

# City of Berwyn, Illinois



## **A Century of Progress with Pride**

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010



**CITY OF BERWYN, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

December 31, 2010



CITY OF BERWYN, ILLINOIS  
 Berwyn, Illinois  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 December 31, 2010

CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal .....	1-4
GFOA Certificate of Achievement.....	5
Organizational Chart.....	6
List of Elected and Appointed Officials.....	7

FINANCIAL SECTION

Independent Auditor's Report.....	8-9
Management's Discussion and Analysis.....	10-24

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Assets.....	25
Statement of Activities .....	26

Fund Financial Statements

Governmental Funds

Balance Sheet.....	27
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets .....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	29
Reconciliation of the Governmental Funds Statements of Revenues Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	30

Proprietary Funds

Statement of Net Assets.....	31
Statement of Revenues, Expenses, and Changes in Net Assets.....	32
Statement of Cash Flows.....	33

Fiduciary Funds

Statement of Fiduciary Net Assets.....	34
Statement of Changes in Fiduciary Net Assets .....	35

Notes to Financial Statements .....	36-72
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(Continued)

CITY OF BERWYN, ILLINOIS

Berwyn, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2010

CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund .....	73
Cermak Road TIF Fund .....	74
Schedule of Funding Progress	
Illinois Municipal Retirement Fund .....	75
IMRF - Sheriffs' Law Enforcement Personnel.....	76
Police Pension Fund .....	77
Firefighters' Pension Fund .....	78
Other Postemployment Benefits .....	79
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	80
IMRF - Sheriffs' Law Enforcement Personnel.....	81
Police Pension Fund .....	82
Firefighters' Pension Fund .....	83
Other Postemployment Benefits .....	84
Notes to Required Supplementary Information .....	85 - 86

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds	
Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual .....	87
2007 Bond Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual .....	88
General Fund	
Schedule of Revenues - Budget and Actual .....	89 - 91
Schedule of Expenditures - Budget and Actual .....	92 - 97
Nonmajor Governmental Funds	
Combining Balance Sheet.....	98 - 99

(Continued)

CITY OF BERWYN, ILLINOIS  
 Berwyn, Illinois  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 December 31, 2010

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)

Nonmajor Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	100 - 101
--	-----------

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Library Fund .....	102
Motor Fuel Tax Fund .....	103
South Berwyn Corridor TIF Fund .....	104
Roosevelt Road TIF Fund .....	105
Ogden Avenue TIF Fund .....	106
Foreign Fire Insurance Fund .....	107
Senior Citizens Program Fund .....	108
CDBG Fund .....	109

Fiduciary Funds

Pension Trust Funds

Combining Statement of Net Assets .....	110
Combining Statement of Changes in Net Assets.....	111

STATISTICAL SECTION

Net Assets by Components .....	112
Changes in Net Assets .....	113 - 114
Fund Balances of Government Funds.....	115
Changes in Fund Balances of Governmental Funds.....	116
General Governmental Tax Revenues by Source.....	117
Assessed Value and Estimated Actual Value of Taxable Property.....	118
Property Tax Rates - Direct and Overlapping Governments.....	119
Principal Property Taxpayers .....	120
Property Tax Levies and Collections .....	121
Ratios of Outstanding Debt by Type.....	122
Ratios of General Bonded Debt Outstanding .....	123
Direct and Overlapping Governmental Activities Debt .....	124
Schedule of Legal Debt Margin .....	125
Demographic and Economic Information .....	126
Principal Employers .....	127
Full-Time Equivalent City Government Employees by Function .....	128

(Continued)

CITY OF BERWYN, ILLINOIS  
Berwyn, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2010

CONTENTS

STATISTICAL SECTION (continued)

Operating Indicators by Function.....	129
Capital Asset Statistics by Function .....	130



## **INTRODUCTORY SECTION**





**A Century of Progress with Pride**

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

July 21, 2011

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, 2010.

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.

Crowe Horwath LLP has issued an unqualified (“clean”) opinion on the City of Berwyn’s financial statements for the year ended December 31, 2010. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ 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. Berwyn is now home to approximately 56,600 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.

Berwyn is a home rule community which operates under a Strong Mayor form of government, according to Illinois Municipal Code 65 ILCS 5/. 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, 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 Development Corporation (BDC). While legally separate, it is considered a component unit of the City. 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 this entity 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. 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, has reached a seven year low in 2010 of \$913,000.

In 2009, the City, like most municipalities in the state and nation, was negatively impacted by the economic recession. While there was some recovery in 2010, many of the significant revenues continued to be below their 2008 levels. For example, sales tax revenues increased 5% from 2009 but remains 12% below 2008 levels and municipal utility tax is up 2% from last year, but remains 9% below 2008 levels. State income tax revenue has continued its decline, falling to its lowest point since 2005.

### **Long-term Financial Planning**

In spite of a difficult economy, the City has continued to focus on its long term goal of reducing 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. Land held for resale increased \$11 million during 2010 with much of the property committed to new developments which will begin to open in 2011 and 2012.

The City has also continued its plan to restructure long term debt. During 2010, this plan was aided by Standard & Poor's removal of the negative outlook from our A- bond rating after a presentation by city administration. They now see the City as having a stable outlook which improved the interest rates that the City has been able to obtain. Our long term debt restructuring plan has continued to succeed as intended. In fact, debt service as a percentage of noncapital expenditures was under 14% in 2010 for the third year in a row and only the third year in the last decade that the percentage was less than 18%. This has reduced 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 made this more difficult than expected, the City has succeeded in increasing its general fund fund balance by \$1.6 million in 2010. Our long term goal is to continue strengthening our financial 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.

Even at the time of its passage, the general fund was out of compliance with the policy and, in fact, had a negative unreserved fund balance at the end of 2008 which improved at the end of 2009 but still remained negative. During 2010, the City made considerable progress in achieving its goal. Unrestricted general fund fund balance ended the year at a positive \$1.6 million. A number of revenue enhancements enacted in 2010 combined with a continuation of the debt restructuring plan previously discussed and continued efforts to reduce costs all contributed to the progress made in building a fund balance in spite of the slow economic recovery.

The internal service fund (which accounts for the City's liability, workers compensation and other insurance costs) also has had a deficit net asset balance since the end of 2004. However, during 2010, that deficit was reduced by almost \$3 million and is now down to just over \$600,000. It is expected to be eliminated during 2011. The reduction in the deficit was accomplished through a combination of improved claims management so as to reduce costs and increased funding. 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. This policy was put in place several years ago with the intent of reducing the deficit over time. During 2010, actual charges to other funds and departments were reduced by a \$1 million transfer into the internal service fund from the 2010 bond issue, but total funding was in accordance with the policy.

### **Major Initiatives**

During 2011, a number of very positive initiatives are underway in the City. Improvements are being made to City buildings including a new air conditioning unit and elevators in the library, a new HVAC at the police department and city hall and a new backup power generator at city hall. All of these are being made possible through federal or state grants and at no charge to City taxpayers.

The City has also accumulated vacant and foreclosed homes as part of the Neighborhood Stabilization Program with funding provided by the US Department of Housing and Urban

Development. The City will rehab and make these homes available in accordance with the program at reduced cost to qualified home buyers.

