,979,436	16,963
Capital outlay	353,925	537,441	478,287	59,154
Debt service				
Principal	123,479	188,015	126,438	61,577
Interest and fiscal charges	-	-	28,504	(28,504)
Total Expenditures	<u>44,301,350</u>	<u>44,559,602</u>	<u>43,980,108</u>	<u>579,494</u>
Excess (deficiency) of revenues over expenditures	<u>(1,937,575)</u>	<u>(2,055,827)</u>	<u>(2,122,066)</u>	<u>(66,239)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on capital lease	-	118,252	345,930	227,678
Sale of capital assets	-	-	150,000	150,000
Transfers in	2,288,235	2,288,235	1,307,707	(980,528)
Transfers out	<u>(336,520)</u>	<u>(336,520)</u>	<u>(245,000)</u>	<u>91,520</u>
Total Other Financing Sources (Uses)	<u>1,951,715</u>	<u>2,069,967</u>	<u>1,558,637</u>	<u>(511,330)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 14,140</u>	<u>\$ 14,140</u>	<u>(563,429)</u>	<u>\$ (577,569)</u>
FUND BALANCE, JANUARY 1			<u>711,672</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 148,243</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CERMARK ROAD TIF

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - increment	\$ 1,653,150	\$ 1,653,150	\$ 1,708,605	\$ 55,455
Investment income	<u>180,000</u>	<u>180,000</u>	<u>160,142</u>	<u>(19,858)</u>
Total Revenues	<u>1,833,150</u>	<u>1,833,150</u>	<u>1,868,747</u>	<u>35,597</u>
EXPENDITURES				
Economic Development				
TIF expenditures	411,255	3,819,255	1,560,513	2,258,742
Main Street	116,550	116,550	116,550	-
TIF management services - BDC	<u>496,080</u>	<u>496,080</u>	<u>376,687</u>	<u>119,393</u>
Total Expenditures	<u>1,023,885</u>	<u>4,431,885</u>	<u>2,053,750</u>	<u>2,378,135</u>
NET CHANGE IN FUND BALANCE	<u>\$ 809,265</u>	<u>\$ (2,598,735)</u>	(185,003)	<u>\$ 2,413,732</u>
FUND BALANCE, JANUARY 1			<u>9,525,459</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 9,340,456</u>	

See independent auditor's report.

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	\$ 12,989,614	\$ 13,311,522	97.58%	\$ 321,908	\$ 5,786,458	5.56%
2004	13,496,651	14,348,663	94.06%	852,012	5,814,144	14.65%
2005	11,613,334	13,100,333	88.65%	1,486,999	6,290,662	23.64%
2006	12,505,083	13,774,676	90.78%	1,269,593	6,291,500	20.18%
2007	13,065,195	14,057,973	92.94%	992,778	6,775,125	14.65%
2008	10,771,058	14,892,557	72.33%	4,121,499	7,105,221	58.01%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
IMRF- SHERIFF'S LAW ENFORCEMENT PERSONNEL**

December 31, 2008

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2006	\$ -	\$ -	0.00%	\$ -	\$ -	N/A
2007	40,033	14,531	275.50%	(25,502)	108,160	0.00%
2008	66,709	38,039	175.37%	(28,670)	112,946	0.00%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

December 31, 2008

Actuarial Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2003	\$ 20,479,785	\$ 44,406,190	46.12%	\$ 23,926,405	\$ 5,434,929	440.23%
2004	20,479,785	44,406,190	46.12%	23,926,405	5,434,929	440.23%
2005	24,288,337	51,067,214	47.56%	26,778,877	5,933,624	451.31%
2006	24,288,337	51,067,214	47.56%	26,778,877	5,933,624	451.31%
2007	29,622,334	59,560,560	49.73%	29,938,226	6,758,728	442.96%
2008	33,394,593	59,763,379	55.88%	26,368,786	7,264,574	362.98%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND**

December 31, 2008

Actuarial Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2003	\$ 13,362,267	\$ 36,710,984	36.40%	\$ 23,348,717	\$ 3,909,087	597.29%
2004	13,362,267	36,710,984	36.40%	23,348,717	3,909,087	597.29%
2005	15,394,935	46,074,445	33.41%	30,679,510	4,375,082	701.23%
2006	15,394,935	46,074,445	33.41%	30,679,510	4,375,082	701.23%
2007	17,721,979	51,221,802	34.60%	33,499,823	4,730,881	708.11%
2008	19,155,476	52,322,912	36.61%	33,167,436	4,861,734	682.21%

* - Actuarial evaluations were conducted for the years beginning 2005, 2007 and 2008.

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFITS**

December 31, 2008

Actuarial Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2007	\$ -	\$ 6,597,566	0.00%	\$ 6,597,566	NA	NA
2008	-	1,871,775	0.00%	1,871,775	NA	NA

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2008

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 344,873	\$ 344,873	100.00%
2004	435,479	435,479	100.00%
2005	558,285	558,285	100.00%
2006	592,030	592,030	100.00%
2007	725,616	725,616	100.00%
2008	755,955	755,955	100.00%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
IMRF- SHERIFF'S LAW ENFORCEMENT PERSONNEL**

December 31, 2008

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ -	\$ -	N/A
2007	14,742	14,742	100.00%
2008	15,394	15,394	100.00%

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

December 31, 2008

<u>Fiscal Year*</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2003	\$ 1,736,728	\$ 1,665,807	104.26%	\$ 126,887
2004	1,768,163	1,749,061	101.09%	100,126
2005	1,859,590	1,749,061	106.32%	100,126
2006	1,923,606	1,984,638	96.92%	161,158
2007	1,895,643	1,984,638	95.52%	161,158
2008	2,096,646	1,986,041	105.57%	50,553

* - Actuarial evaluations were conducted for the years beginning 2003, 2005, 2007 and 2008.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

December 31, 2008

<u>Fiscal Year*</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2003	\$ 1,015,764	\$ 1,351,936	75.13%	\$ (53,441)
2004	1,729,719	1,351,936	127.94%	(53,441)
2005	1,859,590	1,674,024	111.09%	(109,136)
2006	2,034,480	1,674,024	121.53%	(109,136)
2007	2,049,758	2,127,469	96.35%	(111,274)
2008	2,327,797	2,384,393	97.63%	(54,678)

* - Actuarial evaluations were conducted for the years beginning 2005, 2007 and 2008.

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS**

December 31, 2008

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
2007	\$ 120,609	\$ 458,184	26.32%	\$ 337,575
2008	91,677	486,719	18.84%	732,617

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2008

I. BUDGETS

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting. Annual appropriated budgets are adopted for the General, Special Revenue Funds (except the Grant, Police Seizure, and Emergency 911 Telephone System Funds), Enterprise, Capital Projects and Pension Trust Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Mayor submits to the City Council Members a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the City to obtain taxpayer comments.
- c. Subsequently, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year.
- e. Budgets, as described above, are adopted on a basis consistent with generally accepted accounting principles.
- f. Legal level of budgetary control is at the department level in the general fund or fund level for all other funds.
- g. Budgetary authority lapses at year end.
- h. State law requires that "expenditures be made in conformity with the budget." Transfers between line items in cost centers may be made by administrative action. Any amount to be transferred between cost centers and/or funds would require Council approval.
- i. Budgeted amounts are as originally adopted, with the exceptions of Council approved budget amendments which are reflected in the financial statements.

II. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following departments had an excess of actual expenditures over budget for the fiscal year:

Fund	Amount
General Fund Department	
Fire	\$ 262,912
Streets	129,465

III. SUPPLEMENTAL BUDGET APPROPRIATIONS

Supplemental budget appropriations during the year were as follows:

Fund	Amount
General	\$ 258,252
Cermak Road TIF	3,408,000
Roosevelt Road TIF	138,000
Ogden Avenue TIF	1,170,000
Total	<u>\$ 4,974,252</u>