In spite of an unprecedented global recession, Berwyn has experienced tremendous economic development activity thanks to the excellent work of the Berwyn Development Corporation in partnership with the City. During 2011, the following businesses have or will be opening: Kia automobile dealership on Ogden Avenue; Culvers restaurant on Roosevelt Road; Jimmy John's restaurant on Cermak Road; Autre Monde restaurant on Roosevelt Road; and Luigi's Paisans Pizza on Ogden Avenue, to name a few. We have also been successful in attracting Meijer's which will be opening in late 2011 within the City's only major shopping center. The shopping center has completed 90% of a new \$10 million dollar facelift to be competitive in today's retail climate. Other notable accomplishments under way include installing new infrastructure, roadway, curb and gutter and streetscape on Roosevelt Road. In addition to TIF assistance for the Roosevelt Road project, the City was able to obtain \$6,950,000 in ITEP and IDOT grant funds through a joint effort with the Village of Oak Park and the Town of Cicero. Finally, the Berwyn Gateway Project is underway at the corner of Harlem and Cermak Avenue. Several restaurants including Buffalo Wild Wings and Chipotle, just to name a few will be opening. All of this development promises to be a big benefit to the Berwyn economy providing not only jobs but sales and property tax revenue as well.

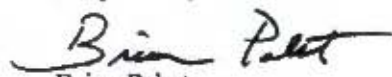
#### **Awards and Acknowledgements**

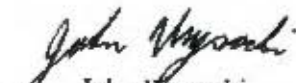
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berwyn for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. In order to receive this prestigious award, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance department staff. We wish to express our appreciation to all members of the department for their assistance. We 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,

  
Brian Pabst  
City Administrator

  
John Wysocki  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Berwyn  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

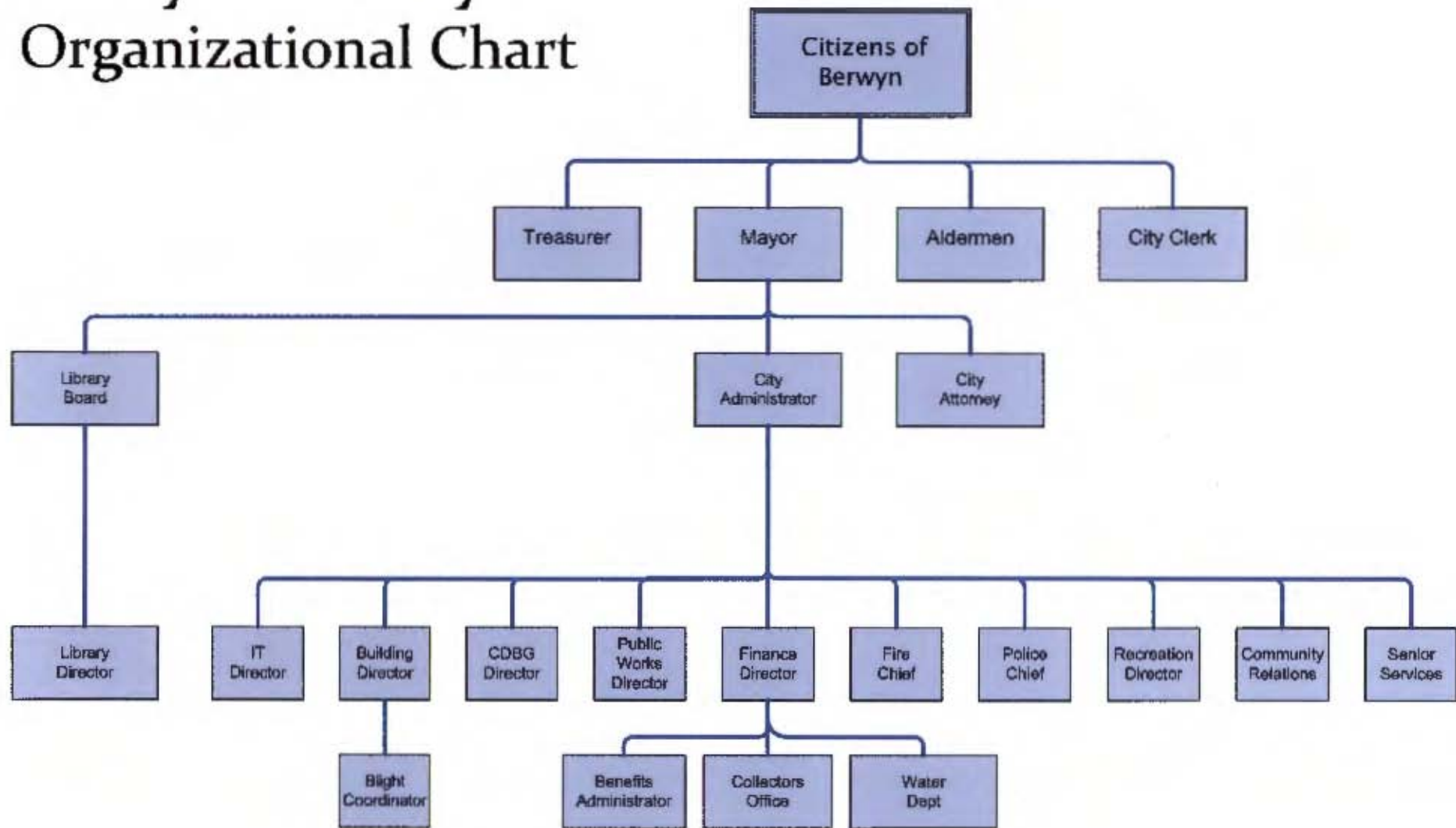
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# City of Berwyn Organizational Chart





**City of Berwyn  
List of Elected and Appointed Officials  
December 31, 2010**

**Elected Officials**

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

**Appointed Officials**

Anthony Bertuca	City Attorney
Tammy Clausen	Director, Library Services
Robert Dwan	Director, Community <b>Development</b>
James Frank	Director, Information Technology
Charles Lazzara	Director, Building Department
Anthony Martinucci	Director, Recreation Department
Denis O'Halloran	Fire Chief
Brian Pabst	City Administrator
James Ritz	Police Chief
Robert Schiller	Director, Public Works
John Wysocki	Director, Finance



**FINANCIAL SECTION**



**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and 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, (City), as of and for the year ended December 31, 2010, which collectively, comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these 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 presented component unit of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, 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 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.





The Management's Discussion and Analysis and the required supplementary information, as 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 required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory section and the statistical section, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on these sections.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 21, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Crowe Horwath LLP

Oak Brook, Illinois  
July 21, 2011





## **A Century of Progress with Pride**

6700 West 26<sup>th</sup> 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, 2010.

#### **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 \$27,860,352. The City has deficit unrestricted net assets of \$17,634,587 at year end.

In 2010, the City's total net assets decreased by \$4,739,126. While this decrease is less than half of the 2009 decrease, factors in play during 2009 continued to effect 2010 results. First, while many general revenues rebounded to some extent from 2009, they are still down from 2008 levels as the recovery from the severe economic downturn which affected the nation has been a slow one. Second, economic development costs continue to be up compared to years prior to 2009 as the City focuses on developing its business districts and increasing its commercial tax base. Finally, as in past years, 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.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$27,917,835, an increase of \$6,370,028 in comparison with the prior year. This increase is the first in three years.