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - debt service	\$ 6,449,422	\$ 6,348,299	\$ (101,123)
Investment income	30,000	21,353	(8,647)
Capitalized interest used	<u>945,453</u>	<u>-</u>	<u>(945,453)</u>
Total Revenues	<u>7,424,875</u>	<u>6,369,652</u>	<u>(1,055,223)</u>
EXPENDITURES			
Debt Service			
Principal	3,710,000	580,000	3,130,000
Interest and fiscal charges	4,243,844	4,090,555	153,289
Bond issuance costs	<u>-</u>	<u>379,643</u>	<u>(379,643)</u>
Total Expenditures	<u>7,953,844</u>	<u>5,050,198</u>	<u>2,903,646</u>
Exceeds (deficiency) of revenues over expenditures	<u>(528,969)</u>	<u>1,319,454</u>	<u>1,848,423</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	-	7,830,000	7,830,000
Discount on issuance of long term debt	-	(64,086)	(64,086)
Payment to escrow agent	-	(7,379,125)	(7,379,125)
Transfers in - Roosevelt Road TIF	80,370	80,370	-
Transfers in - Ogden Avenue TIF	474,598	474,598	-
Transfers in - South Berwyn TIF	<u>-</u>	<u>644,917</u>	<u>644,917</u>
Total Other Financing Sources (Uses)	<u>554,968</u>	<u>1,586,674</u>	<u>1,031,706</u>
NET CHANGE IN FUND BALANCE	<u>\$ 25,999</u>	2,906,128	<u>\$ 2,880,129</u>
FUND BALANCE, JANUARY 1		<u>(1,319,907)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,586,221</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
PROPERTY TAXES				
Property taxes - general	\$ 10,747,243	\$ 10,747,243	\$ 10,618,434	\$ (128,809)
OTHER TAXES				
Personal property replacement	265,000	265,000	254,006	(10,994)
State income	5,870,000	5,870,000	5,924,698	54,698
State sales	3,000,000	3,000,000	2,723,620	(276,380)
Home rule sales	2,050,000	2,050,000	2,000,041	(49,959)
Municipal utility	4,100,000	4,100,000	4,548,527	448,527
Liquor	162,000	162,000	154,261	(7,739)
Real estate transfer	1,575,000	1,575,000	989,133	(585,867)
Gas	150,000	150,000	174,869	24,869
Parking lot	4,800	4,800	11,382	6,582
Video	57,000	57,000	54,566	(2,434)
Pull tabs and jar games	5,000	5,000	4,862	(138)
Total Other Taxes	<u>17,238,800</u>	<u>17,238,800</u>	<u>16,839,965</u>	<u>(398,835)</u>
LICENSES AND PERMITS				
Vehicle				
Recreation vehicle	4,000	4,000	2,880	(1,120)
Motorcycle	7,000	7,000	6,923	(77)
Trucks	145,000	145,000	137,595	(7,405)
Passenger vehicles	1,090,000	1,090,000	955,490	(134,510)
Licenses				
Business	324,000	324,000	233,876	(90,124)
Liquor	204,000	204,000	193,810	(10,190)
Pet	6,500	6,500	7,630	1,130
Rental operations	-	-	83,631	83,631
Permits				
Commuter parking	146,000	146,000	106,385	(39,615)
Electrical	46,000	46,000	46,775	775
Municipal parking	45,000	45,000	51,287	6,287
Building	69,000	69,000	93,973	24,973
Certificate of compliance	60,000	60,000	47,297	(12,703)
Local improvement	380,000	380,000	352,926	(27,074)
Service charge and escrow default	85,000	85,000	108,736	23,736
Electrical sign inspection	70,000	70,000	47,528	(22,472)
Total Licenses and Permits	<u>2,681,500</u>	<u>2,681,500</u>	<u>2,476,742</u>	<u>(204,758)</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Public safety				
Police reports	\$ 25,000	\$ 25,000	\$ 23,439	\$ (1,561)
Paramedic service collections	1,000,000	1,000,000	851,990	(148,010)
Paramedic MRI transport	320,000	320,000	365,700	45,700
False alarms	6,000	6,000	14,950	8,950
Range rental	9,000	9,000	9,625	625
CPR training revenue	-	-	1,050	1,050
Sanitation				
Garbage fees	4,100,000	4,100,000	4,064,146	(35,854)
Recycling rebate	100,000	100,000	90,516	(9,484)
Recreation				
Athletics	157,000	157,000	108,377	(48,623)
Adult programs	19,000	19,000	31,300	12,300
Children's programs	129,000	129,000	158,919	29,919
Pool	99,000	99,000	74,191	(24,809)
Concession stand	21,000	21,000	20,533	(467)
Other				
Commuter parking meters	62,000	62,000	62,032	32
Sale of gas	57,000	57,000	97,247	40,247
Sidewalk construction	20,000	20,000	25,790	5,790
100th anniversary celebration	150,000	290,000	286,899	(3,101)
Miscellaneous charges for services	35,000	35,000	58,555	23,555
	<u>6,309,000</u>	<u>6,449,000</u>	<u>6,345,259</u>	<u>(103,741)</u>
Total Charges For Services				
FINES AND FORFEITURES				
Late penalties	220,000	220,000	130,239	(89,761)
Towing fees	900,000	900,000	587,868	(312,132)
Court fines	210,000	210,000	257,619	47,619
Violation fines	2,240,000	2,240,000	2,197,404	(42,596)
After the fact fines	67,000	67,000	53,828	(13,172)
Compliance tickets	240,000	240,000	197,510	(42,490)
Local ordinance fines	160,000	160,000	288,953	128,953
Red Speed photo enforcement	-	-	275,700	275,700
Adjudication court fines	175,000	175,000	155,965	(19,035)
	<u>4,212,000</u>	<u>4,212,000</u>	<u>4,145,086</u>	<u>(66,914)</u>
Total Fines and Forfeitures				

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget
INTERGOVERNMENTAL				
Highway maintenance	\$ 89,951	\$ 89,951	\$ 91,203	\$ 1,252
Total Intergovernmental	<u>89,951</u>	<u>89,951</u>	<u>91,203</u>	<u>1,252</u>
INVESTMENT INCOME	<u>35,000</u>	<u>35,000</u>	<u>59,446</u>	<u>24,446</u>
OTHER REVENUES				
Franchises	380,000	380,000	410,717	30,717
Cell tower rental	28,500	28,500	36,549	8,049
Interdepartmental charges - water	472,781	472,781	465,439	(7,342)
Reimbursements	119,000	119,000	291,760	172,760
Other	<u>50,000</u>	<u>50,000</u>	<u>77,442</u>	<u>27,442</u>
Total Other Revenues	<u>1,050,281</u>	<u>1,050,281</u>	<u>1,281,907</u>	<u>231,626</u>
TOTAL REVENUES	<u>\$ 42,363,775</u>	<u>\$ 42,503,775</u>	<u>\$ 41,858,042</u>	<u>\$ (645,733)</u>