At the end of the current fiscal year, fund balance for the General Fund was \$1,980,916 an increase of \$1,605,091 or more than five times the prior year's balance. This is the result of a concerted effort to build fund balance in order to protect the City from future economic downturns or unexpected events.

#### **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 25 and 26 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 a municipal parking garage.

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 thirteen 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 27 and 29 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 two enterprise funds - one to account for its water and sewer operations and another to account for the operations of its municipal parking garage. 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 and the Parking Garage Fund which are considered to be major funds of the City, and the internal service fund.

The basic proprietary fund financial statements can be found on pages 31 - 33 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 34 and 35 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 36 – 72 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 73 - 86 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 87 - 111 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.

The table below shows the comparison between 2009 and 2010 Statement of Net Assets for both governmental and business-type activities:

**City of Berwyn Net Assets**

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Current assets	\$ 65,117,288	\$ 61,710,638	\$ 6,202,196	\$ 5,584,136	\$ 71,319,484	\$ 67,294,774
Capital assets	<u>57,098,696</u>	<u>57,087,553</u>	<u>42,831,624</u>	<u>46,905,095</u>	<u>99,930,320</u>	<u>103,992,648</u>
Total assets	122,215,984	118,798,191	49,033,820	52,489,231	171,249,804	171,287,422
Current liabilities	31,820,619	29,247,257	405,652	592,068	32,226,271	29,839,325
Long-term liabilities	<u>110,225,216</u>	<u>108,816,578</u>	<u>937,965</u>	<u>32,041</u>	<u>111,163,181</u>	<u>108,848,619</u>
Total liabilities	142,045,835	138,063,835	1,343,617	624,109	143,389,452	138,687,944
Invested in capital assets net of related debt	(19,601,775)	(17,667,300)	42,831,624	46,905,095	23,229,849	29,237,795
Restricted	22,265,080	15,724,685	812,614	-	23,077,704	15,724,685
Unrestricted	<u>(22,493,166)</u>	<u>(17,323,029)</u>	<u>4,045,965</u>	<u>4,960,027</u>	<u>(18,447,201)</u>	<u>(12,363,002)</u>
Total net assets	<u>\$ (19,829,851)</u>	<u>\$ (19,265,644)</u>	<u>\$ 47,690,203</u>	<u>\$ 51,865,122</u>	<u>\$ 27,860,352</u>	<u>\$ 32,599,478</u>

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

**Governmental activities**

The City's governmental activities current assets increased from 2009 by approximately \$3.4 million. The most significant change was an \$11 million increase in land held for resale. The City has accumulated property in its TIF districts for a number of commercial development projects which will begin in 2011. Restricted cash decreased by \$8.1 million due to the planned use of 2009 bond proceeds to pay off bonds with a January 1, 2010 call date and the use of capitalized interest from the 2007 bond issue.

Current liabilities increased \$2.6 million from 2009. \$2 million of this represents an increase in unearned revenue which includes a \$1.1 increase in the subsequent year's tax levy and a \$800,000 increase in the CDBG loan program.

Long-term liabilities increased by about \$1.4 million. This was primarily the result of \$1.7 million of bonds issued for a project in the Roosevelt Road TIF, a \$4 million note for the purchase of property in the Ogden TIF, and an increase in the net pension obligation and compensated absences. These increases were partially offset by the payment of the called bonds mentioned above.

The increase in restricted net assets is primarily in funds restricted for economic development which are up \$6.6 million.

**Business-type activities**

The decrease in capital assets is a result of depreciation for the year. The decrease in current liabilities is the result of lower accounts payable balances than in the prior year. The increase in long-term liabilities is primarily due to a portion of the 2010 bond issue being assigned to the Water and Sewer fund for an infrastructure project. This is also part of the reason for the increase in current assets as the proceeds from the bond issue have not yet been spent and are reflected in the Statement of Net Assets as restricted cash.

## 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

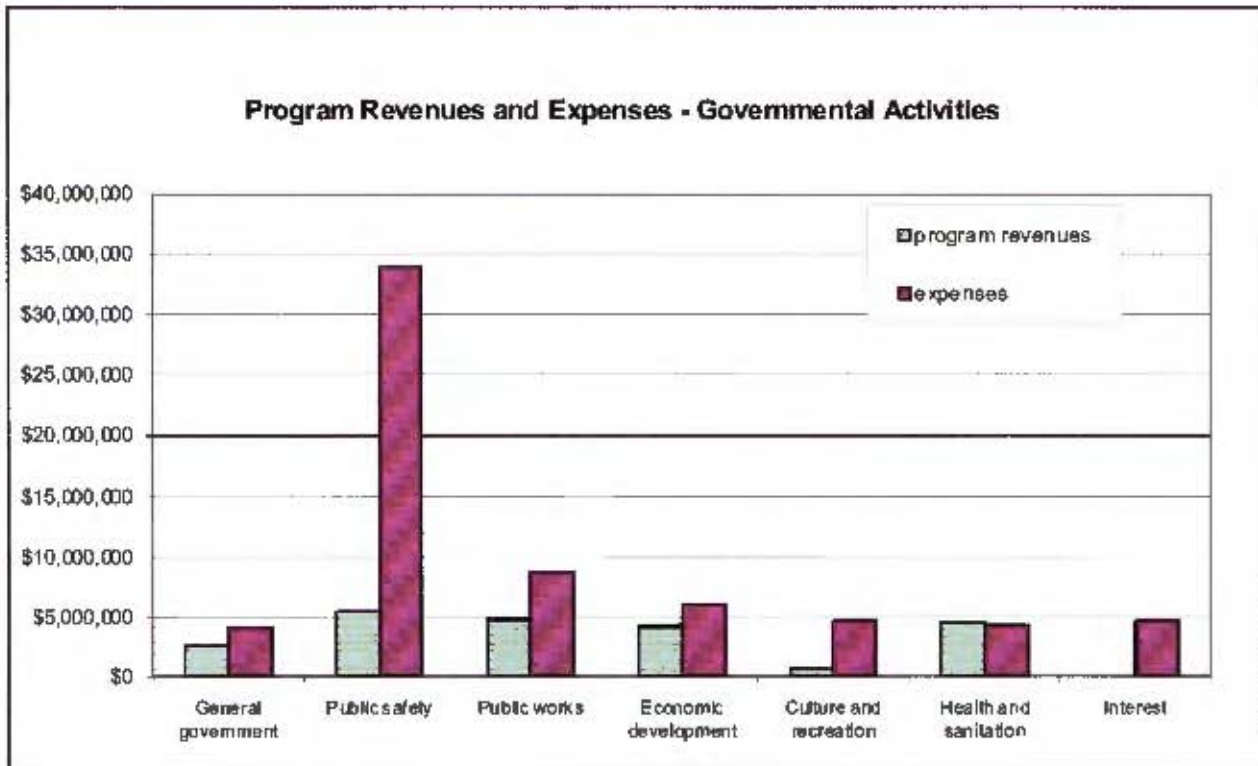
	Governmental activities		Business-type activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 13,586,352	\$ 12,946,482	\$ 6,705,806	\$ 5,801,624	\$ 20,292,158	\$ 18,748,106
Operating grants & contributions	4,699,635	4,254,621	-	-	4,699,635	4,254,621
Capital grants & contributions	4,178,890	2,906,195	-	-	4,178,890	2,906,195
General revenues						
Property taxes	27,780,387	25,164,068	-	-	27,780,387	25,164,068
Other taxes	15,113,094	15,067,364	-	-	15,113,094	15,067,364
Other revenues	<u>272,806</u>	<u>529,159</u>	<u>542</u>	<u>27,949</u>	<u>273,348</u>	<u>557,108</u>
Total revenues	65,631,164	60,867,889	6,706,348	5,829,573	72,337,512	66,697,462
Expenses:						
General government	4,039,444	3,985,591	-	-	4,039,444	3,985,591
Public safety	33,929,018	33,908,989	-	-	33,929,018	33,908,989
Public works	8,696,471	9,491,724	-	-	8,696,471	9,491,724
Health and sanitation	4,265,730	4,004,624	-	-	4,265,730	4,004,624
Culture and recreation	4,604,469	4,422,112	-	-	4,604,469	4,422,112
Economic development	5,934,648	7,524,769	-	-	5,934,648	7,524,769
Interest on long-term debt	4,588,249	4,644,552	-	-	4,588,249	4,644,552
Water & sewer	-	-	10,754,990	9,675,323	10,754,990	9,675,323
Parking garage	-	-	263,619	104,318	263,619	104,318
Total expenses	<u>66,058,029</u>	<u>67,982,361</u>	<u>11,018,609</u>	<u>9,779,641</u>	<u>77,076,638</u>	<u>77,762,002</u>
Change in Net Assets Before Transfers	<u>(426,865)</u>	<u>(7,114,472)</u>	<u>(4,312,261)</u>	<u>(3,950,068)</u>	<u>(4,739,126)</u>	<u>(11,064,540)</u>
Transfers	<u>(137,342)</u>	<u>(12,879,994)</u>	<u>137,342</u>	<u>12,879,994</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(564,207)</u>	<u>(19,994,466)</u>	<u>(4,174,919)</u>	<u>8,929,926</u>	<u>(4,739,126)</u>	<u>(11,064,540)</u>
Net assets Jan 1	<u>(19,265,644)</u>	<u>728,822</u>	<u>51,865,122</u>	<u>42,935,196</u>	<u>32,599,478</u>	<u>43,664,018</u>
Net assets Dec 31	<u>\$ (19,829,851)</u>	<u>\$ (19,265,644)</u>	<u>\$ 47,690,203</u>	<u>\$ 51,865,122</u>	<u>\$ 27,860,352</u>	<u>\$ 32,599,478</u>

### Significant Changes in the Statement of Activities

#### Government activities

The City's governmental activities net assets decreased about \$564,000. Before transfers of capital assets to the Parking Garage fund, the decrease was about \$427,000 compared to a \$7.1 million decrease in the prior year. 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 2009 to 2010:

	Governmental activities		Change	% Chg
	2010	2009		
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	\$ 13,586,352	\$ 12,946,482	\$ 639,870	5%
Operating grants & contributions	4,699,635	4,254,621	445,014	10%
Capital grants & contributions	4,178,890	2,906,195	1,272,695	44%
<b>General revenues</b>				
Property taxes	27,780,387	25,164,068	2,616,319	10%
Other taxes	15,113,094	15,067,364	45,730	0%
Other revenues	272,806	529,159	(256,353)	-48%
<b>Total revenues</b>	<b>\$ 65,631,164</b>	<b>\$ 60,867,889</b>	<b>\$ 4,763,275</b>	<b>8%</b>



**Significant changes:**

The City's charges for services increased from \$12.9 million to \$13.6 million in 2010. Charges for services are primarily made up of vehicle stickers, building and compliance permits, interdepartmental charges, court and violation fines, ambulance fees, and garbage fees. The increase in the City's charges for services resulted mainly from increases in vehicle stickers of \$153,000, court and violation fines of \$319,000, and various licenses and permits of \$375,000. These increases were partially offset by the discontinuation of MRI transports which generated \$283,500 in 2009.

Operating grants and contributions increased \$445,000 primarily due to an increase of \$339,000 in motor fuel tax revenues much of which was from one-time payment from the State's capital bill.

Capital grants and contributions increased \$1.3 million in 2010 after a \$1.7 million increase in 2009. \$2.5 million of the grant revenue relates to the Neighborhood Stabilization Program whereby the City acquires foreclosed properties, remodels them and sells them at below market prices to qualified buyers. This is a federal program designed to maintain property values by ridding neighborhoods of abandoned properties and at the same time making houses more affordable. Also, a property in the Cermak TIF was returned to the City from a developer resulting in a contribution of \$900,000.

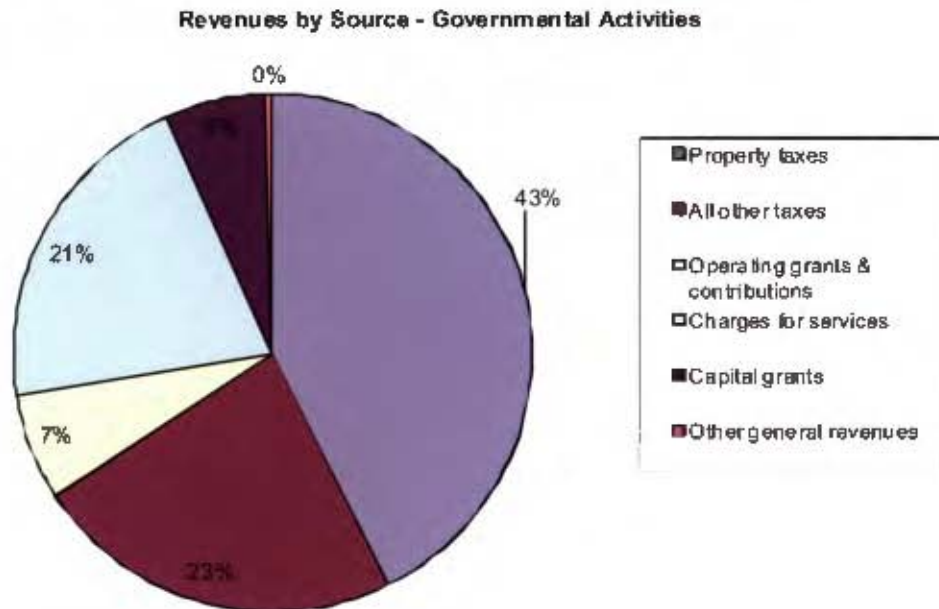
The City's property taxes revenues increased in 2010 by over \$2.6 million.

As mentioned in the prior year's report, the economic conditions in the nation and in Illinois had a severe impact on the City's other tax revenues in 2009. These revenues remained relatively flat in 2010.

Other revenues, the most significant of which is investment income, continued to decline in 2010. Investment income dropped \$113,000 primarily due to a very low interest rate environment.

**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 from 2009 when property taxes accounted for 41%, all other taxes accounted for 25%, capital grants were 5% and other general revenues were 1% of all revenues.