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Mayor's Office				
Salaries and benefits	\$ 146,960	\$ 142,960	\$ 135,559	\$ 7,401
Internal service fund charges	8,667	8,667	4,087	4,580
Administrative expenditures	7,500	7,500	7,535	(35)
Other general	2,100	2,100	2,131	(31)
Copier maintenance	11,200	11,200	10,607	593
Total Mayor's Office	<u>176,427</u>	<u>172,427</u>	<u>159,919</u>	<u>12,508</u>
City Clerk's Office				
Salaries and benefits	143,327	143,327	143,854	(527)
Internal service fund charges	7,222	7,222	7,008	214
Codification	16,000	12,000	195	11,805
Record retention	8,000	8,000	2,994	5,006
Other general	7,800	7,800	6,585	1,215
Copier maintenance	9,400	9,400	10,339	(939)
Total City Clerk's Office	<u>191,749</u>	<u>187,749</u>	<u>170,975</u>	<u>16,774</u>
Treasurer's Office				
Salaries and benefits	12,500	12,500	12,443	57
Internal service fund charges	372	372	392	(20)
Postage, printing and publications	3,000	3,000	2,600	400
Total Treasurer's Office	<u>15,872</u>	<u>15,872</u>	<u>15,435</u>	<u>437</u>
City Council				
Salaries and benefits	176,000	176,000	173,798	2,202
Internal service fund charges	6,513	6,513	4,417	2,096
Ward expenditures	36,000	36,000	27,092	8,908
Other general	-	-	-	-
Total City Council	<u>218,513</u>	<u>218,513</u>	<u>205,307</u>	<u>13,206</u>
Legal Department				
Salaries and benefits	144,749	206,749	204,527	2,222
Internal service fund charges	16,404	16,404	23,664	(7,260)
Adjudication program	35,745	35,745	27,000	8,745
Other general	2,000	2,000	928	1,072
Professional services	400,000	437,000	436,117	883
Total Legal Department	<u>598,898</u>	<u>697,898</u>	<u>692,236</u>	<u>5,662</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)				
Finance Department				
Salaries and benefits	\$ 1,031,154	\$ 1,031,154	\$ 1,018,337	\$ 12,817
Internal service fund charges	37,040	37,040	40,353	(3,313)
Vehicle registration service	35,000	35,000	23,496	11,504
Municipal revenue based fee	240,000	240,000	245,735	(5,735)
Other general	43,666	43,666	42,301	1,365
Postage, printing and publications	18,000	18,000	15,690	2,310
Telephone	30,000	30,000	51,649	(21,649)
Professional services	-	-	-	-
Payroll fees	30,000	30,000	27,918	2,082
Copier maintenance	11,000	11,000	10,041	959
Total Finance Department	<u>1,475,860</u>	<u>1,475,860</u>	<u>1,475,520</u>	<u>340</u>
Human Resources Department				
Salaries and benefits	172,605	152,605	131,152	21,453
Internal service fund charges	5,858	5,858	3,739	2,119
Job advertising	10,000	10,000	1,896	8,104
Other general	8,000	8,000	5,838	2,162
Total Human Resources Department	<u>196,463</u>	<u>176,463</u>	<u>142,625</u>	<u>33,838</u>
Information Technology Department				
Salaries and benefits	324,177	324,177	297,476	26,701
Internal service fund charges	14,821	14,821	16,607	(1,786)
Network infrastructure	165,000	165,000	149,926	15,074
Hardware purchases	85,000	75,000	68,538	6,462
Hardware maintenance	30,000	20,000	10,234	9,766
Software purchases	30,000	30,000	25,588	4,412
Software maintenance	30,000	30,000	23,364	6,636
Other general	30,000	30,000	22,244	7,756
Professional services	12,500	12,500	7,031	5,469
Total Information Technology Department	<u>721,498</u>	<u>701,498</u>	<u>621,008</u>	<u>80,490</u>
Statutory				
Auditing expenditures	75,000	75,000	90,700	(15,700)
Notary bonds	11,000	11,000	8,565	2,435
Equipment leases	90,000	35,000	-	35,000
Total Statutory	<u>176,000</u>	<u>121,000</u>	<u>99,265</u>	<u>21,735</u>
Contingency	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government	<u>4,021,280</u>	<u>3,767,280</u>	<u>3,582,290</u>	<u>184,990</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Fire Department				
Salaries and benefits	\$ 7,041,747	\$ 7,041,747	\$ 7,308,436	\$ (266,689)
Pension expenditures	2,034,580	2,034,580	2,049,758	(15,178)
Internal service fund charges	847,424	847,424	637,718	209,706
Collection service fees	62,100	62,100	62,464	(364)
Other general	73,471	73,471	81,324	(7,853)
Telephone	5,577	5,577	9,401	(3,824)
Utilities	45,781	45,781	66,233	(20,452)
Training, dues, and education	27,895	27,895	24,134	3,761
Professional services	1,207,188	1,207,188	1,337,849	(130,661)
Repairs and maintenance	119,516	119,516	138,020	(18,504)
Copier maintenance	9,400	9,400	10,070	(670)
Equipment purchases	25,782	25,782	35,330	(9,548)
Turnout gear	13,070	13,070	15,706	(2,636)
Total Fire Department	<u>11,513,531</u>	<u>11,513,531</u>	<u>11,776,443</u>	<u>(262,912)</u>
Police Department				
Salaries and benefits	13,893,775	13,843,775	13,634,838	208,937
Pension expenditures	1,928,758	1,928,758	1,895,643	33,115
Internal service fund charges	1,702,783	1,702,783	1,170,098	532,685
Other general	92,000	92,000	105,690	(13,690)
Postage, printing, and publications	14,688	14,688	19,813	(5,125)
Telephone	50,000	50,000	72,839	(22,839)
Utilities	180,000	180,000	249,072	(69,072)
Training, dues, and education	50,000	50,000	39,559	10,441
Supplies	53,000	53,000	43,869	9,131
Repairs and maintenance	170,000	170,000	197,316	(27,316)
Red Speed photo enforcement	-	-	156,528	(156,528)
Prior year unallowable seizure expenditures	-	-	234,000	(234,000)
Copier maintenance	27,070	27,070	27,478	(408)
Total Police Department	<u>18,162,074</u>	<u>18,112,074</u>	<u>17,846,743</u>	<u>265,331</u>
Fire and Police Commission				
Salaries and benefits	19,375	19,375	19,912	(537)
Other general	6,500	6,500	2,709	3,791
Total Fire and Police Commission	<u>25,875</u>	<u>25,875</u>	<u>22,621</u>	<u>3,254</u>
Total Public Safety	<u>29,701,480</u>	<u>29,651,480</u>	<u>29,645,807</u>	<u>5,673</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS				
Building Department				
Salaries and benefits	\$ 769,563	\$ 707,963	\$ 526,420	\$ 181,543
Internal service fund charges	318,710	318,710	342,384	(23,674)
Electrical and plumbing inspection	75,000	75,000	85,530	(10,530)
Other general	60,000	60,000	22,795	37,205
Postage, printing and publications	7,500	7,500	9,770	(2,270)
Utilities	40,000	40,000	24,158	15,842
Professional services	120,000	120,000	123,032	(3,032)
Repairs and maintenance	50,000	50,000	95,665	(45,665)
Copier maintenance	9,400	9,400	9,290	110
Total Building Department	<u>1,450,173</u>	<u>1,388,573</u>	<u>1,239,044</u>	<u>149,529</u>
Street Department				
Salaries and benefits	1,602,139	1,642,139	1,724,000	(81,861)
Internal service fund charges	82,507	82,507	124,879	(42,372)
Stock expenditures	9,532	9,532	13,300	(3,768)
Other general	79,650	79,650	74,696	4,954
Telephone	9,500	9,500	5,187	4,313
Utilities	5,000	5,000	14,644	(9,644)
External gas and oil	96,000	171,000	174,337	(3,337)
Engineering	-	-	1,263	(1,263)
Repairs and maintenance	140,000	197,700	229,653	(31,953)
Copier maintenance	5,000	5,000	1,968	3,032
Landscape maintenance	80,000	80,000	47,566	32,434
Total Street Department	<u>2,109,328</u>	<u>2,282,028</u>	<u>2,411,493</u>	<u>(129,465)</u>
Forestry Department				
Salaries and benefits	447,268	422,268	394,600	27,668
Internal service fund charges	18,854	18,854	11,763	7,091
Other general	500	500	449	51
Repairs and maintenance	68,000	68,000	65,596	2,404
Total Forestry	<u>534,622</u>	<u>509,622</u>	<u>472,408</u>	<u>37,214</u>
Total Public Works	<u>4,094,123</u>	<u>4,180,223</u>	<u>4,122,945</u>	<u>57,278</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget
ECONOMIC DEVELOPMENT				
Zoning Boards of Appeals				
Salaries and benefits	\$ 13,564	\$ 13,564	\$ 12,641	\$ 923
Other general	2,500	2,500	2,057	443
Total Zoning Boards of Appeals	<u>16,064</u>	<u>16,064</u>	<u>14,698</u>	<u>1,366</u>
 Committees and Planning Department				
Berwyn Development Corporation	86,000	86,000	86,000	-
Main Street	49,950	49,950	24,975	24,975
Regional Housing Authority	250,000	250,000	250,000	-
West Central Municipal Conference	16,747	16,747	16,327	420
Historical Society	10,000	10,000	6,444	3,556
Utility tax rebate	50,000	138,100	135,605	2,495
100th Anniversary celebration	175,000	275,000	264,571	10,429
Other general	13,000	13,000	3,041	9,959
Total Committees and Planning Department	<u>650,697</u>	<u>838,797</u>	<u>786,963</u>	<u>51,834</u>
 Total Economic Development	<u>666,761</u>	<u>854,861</u>	<u>801,661</u>	<u>53,200</u>
 CULTURE AND RECREATION				
Recreation Department				
Salaries and benefits	917,541	917,541	730,763	186,778
Internal service fund charges	38,496	38,496	31,889	6,607
Special events	38,000	38,000	30,746	7,254
Concession stand	25,000	25,000	14,653	10,347
Other general	32,000	32,000	88,038	(56,038)
Postage, printing, and publications	5,000	5,000	1,902	3,098
Telephone	6,000	6,000	6,593	(593)
Utilities	30,000	70,000	78,653	(8,653)
Supplies	82,721	82,721	83,979	(1,258)
Repairs and maintenance	147,000	147,000	128,955	18,045
Copier maintenance	11,762	11,762	12,182	(420)
Total Recreation Department	<u>1,333,520</u>	<u>1,373,520</u>	<u>1,208,353</u>	<u>165,167</u>

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2008

(concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget
CULTURE AND RECREATION (CONT.)				
Community Relations Department				
Salaries and benefits	\$ 5,383	\$ 5,383	\$ 5,412	\$ (29)
Special events	1,000	1,000	-	1,000
Other general	4,000	4,000	975	3,025
Total Community Relations Department	<u>10,383</u>	<u>10,383</u>	<u>6,387</u>	<u>3,996</u>
 Total Culture and Recreation	 <u>1,343,903</u>	 <u>1,383,903</u>	 <u>1,214,740</u>	 <u>169,163</u>
 HEALTH AND SANITATION				
Garbage - Professional services	<u>3,996,399</u>	<u>3,996,399</u>	<u>3,979,436</u>	<u>16,963</u>
 CAPITAL OUTLAY				
Capital Improvement Department				
Fire Department Capital	98,000	265,364	265,364	-
City hall renovation	30,000	30,000	-	30,000
Kronos timekeeping system	41,425	41,425	41,771	(346)
Human Resources Capital	12,000	12,000	-	12,000
Fiber wiring preparation	12,500	12,500	-	12,500
Building Capital	-	-	20,000	(20,000)
Public Works Capital	135,000	151,152	151,152	-
Recreation Capital	25,000	25,000	-	25,000
Total Capital Outlay	<u>353,925</u>	<u>537,441</u>	<u>478,287</u>	<u>59,154</u>
 DEBT SERVICE				
Public Works vehicle lease				
Principal	29,431	93,967	74,188	19,779
Interest and fiscal charges	-	-	19,045	(19,045)
Ambulance lease				
Principal	94,048	94,048	52,250	41,798
Interest and fiscal charges	-	-	9,459	(9,459)
Total Debt Service	<u>123,479</u>	<u>188,015</u>	<u>154,942</u>	<u>33,073</u>
 TOTAL GENERAL FUND EXPENDITURES	 <u>\$ 44,301,350</u>	 <u>\$ 44,559,602</u>	 <u>\$ 43,980,108</u>	 <u>\$ 579,494</u>

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

The Community Outreach Fund is used to account for the spending of funds on various community events, senior programs, and other outreach activities. Revenues include donations and fees received towards specific events and grant revenues received for the City's senior advocate.

The Library Fund is used to account for the revenues of and the spending of funds for the operations of the Berwyn Public Library.

The Motor Fuel Tax Fund is used to account for the proceeds received from the State for the City's share of motor fuel taxes. Spending within this fund is restricted by state regulations to the maintenance and improvement of City streets.

South Berwyn Corridor TIF is used to accumulate tax increment generated by the South Berwyn TIF district which was created on January 28, 1997. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Roosevelt Road TIF is used to accumulate tax increment generated by the Roosevelt Road TIF district which was created on January 28, 1997. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

Ogden Avenue TIF is used to accumulate tax increment generated by the Ogden Avenue TIF district which was created on May 25, 1993. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

The Grants Fund is used to account for various grant revenues and the related expenditure of those grant funds.

The Police Seizure Fund is used to account for revenues obtained from drug seizures and expenditures related to police activity in accordance with state and federal requirements.

The Emergency 911 Telephone System Fund is used to account for the operations and maintenance of an emergency telephone system with revenues provided by a specific annual tax levy.