### Governmental activities - Expenses

The table below shows the change in expenses from 2009 to 2010:

#### Changes in Governmental Activities Expenses

	Governmental activities		Change	% Chg
	2010	2009		
Expenses:				
General government	\$ 4,039,444	\$ 3,985,591	\$ 53,853	1%
Public safety	33,929,018	33,908,989	20,029	0%
Public works	8,696,471	9,491,724	(795,253)	-8%
Economic development	5,934,648	7,524,769	(1,590,121)	-21%
Culture and recreation	4,604,469	4,422,112	182,357	4%
Health and sanitation	4,265,730	4,004,624	261,106	7%
Interest on long-term debt	4,588,249	4,644,552	(56,303)	-1%
Total expenses	<u>\$ 66,058,029</u>	<u>\$ 67,982,361</u>	<u>\$ (1,924,332)</u>	<u>-3%</u>

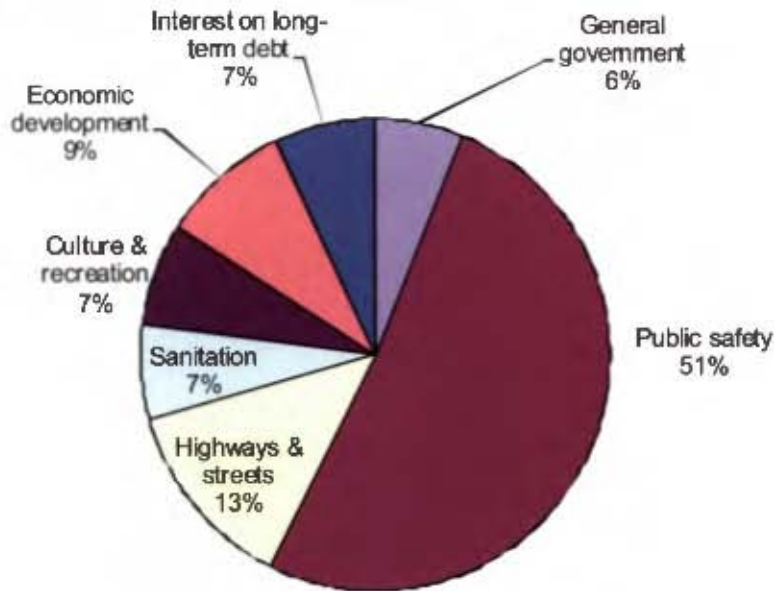
### Significant changes:

Overall, expenses decreased by 3% or \$2.0 million. The most significant decrease was in economic development expenses. Economic development expenses fluctuate annually as the majority of the City's TIF projects are reported within this function. The decrease in 2010 follows a 70% increase in 2009 compared to 2008. Much of the 2009 increase was the result of the transfer of property in the South Berwyn TIF costing \$1.9 million to a developer. The timing of various projects plays a large role in this expense line.

### Composition of expenses:

As in the prior year, the City's largest area of expense continues to be public safety, accounting for 51% of governmental expenses. The expense composition changed from 2009 when public safety accounted for 49%, highways and streets accounted for 14%, sanitation accounted for 6% and economic development accounted for 11% of total City expenses.

**Governmental Activities - Expense Composition**



**Business-type activities**

	Business-type activities		Change	% Chg
	2010	2009		
Revenues:				
Program revenues:				
Charges for services	\$ 6,705,806	\$ 5,801,624	\$ 904,182	16%
Expenses:				
Water & sewer	\$ 10,754,990	\$ 9,675,323	\$ 1,079,667	11%
Parking garage	263,619	104,318	159,301	153%
Total Expenses	\$ 11,018,609	\$ 9,779,641	\$ 1,238,968	13%

**Significant changes:**

Business-type activities represent the City's water and sewer utility and the parking garage. The parking garage opened for business in November of 2009, so 2010 represented its first full year of operations. 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 \$4.3 million before transfers.

Water and sewer usage charges for 2010 increased from 2009 primarily due to a 14% rate increase which coincides with the increase from the City of Chicago.

Expenses within the water utility increased in 2010 due to several factors. First, the cost of water increased by \$603,000 due primarily to a rate increase from the City of Chicago. Second, internal service

fund charges increased by \$253,000. This increase was experienced in most City departments and funds in an effort to decrease the accumulated deficit in the internal service fund. Finally, salaries and benefits increased by \$276,000. This is primarily due to the movement of water billing staff salaries and benefits to the water and sewer fund in 2010. In 2009, these salaries and benefits were accounted for in the finance department of the general fund.

### 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	\$ 44,310,824	\$ 2,975,805	\$ 4,848,670	\$ 6,365	\$ 13,443,635
Expenditures	47,045,930	3,937,502	9,474,070	779,445	10,391,877
Other Financing Sources (Uses) net	4,340,197	-	4,411,336	(684,656)	4,346,676
Net change in fund balance	1,605,091	(961,697)	(214,064)	(1,457,736)	7,398,434
Fund balance, beginning	375,825	9,566,282	646,714	5,240,228	5,718,758
Fund balance, ending	<u>\$ 1,980,916</u>	<u>\$ 8,604,585</u>	<u>\$ 432,650</u>	<u>\$ 3,782,492</u>	<u>\$ 13,117,192</u>

General Fund revenues increased by \$3.7 million or 9% from 2009 to 2010. The largest increase was in property taxes which went up \$3.1 million. Licenses and permits also increased \$527,000 primarily due to rate increases. For example vehicle license fees increased \$5 per license resulting in additional revenues of \$153,000. Local improvement permit revenue was also up \$265,000 due to a combination of rate increases and some large projects during 2010. Charges for services decreased \$300,000 primarily due to the discontinuation of MRI transports which generated \$283,500 in 2009. Fines and forfeitures increased \$341,000 primarily due to increased revenues from impound vehicles, violation fines and local ordinance fines.

General Fund expenditures increased \$2.6 million or almost 6% from the prior year. Approximately \$1 million of the increase was due to increased funding of the police and fire pension funds. The remaining increase was primarily related to salary and benefits including a modest 1% salary increase for public safety employees, 0% increases for most public works employees and 2% increases for AFSCME and non union employees. Much of the increase in health benefit costs was absorbed by employees who were required to contribute 10% of their premiums for the first time.

General Fund fund balance increased to more than five times the 2009 figure. The \$1.6 million increase was a result of a transfer in from the Debt Service Fund made possible by the restructuring of debt which is more fully explained below. This is part of a multi-year plan to build reserves to reduce the City's vulnerability to economic downturns and unexpected events. As a result of the significant increase in General Fund fund balance, the budgeted transfer of \$235,000 from the MFT fund to reimburse the General Fund for street worker salaries was not deemed necessary and was not made. This allowed for an increase in the MFT fund's fund balance to provide resources for future projects.

Revenues for the Cermak Road TIF increased 28%. Although property tax revenues were down slightly from last year, total revenues increased as a result of a donation of property given back to the TIF by a developer. Expenditures increased \$1.8 million from the previous year as significant development activity has taken place in the district during 2010. This TIF district was created in 1987 and will be expiring. During 2010, the City continued to acquire property within the TIF district in accordance with plans for a major development in 2011.

Revenues in the Debt Service Fund approximated 2009 levels. Expenditures were up due to scheduled principal payments. Interest expenditures approximated the prior year. In 2010, the City continued its refunding plan by refunding a number of debt payments due in 2010. The taxes levied and collected to make these payments resulted in a surplus in the fund. \$2.2 million of this was transferred to the General Fund to build a fund balance as previously discussed and \$1 million was transferred to the Internal Service Fund in an effort to shore up a negative net asset situation in that fund. Fund balance in the Debt Service Fund decreased by about \$214,000 to \$432,000.

The 2007 Bond Fund decreased fund balance by \$1.5 million as the capital projects for which these funds were intended continued during 2010. While the City is no longer required to report this fund as a major fund for 2010, it has chosen to do so for one additional year for consistency and comparative purposes.

During 2010, a new fund was established to account for activities related to the Neighborhood Stabilization Program ("NSP") grant received from the Department of Housing and Urban Development. Approximately \$2.5 million of grant funds were spent to purchase and redevelop abandoned or foreclosed residential properties. The properties are expected to be sold in 2011.

#### **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 of \$4.2 million was substantially a result of operating activities. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

2010 was the first full year of operations of the municipal parking garage. The fund was established in 2009 with a \$10.2 million capital contribution representing the costs of constructing the garage which were financed by the 2007 Bond Fund. Revenues which include collections from meters located in the garage and an allocation of fees for parking permits amounted to approximately \$120,000. Expenses excluding depreciation amounted to just over \$53,000. After depreciation of about \$210,000, the fund lost almost \$144,000 for the year. Further capital contributions of approximately \$137,000 from the 2007 Bond Fund resulted in a decrease in net assets of about \$6,000. Net assets at year end were \$10.1 million.

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 2010 the fund's expenses decreased from \$4.1 million to \$2.6 million, a drop of more than 36%. This decrease is the result of an effort to control costs which included hiring a new third party administrator for workers compensation and liability claims and more timely claims settlement to reduce ongoing costs. Revenues within the internal service fund increased significantly from 2009. The increase was the result of a temporary change in funding policy approved by City Council in 2009 that reduced revenues for that year. In 2010, charges to other funds and departments increased \$1.7 million, and, when combined with a \$1 million transfer from the Debt Service Fund made possible by the 2010 bond refunding, this restored funding of the internal service fund to the amount provided by City policy. Net assets increased \$2.4 million from 2009 to a December 31, 2010, balance of negative \$603,000. This negative balance is expected to be remedied in 2011.

## General Fund Budgetary Highlights

The City's ordinances require it to periodically review and amend the budget on an annual basis. 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 2010. The primary purpose for the amendment was to reallocate budget dollars across departments due to more precise allocations of benefits. Beginning in 2010, the City implemented an in-house payroll system which allowed for the tracking of specific benefit costs of each employee. At the time of preparing the 2010 budget, such precise allocation was not possible so a benefit allocation based on percentage of salary was used.

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

	General Fund			
	Final Budget	Actual	Variance	% Var.
<b>Revenues</b>				
Property taxes	\$ 15,407,150	\$ 15,363,212	\$ (43,938)	0%
Other taxes	15,648,000	14,785,517	(862,483)	-6%
Charges for services	5,965,100	5,630,024	(335,076)	-6%
Fines and fees	3,770,000	4,108,007	338,007	9%
Licenses and permits	2,561,640	2,896,170	334,530	13%
Intergovernmental	94,382	97,753	3,371	4%
Investment income	40,000	133,805	93,805	235%
Miscellaneous	1,206,764	1,296,336	89,572	7%
<b>Total Revenues</b>	<b>\$ 44,693,036</b>	<b>\$ 44,310,824</b>	<b>\$ (382,212)</b>	<b>-1%</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	\$ 3,828,981	\$ 4,042,809	\$ (213,828)	-6%
Public safety	32,745,543	32,686,968	58,575	0%
Highways and streets	4,752,543	4,539,573	212,970	4%
Sanitation	4,005,000	4,265,730	(260,730)	-7%
Economic development	147,564	151,652	(4,088)	-3%
Culture and recreation	1,290,473	1,303,943	(13,470)	-1%
Debt Service	22,500	55,255	(32,755)	-146%
<b>Total expenditures</b>	<b>\$ 46,792,604</b>	<b>\$ 47,045,930</b>	<b>\$ (253,326)</b>	<b>-1%</b>

## Significant changes from budget

### Revenues

Other taxes were less than budgeted because the recovery from the recession affecting the nation in prior years has not been as fast or as strong as originally anticipated. The largest variances were in state income tax which was about \$338,000 less than budget, municipal utility tax which was about \$275,000 less than budget, and real estate transfer tax which was about \$117,000 less than budget.

Charges for services were less than budget primarily due to paramedic service collections being \$231,000 lower than expected.

Fines and fees were over budget primarily due to more impounded vehicles resulting in \$200,000 more

revenue than anticipated and **an increase in local ordinance fines** resulting in \$207,000 more revenue than budgeted. Increased **enforcement efforts are credited** for these increases.

Licenses and permits were over **budget mainly due** to local improvement permits being almost \$238,000 over budget.

Finally, investment income was **greater than budgeted** as a result of the discovery that the City had, in a prior year, been given stock in **Prudential Financial, Inc.** with a market value of almost \$98,000 at year end. The market value was recorded as revenue in 2010.

### Expenditures

Overall, General Fund expenditures were **\$253,000**, or 1%, over budget. The most significant variance was in sanitation and was the result of recording **\$260,000** of bad debt expense for the purpose of establishing an allowance for doubtful accounts related to late fees on delinquent garbage receivables.

### Capital Asset and Debt Administration

#### Significant change - Capital assets

The table below summarizes the **City's capital asset** balances at year end for 2010 with comparative figures for 2009.

	Governmental activities		Business-type activities		Total	
	2010	2009	2009	2009	2010	2009
Land	\$ 9,922,102	\$ 9,843,565	\$ 24,600	\$ 24,600	\$ 9,946,702	\$ 9,868,165
CIP	3,090,376	1,278,308	-	-	3,090,376	1,278,308
Buildings	11,086,480	11,422,702	10,146,098	10,363,490	21,232,578	21,786,192
Equipment	913,808	930,327	130,476	-	1,044,284	930,327
Land improvements	3,011,468	2,337,628	37,586	52,621	3,049,054	2,390,249
Vehicles	2,453,737	2,358,901	39,859	56,159	2,493,596	2,415,060
Infrastructure	26,620,725	28,916,122	32,453,005	36,408,225	59,073,730	65,324,347
<b>Total</b>	<b>\$ 57,098,696</b>	<b>\$ 57,087,553</b>	<b>\$ 42,831,624</b>	<b>\$ 46,905,095</b>	<b>\$ 99,930,320</b>	<b>\$ 103,992,648</b>

A number of capital projects were under way at the end of 2010. Costs were incurred during 2010 and are included in construction in progress at year end for the Cermak Road streetscape (\$1.7 million) Vacin Fareway improvements (\$686,000), and the Roosevelt Road streetscape (\$250,000). These projects were financed by the TIFs. The Oak Park lighting project was completed during 2010 and accumulated costs of \$784,000 were transferred from construction in progress to land improvements.

Some of the other larger additions were: purchase of police vehicles (\$250,000), acquisition of a parcel of land next to the 16<sup>th</sup> street fire station (\$78,000), and public works vehicles including a street sweeper (\$259,000).

Equipment costs of about \$137,000 were transferred to the parking garage fund.

These increases in capital assets were offset by depreciation charges of \$3.4 million for governmental activities and \$4.2 million for business type activities.