The Foreign Fire Insurance Fund is used to account for the proceeds and spending of the foreign fire insurance tax. The fund is administered by the City's Foreign Fire Insurance Board and must be used for the benefit of the fire department.

The Community Development Block Grant (CDBG) Fund is used to account for the revenues and expenditures of the Community Development Block Grant program with funding provided by the Federal Department of Housing and Urban Development.

The Infrastructure Bond Fund is used to account for bond proceeds which are to be used to finance capital projects

CITY OF BERWYN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

	Special Revenue						
	Community Outreach	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Grants
ASSETS							
Cash and investments	\$ 8,099	\$ 109,803	\$ 1,057,213	\$ 1,495,436	\$ 1,762,887	\$ 2,012,864	\$ -
Receivables							
Property taxes	-	2,536,936	-	14,825	9,748	24,910	-
Notes	-	-	-	-	725,000	-	-
Interest	-	35	-	16	3	12	-
Accounts	225	2,410	-	750	750	750	-
Prepaid items	-	-	-	-	-	-	-
Land held for resale	-	-	-	1,939,507	-	-	-
Due from other governments	8,692	-	131,195	-	-	-	283,953
TOTAL ASSETS	\$ 17,016	\$ 2,649,184	\$ 1,188,408	\$ 3,450,534	\$ 2,498,388	\$ 2,038,536	\$ 283,953
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 5,575	\$ 26,681	\$ 433,953	\$ 15,331	\$ 12,944	\$ 145,156	\$ 3,000
Accrued payroll	10,194	76,863	-	-	-	-	-
Deferred revenue	-	2,497,312	-	-	-	-	259,673
Due to other funds	-	-	-	-	-	-	260,695
Advance from other funds	-	-	-	650,000	-	-	-
Total Liabilities	15,769	2,600,856	433,953	665,331	12,944	145,156	523,368
FUND BALANCES							
Reserved							
Public safety	-	-	-	-	-	-	-
Public works	-	-	754,455	-	-	-	-
Economic development	-	-	-	2,785,203	2,485,444	1,893,380	-
Unreserved (deficit)							
Special Revenue Funds	1,247	48,328	-	-	-	-	(239,415)
Capital Projects Funds	-	-	-	-	-	-	-
Total Fund Balances	1,247	48,328	754,455	2,785,203	2,485,444	1,893,380	(239,415)
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,016	\$ 2,649,184	\$ 1,188,408	\$ 3,450,534	\$ 2,498,388	\$ 2,038,536	\$ 283,953

CITY OF BERWYN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2008

(concluded)

	Special Revenue				Capital Projects	Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Infrastructure Bond	
ASSETS						
Cash and investments	\$ 216,127	\$ 482,535	\$ 29,539	\$ -	\$ 18,705	\$ 7,193,208
Receivables						
Property taxes	-	-	-	-	-	2,586,419
Notes	-	-	-	1,354,335	-	2,079,335
Interest	217	-	-	-	-	283
Accounts	-	-	-	729	-	5,614
Prepaid items	-	-	-	-	9,848	9,848
Land held for resale	-	-	-	-	-	1,939,507
Due from other governments	-	87,149	-	450,944	-	961,933
TOTAL ASSETS	\$ 216,344	\$ 569,684	\$ 29,539	\$ 1,806,008	\$ 28,553	\$ 14,776,147
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,593	\$ -	\$ -	\$ 26,538	\$ -	\$ 670,771
Accrued payroll	-	-	-	13,605	-	100,662
Deferred revenue	-	-	-	1,354,335	-	4,111,320
Due to other funds	-	10,251	-	411,530	-	682,476
Advance from other funds	-	-	-	-	-	650,000
Total Liabilities	1,593	10,251	-	1,806,008	-	6,215,229
FUND BALANCES						
Reserved						
Public safety	214,751	559,433	29,539	-	-	803,723
Public works	-	-	-	-	-	754,455
Economic development	-	-	-	-	-	7,164,027
Unreserved						
Special Revenue Funds	-	-	-	-	-	(189,840)
Capital Projects Funds	-	-	-	-	28,553	28,553
Total Fund Balances	214,751	559,433	29,539	-	28,553	8,560,918
TOTAL LIABILITIES AND FUND BALANCES	\$ 216,344	\$ 569,684	\$ 29,539	\$ 1,806,008	\$ 28,553	\$ 14,776,147

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Special Revenue						Grants
	Community Outreach	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	
REVENUES							
Property taxes	\$ -	\$ 2,453,242	\$ -	\$ 1,268,661	\$ 537,082	\$ 1,074,961	\$ -
Other taxes	-	-	-	-	-	-	-
Charges for services	-	23,371	-	-	-	-	-
Fines and forfeitures	-	34,891	-	-	-	-	-
Intergovernmental	52,844	65,397	1,587,463	-	-	-	254,061
Investment income	-	3,582	48,713	43,643	37,061	60,266	-
Miscellaneous	29,859	16,966	-	-	-	-	-
Total Revenues	82,703	2,597,449	1,636,176	1,312,304	574,143	1,135,227	254,061
EXPENDITURES							
Current							
Public safety	-	-	-	-	-	-	194,953
Public works	-	-	1,764,979	-	-	-	-
Economic development	-	-	-	310,378	201,966	1,388,512	52,858
Culture and recreation	309,222	2,516,028	-	-	-	-	20,665
Capital outlay	-	-	229,634	-	-	-	-
Debt service							
Principal	-	-	-	155,161	74,359	-	-
Interest and fiscal charges	-	-	-	180,417	46,614	-	-
Total Expenditures	309,222	2,516,028	1,994,613	645,956	322,939	1,388,512	268,476
Excess (deficiency) of revenues over expenditures	(226,519)	81,421	(358,437)	666,348	251,204	(253,285)	(14,415)
OTHER FINANCING SOURCES (USES)							
Transfers in	218,642	-	-	-	-	-	-
Transfers (out)	-	-	(783,888)	(644,917)	(80,370)	(474,598)	-
Total Other Financing Sources (Uses)	218,642	-	(783,888)	(644,917)	(80,370)	(474,598)	-
NET CHANGE IN FUND BALANCES	(7,877)	81,421	(1,142,325)	21,431	170,834	(727,883)	(14,415)
FUND BALANCES (DEFICIT), JANUARY 1	9,124	(33,093)	1,896,780	2,763,772	2,314,610	2,621,263	(225,000)
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,247	\$ 48,328	\$ 754,455	\$ 2,785,203	\$ 2,485,444	\$ 1,893,380	\$ (239,415)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

(concluded)

	Special Revenue				Capital Projects	Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Infrastructure Bond	
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,333,946
Other taxes	-	-	20,628	-	-	20,628
Charges for services	-	-	-	-	-	23,371
Fines and forfeitures	-	-	-	-	-	34,891
Intergovernmental	205,505	577,644	-	1,516,150	-	4,259,064
Investment income	8,324	7,284	58	-	1,593	210,524
Miscellaneous	-	-	-	23,295	-	70,120
Total Revenues	<u>213,829</u>	<u>584,928</u>	<u>20,686</u>	<u>1,539,445</u>	<u>1,593</u>	<u>9,952,544</u>
EXPENDITURES						
Current						
Public safety	218,674	129,196	17,136	-	-	559,959
Public works	-	-	-	-	-	1,764,979
Economic development	-	-	-	1,565,803	-	3,519,517
Culture and recreation	-	-	-	-	-	2,845,915
Capital outlay	93,158	116,102	-	-	226,367	665,261
Debt service						
Principal	-	-	-	-	-	229,520
Interest and fiscal charges	-	-	-	-	-	227,031
Total Expenditures	<u>311,832</u>	<u>245,298</u>	<u>17,136</u>	<u>1,565,803</u>	<u>226,367</u>	<u>9,812,182</u>
Excess (deficiency) of revenues over expenditures	<u>(98,003)</u>	<u>339,630</u>	<u>3,550</u>	<u>(26,358)</u>	<u>(224,774)</u>	<u>140,362</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	26,358	-	245,000
Transfers (out)	-	(46,872)	-	-	-	(2,030,645)
Total Other Financing Sources (Uses)	-	(46,872)	-	26,358	-	(1,785,645)
NET CHANGE IN FUND BALANCES	(98,003)	292,758	3,550	-	(224,774)	(1,645,283)
FUND BALANCES (DEFICIT), JANUARY 1	<u>312,754</u>	<u>266,675</u>	<u>25,989</u>	<u>-</u>	<u>253,327</u>	<u>10,206,201</u>
FUND BALANCES (DEFICIT), DECEMBER 31	<u>\$ 214,751</u>	<u>\$ 559,433</u>	<u>\$ 29,539</u>	<u>\$ -</u>	<u>\$ 28,553</u>	<u>\$ 8,560,918</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues			
CDBG - senior advocate	\$ 35,000	\$ 52,844	\$ 17,844
Miscellaneous revenues			
White Sox game	8,200	5,064	(3,136)
National Night Out	10,000	7,000	(3,000)
Senior breakfast	500	1,194	694
Other events	-	250	250
Senior citizen programs	7,000	9,767	2,767
Sponsorships	4,000	6,584	2,584
	<u>64,700</u>	<u>82,703</u>	<u>18,003</u>
Total Revenues			
EXPENDITURES			
Culture and Recreation			
Salaries and benefits	278,660	226,654	52,006
Internal service fund charges	8,460	7,939	521
White Sox game	5,700	4,573	1,127
National Night Out	20,000	10,326	9,674
Senior breakfast	4,000	4,272	(272)
Other events	-	3,256	(3,256)
Senior van maintenance	11,000	624	10,376
Other general	50,000	36,148	13,852
Repairs and maintenance	14,000	13,390	610
Equipment lease	7,000	-	7,000
Copier maintenance	2,400	2,040	360
	<u>401,220</u>	<u>309,222</u>	<u>91,998</u>
Total Expenditures			
Exceeds (deficiency) of revenues over (under) expenditures	<u>(336,520)</u>	<u>(226,519)</u>	<u>110,001</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>336,520</u>	<u>218,642</u>	<u>(117,878)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(7,877)</u>	<u>\$ (7,877)</u>
FUND BALANCE, JANUARY 1		<u>9,124</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 1,247</u></u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - library	\$ 2,497,312	\$ 2,453,242	\$ (44,070)
Charges for services - rental revenue	30,000	23,371	(6,629)
Fines and forfeitures			
Book fines	15,000	22,307	7,307
Copier fees - maintenance fund	-	12,584	12,584
Intergovernmental revenue - Per Capita Grant	65,000	65,397	397
Investment income	-	3,582	3,582
Miscellaneous revenues			
Donations - building fund	20,000	16,931	(3,069)
Other miscellaneous revenue	-	35	35
Total Revenues	<u>2,627,312</u>	<u>2,597,449</u>	<u>(29,863)</u>
EXPENDITURES			
Culture and Recreation			
Salaries and benefits	2,010,742	1,837,538	173,204
Internal service fund charges	-	62,956	(62,956)
Books	140,675	183,774	(43,099)
Periodicals	22,600	19,194	3,406
Audio visual	50,670	56,974	(6,304)
Computer system	45,000	46,494	(1,494)
Dues and subscriptions	11,500	4,096	7,404
Computer support databases	6,400	2,632	3,768
Programs adult/children	13,475	18,800	(5,325)
Reciprocal borrowing	4,500	4,449	51
Promotions	23,400	17,677	5,723
Director expense	250	104	146
Board expense	250	199	51
Other general	100	547	(447)
Postage, printing, and publications	12,000	6,874	5,126
Telephone	14,000	12,992	1,008
Utilities	28,000	14,827	13,173
Supplies	124,900	99,306	25,594
Repairs and maintenance	113,850	126,595	(12,745)
Capital improvement	5,000	-	5,000
Total Expenditures	<u>2,627,312</u>	<u>2,516,028</u>	<u>111,284</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>81,421</u>	<u>\$ 81,421</u>
FUND BALANCE (DEFICIT), JANUARY 1		<u>(33,093)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 48,328</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues - state allotment	\$ 1,529,000	\$ 1,587,463	\$ 58,463
Investment income	95,000	48,713	(46,287)
 Total Revenues	 <u>1,624,000</u>	 <u>1,636,176</u>	 <u>12,176</u>
EXPENDITURES			
Current			
Public Works			
Rock salt	124,800	603,112	(478,312)
Utilities	180,000	199,003	(19,003)
Tree trimming	120,000	189,447	(69,447)
Repairs and maintenance			
Street/sidewalk	160,000	107,124	52,876
Sewer system	20,000	42,076	(22,076)
Traffic control	380,000	624,217	(244,217)
Capital outlay			
Engineering	30,000	141,731	(111,731)
Arterial lighting	410,000	-	410,000
Project construction	137,500	65,875	71,625
Oak Park lighting project	750,000	22,028	727,972
 Total Expenditures	 <u>2,312,300</u>	 <u>1,994,613</u>	 <u>317,687</u>
Exceeds (deficiency) of revenues over (under) expenditures	<u>(688,300)</u>	<u>(358,437)</u>	<u>329,863</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(783,888)</u>	<u>(783,888)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (1,472,188)</u>	 <u>(1,142,325)</u>	 <u>\$ 329,863</u>
FUND BALANCE, JANUARY 1		<u>1,896,780</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ 754,455</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOUTH BERWYN CORRIDOR TIF**

For the Year Ended December 31, 2008

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,062,354	\$ 1,268,661	\$ 206,307
Investment income	35,000	43,643	8,643
 Total Revenues	 <u>1,097,354</u>	 <u>1,312,304</u>	 <u>214,950</u>
EXPENDITURES			
Economic Development			
TIF expenditures	1,500,681	235,226	1,265,455
TIF management services - BDC	98,699	75,152	23,547
Debt Service			
Principal	155,161	155,161	-
Interest - notes payable	148,906	136,832	12,074
Interest - on advance	-	43,585	(43,585)
 Total Expenditures	 <u>1,903,447</u>	 <u>645,956</u>	 <u>1,257,491</u>
Exceeds (deficiency) of revenues over (under) expenditures	<u>(806,093)</u>	<u>666,348</u>	<u>1,472,441</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>500,000</u>	<u>(644,917)</u>	<u>(1,144,917)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (306,093)</u>	 21,431	 <u>\$ 327,524</u>
FUND BALANCE, JANUARY 1		<u>2,763,772</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ 2,785,203</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROOSEVELT ROAD TIF

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - increment	\$ 572,680	\$ 572,680	\$ 537,082	\$ (35,598)
Investment income	<u>45,500</u>	<u>45,500</u>	<u>37,061</u>	<u>(8,439)</u>
Total Revenues	<u>618,180</u>	<u>618,180</u>	<u>574,143</u>	<u>(44,037)</u>
EXPENDITURES				
Economic Development				
TIF expenditures	497,518	635,518	171,763	463,755
TIF management services - BDC	40,560	40,560	30,203	10,357
Debt Service				
Principal	74,359	74,359	74,359	-
Interest and fiscal charges	<u>50,856</u>	<u>50,856</u>	<u>46,614</u>	<u>4,242</u>
Total Expenditures	<u>663,293</u>	<u>801,293</u>	<u>322,939</u>	<u>478,354</u>
Exceeds (deficiency) of revenues over (under) expenditures	<u>(45,113)</u>	<u>(183,113)</u>	<u>251,204</u>	<u>434,317</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(80,370)</u>	<u>(80,370)</u>	<u>(80,370)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (125,483)</u>	<u>\$ (263,483)</u>	170,834	<u>\$ 434,317</u>
FUND BALANCE, JANUARY 1			<u>2,314,610</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 2,485,444</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ODGEN AVENUE TIF**

For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - increment	\$ 992,920	\$ 992,920	\$ 1,074,961	\$ 82,041
Investment income	<u>35,000</u>	<u>35,000</u>	<u>60,266</u>	<u>25,266</u>
Total Revenues	<u>1,027,920</u>	<u>1,027,920</u>	<u>1,135,227</u>	<u>107,307</u>
EXPENDITURES				
Economic Development				
TIF expenditures	54,178	1,224,178	1,011,825	212,353
TIF management services - BDC	<u>496,080</u>	<u>496,080</u>	<u>376,687</u>	<u>119,393</u>
Total Expenditures	<u>550,258</u>	<u>1,720,258</u>	<u>1,388,512</u>	<u>331,746</u>
Exceeds (deficiency) of revenues over (under) expenditures	<u>477,662</u>	<u>(692,338)</u>	<u>(253,285)</u>	<u>439,053</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(474,598)</u>	<u>(474,598)</u>	<u>(474,598)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,064</u>	<u>\$ (1,166,936)</u>	<u>(727,883)</u>	<u>\$ 439,053</u>
FUND BALANCE, JANUARY 1			<u>2,621,263</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,893,380</u>	

FIDUCIARY FUNDS

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF NET ASSETS
PENSION TRUST FUNDS

December 31, 2008

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and investments			
Cash and cash equivalents	\$ 45,112	\$ 137,450	\$ 182,562
Investments			
Certificates of deposit	-	3,127,847	3,127,847
U.S. Treasury securities	6,767,556	800,447	7,568,003
U.S. Agency securities	10,479,975	3,678,860	14,158,835
Money market mutual funds	1,504,399	1,637,404	3,141,803
Equities	3,041,299	-	3,041,299
Equity mutual fund	6,912,124	7,385,033	14,297,157
Insurance contracts	4,917	58,453	63,370
State and local obligations	538,454	-	538,454
Corporate bonds	962,481	-	962,481
Total Cash and Investments	<u>30,256,317</u>	<u>16,825,494</u>	<u>47,081,811</u>
Receivables			
Accrued interest	194,245	69,811	264,056
Due from governmental funds	<u>34,814</u>	<u>30,365</u>	<u>65,179</u>
Total Receivables	<u>229,059</u>	<u>100,176</u>	<u>329,235</u>
Total Assets	<u>30,485,376</u>	<u>16,925,670</u>	<u>47,411,046</u>
LIABILITIES			
Accounts payable	11,130	-	11,130
Payroll tax payable	(194)	194	-
Due to governmental funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>10,936</u>	<u>194</u>	<u>11,130</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 30,474,440</u>	<u>\$ 16,925,476</u>	<u>\$ 47,399,916</u>

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUNDS**

For the Year Ended December 31, 2008

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ADDITIONS			
Contributions			
Employer	\$ 1,895,617	\$ 2,050,549	\$ 3,946,166
Participants	<u>934,143</u>	<u>497,502</u>	<u>1,431,645</u>
Total Contributions	<u>2,829,760</u>	<u>2,548,051</u>	<u>5,377,811</u>
Investment Income			
Net appreciation in fair value of investments	(4,874,232)	(2,757,970)	(7,632,202)
Interest earned	1,597,468	663,188	2,260,656
Less investment expenses	<u>(123,530)</u>	<u>(45,580)</u>	<u>(169,110)</u>
Total Investment Income	<u>(3,400,294)</u>	<u>(2,140,362)</u>	<u>(5,540,656)</u>
Total Additions	<u>(570,534)</u>	<u>407,689</u>	<u>(162,845)</u>
DEDUCTIONS			
Administrative	33,053	31,435	64,488
Pension benefits and refunds	<u>2,316,565</u>	<u>2,606,254</u>	<u>4,922,819</u>
Total Deductions	<u>2,349,618</u>	<u>2,637,689</u>	<u>4,987,307</u>
NET INCREASE (DECREASE)	(2,920,152)	(2,230,000)	(5,150,152)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - January 1	<u>33,394,592</u>	<u>19,155,476</u>	<u>52,550,068</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - December 31	<u>\$ 30,474,440</u>	<u>\$ 16,925,476</u>	<u>\$ 47,399,916</u>

See independent auditor's report.