Additional information on the City's capital assets can be found in Note III.C. in the notes to 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	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 92,338,716	\$ 95,843,519	\$ 873,395	\$ -	\$ 93,212,111	\$ 95,843,519
Installment notes payable	1,202,493	1,357,654	-	-	1,202,493	1,357,654
Mortgage notes payable	4,000,000	-	-	-	4,000,000	-
Unamortized premiums	1,975,112	1,982,239	-	-	1,975,112	1,982,239
Unamortized loss on refunding	(940,705)	(1,237,448)	-	-	(940,705)	(1,237,448)
Capital Leases	550,854	758,641	-	-	550,854	758,641
Claims Payable	4,010,353	4,086,815	-	-	4,010,353	4,086,815
Net pension obligation	2,168,232	1,488,149	13,700	-	2,181,932	1,488,149
Net OPEB Obligation	785,074	758,629	-	-	785,074	758,629
IMRF early retirement liability	791,877	869,915	-	-	791,877	869,915
Grant refunds	114,431	460,318	-	-	114,431	460,318
Compensated absences	3,228,779	2,448,147	50,870	32,041	3,279,649	2,480,188
<b>Total</b>	<b>\$ 110,225,216</b>	<b>\$ 108,816,578</b>	<b>\$ 937,965</b>	<b>\$ 32,041</b>	<b>\$ 111,163,181</b>	<b>\$ 108,848,619</b>

During 2010, the City was able to maintain its uninsured bond rating of A-, but was upgraded from a negative to a stable outlook. All of the City's outstanding debt is insured with an AAA rating.

During 2010, the City continued the restructuring of its outstanding general obligation debt which began in prior years. The City issued \$10,000,000 of General Obligation Bonds, Series 2010A. \$7.5 million of the issue was used to refund the current maturities and interest payable on several bond issues and a line of credit. The effect of the refunding was to provide excess funds in the Debt Service Fund from the property tax collections that would have been used to make these debt service payments. These excess funds were transferred to the General Fund to establish a fund balance and to the Internal Service Fund to significantly reduce the deficit resulting from prior year claims. In addition, \$1.675 million of the bond issue was deposited into the Roosevelt Road TIF to be used for the City's share of the Roosevelt Road streetscape project and approximately \$874,000 was deposited into the water and sewer fund for an infrastructure project.

On January 1, 2010, \$7.73 million of the City's General Obligation Corporate Purpose Bonds, Series 1999 were called and paid in full with proceeds from the General Obligation Bonds, Series 2009 which were issued in December of 2009 for the purpose of refunding those bonds at a more favorable interest rate.

Further details of these refundings along with additional information on the City's long-term debt can be found in Note III.E in the notes to financial statements.

The City also took out a \$4 million mortgage note to finance the acquisition of property in the Ogden Avenue TIF district. This property was previously owned by an auto dealership who defaulted on a loan which the City had guaranteed a portion of in 2007. In lieu of paying the \$1.5 million guarantee to the bank, the City purchased the property.

Other significant changes in total long term debt during 2010 include: 1. an increase in compensated absences payable; 2. an increase in the actuarially determined net pension obligation; and 3. a decrease in grant refunds for prior year unallowable costs to be returned to the granting agency.



### **Economic Factors and Next Year's Budgets and Rates**

Economic development within the City's four TIF districts is a main focus for the City in 2011. During the first half of the year, a Kia automobile dealership has opened in the Ogden Avenue TIF district and a Culvers Restaurant has opened in the Roosevelt Road TIF district. \$1.475 million of land held for resale in the Roosevelt Road TIF was sold to Culvers in 2011. A Pisans Pizza Restaurant is scheduled to open in the Ogden Avenue TIF district shortly. These three businesses are expected to generate additional sales tax for the City. A 9% increase in state and local sales tax has been reflect in the 2011 budget as a result of these and other new businesses and the expectation of a modest economic recovery.

In addition, during 2011 \$4.6 million of property that had been accumulated in the Cermak TIF has been provided to a developer that will be bringing in several restaurants and retail establishments.

During 2011, the City is replacing the air conditioning system at the library with a grant from the U.S. Department of Energy. Additional projects funded from the \$444,300 grant award will also be undertaken. In addition, state grant awards have been received to finance the replacement of elevators at the library and for HVAC and power generator systems at City Hall and the police department.

### **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. 26<sup>th</sup> Street, Berwyn, Illinois 60402.

CITY OF BERWYN, ILLINOIS  
STATEMENT OF NET ASSETS  
December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
<b>ASSETS</b>				
Cash and investments	\$ 11,720,522	\$ 3,750,697	\$ 15,471,219	\$ 884,412
Restricted cash	114,071	812,614	926,685	487,377
Receivables, net of allowance where applicable				
Property tax	26,432,636	-	26,432,636	-
Sales tax	602,012	-	602,012	-
Home rule sales tax	471,878	-	471,878	-
Income tax	2,147,563	-	2,147,563	-
Personal property replacement tax	22,044	-	22,044	-
Utility tax	731,905	-	731,905	-
Accounts	2,016,873	1,544,748	3,561,621	10,189
Interest	5,711	-	5,711	-
Prepaid expenses	15,112	-	15,112	6,717
Due (to) from other funds	(67,769)	87,769	-	-
Due from other governments	989,152	-	989,152	-
Notes receivable	2,511,840	-	2,511,840	2,433,067
Deferred charges	1,697,515	26,368	1,723,883	-
Land held for resale	15,706,223	-	15,706,223	-
Capital assets, not being depreciated	13,012,478	24,600	13,037,078	-
Capital assets, being depreciated (net of accumulated depreciation)	44,086,218	42,807,024	86,893,242	35,722
Total Assets	<u>122,215,984</u>	<u>49,033,820</u>	<u>171,249,804</u>	<u>3,657,484</u>
<b>LIABILITIES</b>				
Accounts payable	2,040,003	341,063	2,381,066	36,803
Accrued payroll	1,146,187	56,753	1,202,940	-
Accrued interest payable	442,039	7,836	449,875	-
Due to fiduciary funds	346,859	-	346,859	-
Unearned revenue	25,956,243	-	25,956,243	-
Other liabilities	889,288	-	889,288	487,377
Notes payable - current	1,000,000	-	1,000,000	-
Noncurrent liabilities				
Due within one year	5,046,200	11,590	5,057,790	747,439
Due in more than one year	105,179,016	926,375	106,105,391	1,476,047
Total Liabilities	<u>142,045,835</u>	<u>1,343,617</u>	<u>143,389,452</u>	<u>2,747,666</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	(19,601,775)	42,831,624	23,229,849	35,722
Restricted for				
Public safety	823,902	-	823,902	-
Public works	210,657	812,614	1,023,271	-
Economic development	20,797,881	-	20,797,881	-
Debt service	432,650	-	432,650	-
Unrestricted (deficit)	<u>(22,493,166)</u>	<u>4,045,965</u>	<u>(18,447,201)</u>	<u>874,096</u>
<b>TOTAL NET ASSETS (DEFICIT)</b>	<u>\$ (19,829,851)</u>	<u>\$ 47,690,203</u>	<u>\$ 27,860,352</u>	<u>\$ 909,818</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Assets							Component Unit Berwyn Development Corporation
	Program Revenues				Primary Government			
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
Governmental Activities								
General government	\$ 4,039,444	\$ 2,565,532	\$ -	\$ -	\$ (1,473,912)	\$ -	\$ (1,473,912)	\$ -
Public safety	33,929,018	4,153,792	706,571	640,956	(28,427,699)	-	(28,427,699)	-
Public works	8,696,471	1,819,449	1,912,410	1,009,751	(3,954,861)	-	(3,954,861)	-
Economic development	5,934,648	-	1,989,870	2,528,183	(1,416,595)	-	(1,416,595)	-
Culture and recreation	4,604,469	520,709	90,784	-	(3,992,976)	-	(3,992,976)	-
Health and sanitation	4,265,730	4,526,870	-	-	261,140	-	261,140	-
Interest	4,588,249	-	-	-	(4,588,249)	-	(4,588,249)	-
Total Governmental Activities	<u>66,058,029</u>	<u>13,586,352</u>	<u>4,699,635</u>	<u>4,178,890</u>	<u>(43,593,152)</u>	<u>-</u>	<u>(43,593,152)</u>	<u>-</u>
Business-Type Activities								
Water and sewer	10,754,990	6,585,935	-	-	-	(4,169,055)	(4,169,055)	-
Parking Garage	263,619	119,871	-	-	-	(143,748)	(143,748)	-
Total Business-type Activities	<u>11,018,609</u>	<u>6,705,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,312,803)</u>	<u>(4,312,803)</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 77,076,638</b>	<b>\$ 20,292,158</b>	<b>\$ 4,699,635</b>	<b>\$ 4,178,890</b>	<b>(43,593,152)</b>	<b>(4,312,803)</b>	<b>(47,905,955)</b>	<b>-</b>
<b>COMPONENT UNIT</b>								
Berwyn Development Corporation	\$ 1,523,802	\$ 1,544,875	\$ -	\$ -	-	-	-	21,073
General Revenues								
Taxes								
Property					27,780,387	-	27,780,387	-
Sales					2,401,276	-	2,401,276	-
Home rule sales					1,834,332	-	1,834,332	-
Income					4,961,602	-	4,961,602	-
Replacement					253,095	-	253,095	-
Municipal utility					4,124,813	-	4,124,813	-
Real estate transfer					913,411	-	913,411	-
Other					624,565	-	624,565	-
Investment income					216,629	8,454	225,083	-
Gain on sale of capital assets					5,251	-	5,251	-
Miscellaneous					50,926	(7,912)	43,014	-
Transfers					(137,342)	137,342	-	-
Total General Revenues and Transfers					<u>43,028,945</u>	<u>137,884</u>	<u>43,166,829</u>	<u>-</u>
CHANGE IN NET ASSETS					(564,207)	(4,174,919)	(4,739,126)	21,073
NET ASSETS, JANUARY 1					(19,265,644)	51,865,122	32,599,478	888,745
<b>NET ASSETS (DEFICIT), DECEMBER 31</b>					<b>\$ (19,829,851)</b>	<b>\$ 47,690,203</b>	<b>\$ 27,860,352</b>	<b>\$ 909,818</b>