STATISTICAL SECTION

CITY OF BERWYN, ILLINOIS
NET ASSETS BY COMPONENT
Last 5 Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets Net of Related Debt	\$ (54,100,413)	\$ (42,547,755)	\$ (33,773,365)	\$ 7,399,270	\$ 3,546,131
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114
Unrestricted	(1,384,267)	(5,951,732)	(15,561,601)	(21,533,594)	(16,013,844)
Total Governmental Activities	\$ (42,057,244)	\$ (37,907,981)	\$ (35,180,508)	\$ (866,059)	\$ 723,401
Business-type Activities					
Invested in Capital Assets Net of Related Debt	\$ 53,803,712	\$ 49,918,319	\$ 45,996,581	\$ 42,046,853	\$ 38,097,726
Restricted	-	-	-	-	-
Unrestricted	3,373,650	4,320,618	5,126,822	4,771,633	4,837,469
Total Business-type Activities	\$ 57,177,362	\$ 54,238,937	\$ 51,123,403	\$ 46,818,486	\$ 42,935,195
Primary Government					
Invested in Capital Assets Net of Related Debt	\$ (296,701)	\$ 7,370,564	\$ 12,223,216	\$ 49,446,123	\$ 41,643,857
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114
Unrestricted	1,989,383	(1,631,114)	(10,434,779)	(16,761,961)	(11,176,375)
Total Primary Government	\$ 15,120,118	\$ 16,330,956	\$ 15,942,895	\$ 45,952,427	\$ 43,658,596

Note: The City delayed recording of their infrastructure assets until fiscal 2007.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
CHANGE IN NET ASSETS
 Last 5 Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities					
General Government	\$ 2,522,183	\$ 3,950,982	\$ 4,102,604	\$ 3,784,866	\$ 3,704,316
Public Safety	25,674,122	27,713,240	31,898,438	30,386,975	32,691,594
Public Works	3,566,665	4,308,511	4,070,337	7,911,236	8,834,260
Economic Development	2,381,472	4,113,882	5,553,608	4,822,636	4,422,771
Culture and Recreation	3,596,705	3,939,759	3,821,004	4,378,740	4,482,379
Health and Sanitation	3,375,652	3,639,509	2,532,495	3,793,645	3,979,436
Interest	3,287,663	3,491,041	3,230,567	3,810,963	4,605,725
Total Governmental Activities Expenses	44,404,462	51,156,924	55,209,053	58,889,061	62,720,481
Business-type Activities					
Water	8,306,455	7,933,640	8,390,828	9,406,507	9,219,236
Total Business-type Activities Expenses	8,306,455	7,933,640	8,390,828	9,406,507	9,219,236
Total Primary Government Expenses	\$ 52,710,917	\$ 59,090,564	\$ 63,599,881	\$ 68,295,568	\$ 71,939,717
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	2,905,720	3,025,435	3,575,623	2,532,861	2,338,313
Public Safety	3,160,021	3,179,570	3,695,343	4,699,882	5,285,205
Health and Sanitation	2,861,161	2,871,575	2,968,711	3,940,827	4,284,901
Other Activities	478,700	532,653	488,136	1,587,208	2,058,790
Operating Grants and Contributions	4,333,823	5,471,424	2,859,123	4,108,493	4,141,684
Capital Grants and Contributions	-	-	2,277,698	1,275,193	1,185,936
Total Governmental Activities Program Revenues	13,739,425	15,080,657	15,864,634	18,144,464	19,294,829
Business-type Activities					
Charges for Services					
Water	\$ 5,455,034	\$ 4,907,882	\$ 5,075,488	\$ 4,958,994	\$ 5,285,856
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	5,455,034	4,907,882	5,075,488	4,958,994	5,285,856
Total Primary Government Program Revenues	\$ 19,194,459	\$ 19,988,539	\$ 20,940,122	\$ 23,103,458	\$ 24,580,685
Net (Expense) Revenue					
Governmental Activities					
Governmental Activities	\$ (30,665,037)	\$ (36,076,267)	\$ (39,344,419)	\$ (40,744,597)	\$ (43,425,652)
Business-type Activities					
Business-type Activities	(2,851,421)	(3,025,758)	(3,315,340)	(4,447,513)	(3,933,380)
Total Primary Government Net (Expense) Revenue	\$ (33,516,458)	\$ (39,102,025)	\$ (42,659,759)	\$ (45,192,110)	\$ (47,359,032)

General Revenues and Other Changes in Net Assets

Governmental Activities					
Taxes					
Property	\$ 20,320,107	\$ 22,380,786	\$ 21,932,353	\$ 21,029,820	\$ 24,009,284
Sales	3,449,214	2,596,951	2,886,605	2,886,108	2,723,620
Home Rule Sales	1,854,171	1,894,374	1,957,207	2,011,687	2,000,041
Utility	3,487,508	4,234,714	3,979,120	4,178,301	4,548,527
Income	3,457,348	4,802,668	5,132,141	5,518,357	5,924,698
Real Estate Transfer	2,978,685	3,250,800	2,915,139	1,565,735	989,133
Other	552,848	776,270	757,008	1,066,871	1,064,663
Investment Earnings	138,414	170,347	442,830	1,019,673	863,193
Miscellaneous	120,810	133,582	182,793	63,518	227,446
Transfers	-	(87,333)	-	-	-
Total Governmental Activities	36,359,105	40,153,159	40,185,196	39,340,070	42,350,605
Business-type Activities					
Investment Earnings	-	-	-	57,429	50,089
Transfers	-	87,333	-	-	-
Total Business-type Activities	-	87,333	-	57,429	50,089
Total Primary Government	\$ 36,359,105	\$ 40,240,492	\$ 40,185,196	\$ 39,397,499	\$ 42,400,694
Change in Net Assets					
Governmental Activities	\$ 5,694,068	\$ 4,076,892	\$ 840,777	\$ (1,404,527)	\$ (1,075,047)
Business-type Activities	(2,851,421)	(2,938,425)	(3,315,340)	(4,390,084)	(3,883,291)
Total Primary Government Change in Net Assets	\$ 2,842,647	\$ 1,138,467	\$ (2,474,563)	\$ (5,794,611)	\$ (4,958,338)

Note: For 2007, the building department expenditures of approximately \$1.7 million were recorded within the public works function but had previously been recorded as part of the public safety function.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 1,163,113	\$ -	\$ -	\$ -	\$ 318,222	\$ 419,443	\$ 5,237,810	\$ 684,885	\$ 642,046	\$ 582,439
Unreserved	1,384,756	2,097,992	3,129,183	5,169,605	2,652,658	8,171,865	1,268,110	3,404,867	69,626	(434,196)
Total General Fund	\$ 2,547,869	\$ 2,097,992	\$ 3,129,183	\$ 5,169,605	\$ 2,970,880	\$ 8,591,308	\$ 6,505,920	\$ 4,089,752	\$ 711,672	\$ 148,243
All Other Governmental Funds										
Reserved	8,174,538	5,384,600	2,000,220	2,146,042	2,057,893	13,427,436	14,587,806	17,101,126	17,062,795	19,433,404
Unreserved, reported in										
Special Revenue Funds	5,997,042	6,529,627	5,401,224	7,197,360	7,222,818	24,128	18,312	-	(248,969)	(189,840)
Debt Service Funds	-	-	-	-	-	-	(1,072,188)	(3,028,916)	(1,319,907)	210,057
Capital Project Funds	59,693,599	32,429,336	5,601,955	3,806,475	2,504,657	627,504	631,279	357,607	21,969,161	17,175,732
Permanent Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 73,865,179	\$ 44,343,563	\$ 13,003,399	\$ 13,149,877	\$ 11,785,368	\$ 14,079,068	\$ 14,165,209	\$ 14,429,817	\$ 37,463,080	\$ 36,629,353

Note: The unreserved general fund balance increased in 2004 due to the recording of proceeds from a short term borrowing. This borrowing was repaid in subsequent years from the debt service fund. Since the debt service fund did not levy for the repayment of this short term debt, the unreserved fund balance in the debt service fund became negative. This deficit was corrected during 2008.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Property Taxes	\$ 18,027,728	\$ 22,120,427	\$ 19,003,833	\$ 18,528,949	\$ 20,851,633	\$ 20,320,107	\$ 22,380,786	\$ 21,932,353	\$ 21,029,820	\$ 24,009,284
Other Taxes	12,168,714	12,910,495	13,405,441	13,501,187	14,774,881	15,927,542	17,555,778	17,627,219	16,851,908	16,860,593
Licenses and Permits	1,691,931	1,700,353	1,707,328	1,860,223	1,880,941	4,605,640	4,628,463	2,474,544	2,444,530	2,476,742
Intergovernmental	747,409	1,409,696	1,091,324	2,090,240	3,279,135	4,726,906	5,872,817	5,567,284	5,218,266	4,604,635
Fines and Forfeitures	3,863,950	4,203,540	4,629,450	5,102,861	5,719,911	2,354,896	2,340,519	2,113,542	3,462,077	4,179,977
Charges for Services	3,966,990	3,744,245	3,842,050	3,863,691	3,268,459	1,861,510	1,884,002	5,171,263	5,966,322	6,368,630
Investment Income	1,661,906	3,698,687	3,910,897	353,868	246,112	138,414	170,346	442,376	1,001,246	870,564
Miscellaneous	1,174,728	581,170	357,851	2,176,670	635,185	311,283	488,438	721,249	1,266,938	1,352,027
Total Revenues	43,303,356	50,368,613	47,948,174	47,477,689	50,656,257	50,246,298	55,321,149	56,049,830	57,241,107	60,722,452
Expenditures										
General Government	9,841,485	9,333,037	10,086,369	11,207,581	11,304,603	4,330,211	3,881,802	3,769,646	3,628,208	3,582,290
Public Safety	11,896,786	13,716,157	14,130,192	15,638,726	17,191,512	26,433,181	27,028,841	30,158,970	30,171,443	30,205,766
Highways and Streets	4,366,494	6,740,543	8,213,581	7,159,385	4,946,880	3,383,133	4,072,069	3,831,925	5,522,486	5,887,924
Health & Welfare	3,506,105	4,297,197	3,891,421	4,543,164	3,986,219	3,375,652	3,639,509	2,516,150	3,793,645	3,979,436
Culture and Recreation	2,272,005	2,309,520	2,545,222	2,480,813	2,636,804	3,557,923	3,527,966	3,620,208	4,089,133	4,060,655
Economic Development	923,161	216,328	289,168	105,233	511,725	2,359,178	4,099,439	3,580,521	4,821,508	6,374,928
Capital Outlay	6,634,522	30,625,564	30,653,643	5,635,034	4,384,405	519,996	430,201	2,785,959	2,090,822	5,914,145
Debt Service										
Principal	4,121,441	5,795,250	5,606,490	5,769,647	6,295,000	7,163,850	17,666,069	16,088,740	16,700,209	935,958
Interest	5,413,859	3,859,103	3,961,641	3,944,307	3,775,965	3,022,621	3,217,344	3,323,375	3,558,413	4,346,090
Other Charges	-	-	-	-	-	427,932	69,800	53,835	767,099	379,643
Total Expenditures	48,975,858	76,892,699	79,377,727	56,483,890	55,033,113	54,573,677	67,633,040	69,729,329	75,142,966	65,666,835
Excess of Revenues over (under) Expenditures	(5,672,502)	(26,524,086)	(31,429,553)	(9,006,201)	(4,376,856)	(4,327,379)	(12,311,891)	(13,679,499)	(17,901,859)	(4,944,383)
Other financing Sources (Uses)										
Transfers In	1,542,067	8,430,775	7,776,749	1,346,237	-	-	2,809,300	2,312,014	11,921,682	2,752,592
Transfers Out	(1,542,067)	(6,651,391)	(758,344)	(346,237)	-	-	(2,896,633)	(2,312,014)	(11,921,682)	(2,752,592)
Debt Issued	65,000,000	194,913	3,890,000	4,235,140	-	28,946,250	10,346,509	11,514,507	49,705,827	8,175,930
Premium (Discount) on Bonds Issued	-	-	-	-	-	2,015,998	-	-	1,146,682	(64,086)
Transfer to Bond Escrow Agent	-	(5,478,976)	(2,969,377)	-	-	(21,379,191)	-	-	(12,802,600)	(7,379,125)
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	150,000
Total Other Financing Sources (Uses)	65,000,000	(3,504,679)	7,939,028	5,235,140	-	9,583,057	10,259,176	11,514,507	38,049,909	882,719
Net Change in Fund Balances	\$ 59,327,498	\$ (30,028,765)	\$ (23,490,525)	\$ (3,771,061)	\$ (4,376,856)	\$ 5,255,678	\$ (2,052,715)	\$ (2,164,992)	\$ 20,148,050	\$ (4,061,664)
Debt Service as a Percentage of Noncapital Expenditures	22.52%	20.87%	19.64%	19.10%	19.88%	18.85%	31.08%	29.00%	27.73%	8.84%

Note: Debt refundings that occurred during 2007 and 2008 had the effect of spreading debt service requirements of a longer period of time thereby reducing required principal payments in 2008.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years

Fiscal Year	Property Tax	Income Tax	Sales Tax	Home Rule Sales Tax	Personal Prop. Replacement	Municipal Utility Tax	Liquor Tax	Real Estate Transfer Tax	Gas Tax	Motor Fuel Tax	Other Taxes
1999	\$ 18,027,728	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,126,150	\$ 11,042,564
2000	22,120,427	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,349,108	11,561,387
2001	19,003,833	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,402,010	12,003,431
2002	18,528,949	3,556,759	3,672,948	1,554,329	130,707	2,569,819	134,785	-	237,482	1,536,716	107,642
2003	20,851,633	3,318,963	3,386,984	1,812,536	100,784	3,892,201	142,919	-	255,532	1,576,404	288,558
2004	20,320,107	3,457,348	3,449,214	1,854,171	147,768	3,469,342	164,638	2,978,685	225,854	1,581,245	180,522
2005	22,380,786	4,802,668	2,596,951	1,894,374	203,122	4,234,714	166,306	3,250,800	217,682	1,611,115	189,161
2006	21,932,353	5,132,141	2,886,605	1,957,207	218,026	3,979,120	169,765	2,915,139	208,602	1,602,221	160,614
2007	21,029,820	5,518,357	2,886,108	2,011,687	257,851	4,178,301	162,672	1,565,735	146,093	1,542,999	125,104
2008	24,009,284	5,924,698	2,723,620	2,000,041	254,006	4,548,527	154,261	989,133	174,869	1,587,463	91,438

Note: The breakdown of other taxes is not available for 1999-2001.

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1997	\$ 294,479,686	\$ 102,925,131	\$ 19,069,923	N/A	\$ 416,474,740	\$ 2.28	\$ 1,249,424,220	33.333%
1998	301,325,542	103,514,063	18,542,255	N/A	423,381,860	3.74	1,270,145,580	33.333%
1999	325,419,146	108,485,011	19,114,395	N/A	453,018,552	3.57	1,359,055,656	33.333%
2000	331,880,104	109,753,294	33,277,777	N/A	474,911,175	3.45	1,424,733,525	33.333%
2001	407,223,782	127,921,223	34,044,070	73,499,201	495,689,874	3.29	1,487,069,622	33.333%
2002	552,441,950	147,765,493	41,748,473	103,763,963	638,191,953	2.67	1,914,575,859	33.333%
2003	549,947,802	143,105,633	42,369,503	104,519,909	630,903,029	2.74	1,892,709,087	33.333%
2004	575,936,497	144,154,771	44,162,422	117,952,634	646,301,056	2.69	1,938,903,168	33.333%
2005	853,293,634	171,983,602	54,227,847	278,528,880	800,976,203	2.05	2,402,928,609	33.333%
2006	847,136,756	166,320,099	53,871,866	267,186,564	800,142,157	2.04	2,400,426,471	33.333%

Data Source

Office of the County Clerk

Information for the 2007 levy year is not yet available

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.

CITY OF BERWYN, ILLINOIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Levy Years

Tax Levy Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Village Direct Rates										
General	1.31	0.85	0.75	0.53	0.46	0.49	0.47	0.41	0.31	0.84
Bond & Interest	1.79	2.06	2.01	2.05	1.65	1.67	1.64	1.14	1.15	0.81
Police Pension	0.32	0.33	0.35	0.36	0.28	0.29	0.29	0.24	0.28	0.24
Fire Pension	0.31	0.33	0.35	0.36	0.28	0.29	0.29	0.26	0.30	0.25
Total Direct Rate	3.74	3.57	3.45	3.29	2.67	2.74	2.69	2.05	2.04	2.14
Overlapping Rates										
Cook County	0.91	0.85	0.82	0.75	0.69	0.69	0.65	0.59	0.56	0.50
Metropolitan Water Rec.	0.44	0.42	0.42	0.40	0.37	0.36	0.35	0.32	0.28	0.26
School District #100	3.76	3.58	3.65	3.58	2.79	2.97	2.97	2.55	2.62	2.57
High School District #201	2.52	2.41	2.60	2.62	2.16	2.31	2.30	1.93	2.00	1.96
Berwyn Park District	0.31	0.33	0.32	0.39	0.27	0.31	0.32	0.27	0.32	0.32
Community College #527	0.58	0.55	0.57	0.55	0.45	0.47	0.47	0.40	0.42	0.41
City of Berwyn Library	0.00	0.00	0.00	0.25	0.20	0.21	0.21	0.17	0.18	0.31
Other	4.06	3.91	3.76	3.88	3.21	2.96	2.88	2.23	2.21	2.31

Data Source

Office of the County Clerk

CITY OF BERWYN, ILLINOIS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
MacNeal Memorial Hospital	\$ 12,326,551	1	1.54%	\$ 7,351,223	2	1.62%
Cermak Plaza Associates	5,129,998	2	0.64%	9,664,104	1	2.13%
Shurgard	1,361,379	3	0.17%	N/A	N/A	0.00%
Fairfax	998,561	4	0.12%	1,962,917	3	0.43%
SKS	846,276	5	0.11%	N/A	N/A	0.00%
Citizens Bank of Illinois	692,998	6	0.09%	1,765,465	4	0.39%
Turano Bakery	657,024	7	0.08%	N/A	N/A	0.00%
Tom Koulouris	493,998	8	0.06%	1,228,415	8	0.27%
Vranas & Assoc.	476,578	9	0.06%	N/A	N/A	0.00%
McDonald's Co.	466,771	10	0.06%	1,383,488	6	0.31%
CNC	N/A	N/A	0.00%	1,341,105	7	0.30%
Mid America	N/A	N/A	0.00%	1,222,028	9	0.27%
Cicero State Bank Trust #2005	N/A	N/A	0.00%	996,031	10	0.22%
Cadillac Property Inc	N/A	N/A	0.00%	<u>1,523,591</u>	5	0.34%
	<u>\$ 23,450,134</u>		<u>2.93%</u>	<u>\$ 28,438,367</u>		<u>6.27%</u>

NOTE:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

2008 data is not yet available

Data Source

Office of the County Clerk

CITY OF BERWYN, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 14,444,150	\$ 13,549,495	93.81%	\$ 742,291	\$ 14,291,786	98.95%
1999	16,174,659	16,174,612	100.00%	90,845	16,265,457	100.56%
2000	16,393,768	16,629,699	101.44%	(426,441)	16,203,258	98.84%
2001	17,590,472	16,967,283	96.46%	383,175	17,350,458	98.64%
2002	18,326,630	18,033,487	98.40%	(111,116)	17,922,371	97.79%
2003	18,667,126	17,773,476	95.21%	511,886	18,285,362	97.95%
2004	18,759,051	18,834,722	100.40%	(414,407)	18,420,315	98.19%
2005	17,806,429	17,531,870	98.46%	(450,591)	17,081,279	95.93%
2006	17,756,831	17,312,068	97.50%	(46,090)	17,265,978	97.24%
2007	20,425,153	19,453,602	95.24%	-	19,453,602	95.24%

Data Source

Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value. 2008 data is not yet available

CITY OF BERWYN, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year <u>Ended</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			Total Primary <u>Government</u>	Percentage of Personal <u>Income*</u>	Per <u>Capita*</u>
	General Obligation <u>Bonds</u>	Installment Notes <u>Payable</u>	General Obligation <u>Bonds</u>	Installment Notes <u>Payable</u>	Capital <u>Leases</u>			
1999	\$ 93,983,064	\$ 262,559	\$ -	\$ -	\$ -	\$ 94,245,623	12.05%	\$ 2,075
2000	88,700,000	195,232	-	-	-	88,895,232	8.61%	1,646
2001	84,235,000	18,742	-	-	-	84,253,742	8.16%	1,560
2002	82,730,140	-	-	-	-	82,730,140	8.01%	1,532
2003	76,435,140	-	-	-	-	76,435,140	7.40%	1,415
2004	78,725,566	604,401	-	-	-	79,329,967	7.68%	1,469
2005	72,273,803	686,749	-	-	-	72,960,552	6.18%	1,351
2006	65,506,016	2,962,516	-	-	-	68,468,532	5.80%	1,268
2007	86,297,397	2,244,257	-	-	-	88,541,654	7.50%	1,639
2008	86,468,157	2,014,738	-	-	-	88,482,895	7.50%	1,638

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Demographic and Economic Statistics on page ___ for personal income and population data.

CITY OF BERYWN, ILLINOIS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
1999	\$ 93,983,064	\$ 8,174,538	\$ 85,808,526	6.31%	\$ 1,888.97
2000	88,700,000	5,384,600	83,315,400	5.85%	1,542.42
2001	84,235,000	461,847	83,773,153	5.63%	1,550.90
2002	82,730,140	607,669	82,122,471	4.29%	1,520.34
2003	76,435,140	928,417	75,506,723	3.99%	1,397.86
2004	78,725,566	235,033	78,490,533	4.05%	1,453.10
2005	72,273,803	(1,072,188)	73,345,991	3.05%	1,305.55
2006	65,506,016	(3,028,916)	68,534,932	2.86%	1,219.92
2007	86,297,397	(1,319,907)	87,617,304	N/A	1,559.58
2008	86,468,157	1,586,221	84,881,936	N/A	1,510.89

Note: Details of the City's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on page __ for property value data.

CITY OF BERWYN, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2008

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Berwyn(1)	City of Berwyn Share of Debt
City of Berwyn	\$ 86,468,157	100.00%	\$ 86,468,157
Cook County	2,953,610,000	0.56%	16,540,216
Cook County Forest Preserve District	121,270,000	0.56%	679,112
Metropolitan Water Reclamation District	1,453,548,000	0.57%	8,285,224
Berwyn Park District	2,856,114	100.000%	2,856,114
North Berwyn Park District	1,305,000	97.29%	1,269,635
Schools			
Elementary			
District No. 98	9,710,000	97.29%	9,446,859
District No. 100	29,960,000	100.00%	29,960,000
High School District No. 201	40,485,640	40.57%	16,425,024
Community College District No. 527	3,760,000	40.57%	1,525,432
	<u>4,616,504,754</u>		<u>86,987,615</u>
	<u>\$ 4,702,972,911</u>		<u>\$ 173,455,772</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of Berwyn to valuation of property subject to taxation in overlapping unit.

CITY OF BERWYN, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2008

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF BERWYN, ILLINOIS
 Demographic and Economic Information
 Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2008	56,180	\$ 1,180,397,980	\$ 21,011	8.2
2007	56,180	1,180,397,980	21,011	5.3
2006	56,180	1,180,397,980	21,011	4.7
2005	56,180	1,180,397,980	21,011	6.6
2004	54,016	1,032,407,808	19,113	6.8
2003	54,016	1,032,407,808	19,113	7.6
2002	54,016	1,032,407,808	19,113	7.3
2001	54,016	1,032,407,808	19,113	5.6
2000	54,016	1,032,407,808	19,113	4.5
1999	45,426	782,190,294	17,219	5

CITY OF BERWYN, ILLINOIS

Principal Employers

Current Year and Nine Years Ago

2008			1999	
Employer	Number of Employees	% of Total City Employment	Employer	Number of Employees
MacNeal Memorial Hospital	2,200	16.52%	MacNeal Memorial Hospital	1,800
Berwyn South School	441	3.31%	Morton West High School	400
Morton West High School	436	3.27%	Berwyn South School	370
Berwyn North School	370	2.78%	Campagna-Turano Baking Co.	300
City of Berwyn	344	2.58%	City of Berwyn	300
Campagna-Turano Baking Co.	300	2.25%	Berwyn North School	193
Citizen's Community Bank	149	1.12%	West Town's Visiting Nursing	170
Pillars-The Fillmore Center	140	1.05%	Turano Pastry Shop	150
BP Amoco	90	0.68%	Commercial National Bank	149
Rosin Eyecare	85	0.64%	Life Printing & Publishing	135

Data Source

Phone canvas of employers, 2008 Illinois Service Directory and 2008 Illinois Manufacturer Directory
 1999 Illinois Services and Manufacturing Directories and a phone canvas of employers

CITY OF BERWYN, ILLINOIS
FULL-TIME EQUIVALENT EMPLOYEES
 Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	9	8	8	8	8	8	9	16	16	17
Finance	25	26	27	17	17	16	17	19	19	12
Community Development	2	8	12	11	10	11	17	16	16	16
Public Safety										
Police										
Officers	86	91	90	91	89	92	92	98	101	101
Civilians	43	45	50	49	52	57	44	53	56	25
Fire										
Firefighters and officers	64	62	66	65	65	66	66	66	66	66
Civilians	2	2	2	2	2	2	2	2	2	2
Public Works	54	56	52	52	52	53	55	48	48	48
Culture & Recreation	54	59	51	58	56	59	52	58	59	59

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Physical arrests	N/A	N/A	N/A	1,347	2,158	1,670	2,276	2,795	2,002	2,054
Parking violations	67,336	62,551	49,543	59,387	74,390	100,228	78,231	65,277	66,442	67,941
Traffic tickets issued	N/A	N/A	N/A	N/A	2,359	3,045	2,118	9,043	1,101	1,193
Fire										
Emergency responses	2,771	2,020	5,131	5,816	5,984	6,726	8,956	8,566	9,539	9,308
Fires Extinguished	N/A	N/A	206	195	207	220	211	190	333	114
Public Works										
Streeting resurfacing (miles)	0.0	34.9	30.5	0.0	0.0	1.1	0.4	1.3	0.0	0.0
Pothole repairs	1,322	1,157	1,078	1,164	1,108	1,235	1,329	1,465	1,515	1,576
Water										
New connections	-	6	7	2	-	8	-	3	2	3
Water main breaks	124	233	245	248	311	142	154	251	322	317
Average daily consumption	5.82 MGD	5.76 MGD	5.92 MGD	5.87 MGD	5.97 MGD	5.88 MGD	5.98 MGD	6.01 MGD	6.02 MGD	6.08 MGD
Peak daily consumption	7.84 MGD	8.12 MGD	8.35 MGD	7.93 MGD	9.04 MGD	7.99 MGD	8.03 MGD	9.12 MGD	7.89 MGD	8.21 MGD

Data Source

Various city departments

MGD = million gallons per day

CITY OF BERWYN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	37	52	47
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	2
Fire engines	4	4	4	4	4	4	4	4	4	4
Public Works										
Arterial streets (miles)	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Residential streets (miles)	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Streetlights	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Traffic signals (intersections)	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Fire hydrants	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053
Storage capacity (gallons)	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Wastewater										
Sanitary sewers (miles)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Storm sewers (miles)	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0

Data Source

Various city departments