## CITY OF BERWYN, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	General	Carmak Road TIF	Debt Service	2007 Bond	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 715,495	\$ 982,675	\$ 4,364	\$ 4,106,126	\$ 5,863,176	\$ 11,671,836
Restricted cash	-	-	114,071	-	-	114,071
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	17,470,772	305,276	5,165,191	-	3,491,397	26,432,636
Sales taxes	602,012	-	-	-	-	602,012
Home rule sales tax	471,878	-	-	-	-	471,878
Income taxes	2,147,563	-	-	-	-	2,147,563
Personal property replacement tax	22,044	-	-	-	-	22,044
Utility tax	731,905	-	-	-	-	731,905
Accounts	1,955,013	32,303	2,297	-	27,260	2,016,873
Interest	1,502	416	761	396	2,636	5,711
Prepaid items	15,112	-	-	-	-	15,112
Due from other funds	1,580,922	-	890,909	-	76,811	2,548,642
Due from other governments	-	-	-	-	989,152	989,152
Notes receivable	369,520	-	-	-	2,142,320	2,511,840
Land held for resale	-	7,654,761	-	-	8,051,462	15,706,223
<b>Total Assets</b>	<b>\$ 26,083,738</b>	<b>\$ 8,975,431</b>	<b>\$ 6,177,593</b>	<b>\$ 4,106,522</b>	<b>\$ 20,644,214</b>	<b>\$ 65,987,498</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,122,919	\$ 280,808	\$ 300	\$ 1,500	\$ 634,476	\$ 2,040,003
Accrued payroll	1,612,698	-	-	-	135,548	1,748,246
Deferred revenues	16,122,956	-	4,744,643	-	5,088,644	25,956,243
Due to other funds	3,393,670	90,038	1,000,000	322,530	1,168,354	5,974,592
Due to fiduciary funds	346,859	-	-	-	-	346,859
Other liabilities	503,720	-	-	-	500,000	1,003,720
Notes payable	1,000,000	-	-	-	-	1,000,000
<b>Total Liabilities</b>	<b>24,102,822</b>	<b>370,846</b>	<b>5,744,943</b>	<b>324,030</b>	<b>7,527,022</b>	<b>38,069,663</b>
<b>FUND BALANCES</b>						
Reserved						
Notes receivable	369,520	-	-	-	-	369,520
Prepaid items	15,112	-	-	-	-	15,112
Land held for resale	-	7,654,761	-	-	8,051,462	15,706,223
Public safety	-	-	-	-	823,902	823,902
Public works	-	-	-	-	210,657	210,657
Economic development	-	949,824	-	-	4,141,834	5,091,658
Debt Service Fund	-	-	432,650	-	-	432,650
Unreserved (deficit)						
General Fund	1,596,284	-	-	-	-	1,596,284
Special Revenue Funds	-	-	-	-	(129,390)	(129,390)
Capital Projects Funds	-	-	-	3,782,492	18,727	3,801,219
<b>Total Fund Balances</b>	<b>1,980,916</b>	<b>8,604,585</b>	<b>432,650</b>	<b>3,782,492</b>	<b>13,117,192</b>	<b>27,917,835</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 26,083,738</b>	<b>\$ 8,975,431</b>	<b>\$ 6,177,593</b>	<b>\$ 4,106,522</b>	<b>\$ 20,644,214</b>	<b>\$ 65,987,498</b>

CITY OF BERWYN, ILLINOIS

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

December 31, 2010

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 27,917,835
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	57,098,697
The net other postemployment benefits obligation is not a current use of funds and, therefore, is not reported in the governmental funds	(785,074)
The net pension obligation is not a current use of funds and, therefore, is not reported in the governmental funds	(2,168,232)
The unamortized bond issuance cost is not a current financial resource and, therefore, is not reported in the governmental funds	1,697,515
The unamortized bond premium (discount) is not a current financial resource and, therefore, is not reported in the governmental funds	(1,975,112)
The unamortized loss on refunding is not a current financial use of funds and, therefore, is not reported in the governmental funds	940,705
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(442,039)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(101,510,660)
The unrestricted net assets (deficit) of the internal service funds are included in the governmental activities in the statement of net assets	<u>(603,486)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (19,829,851)</u>

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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, 2010

	General	Cermak Road TIF	Debt Service	2007 Bond	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 15,363,212	\$ 2,044,954	\$ 4,841,129	\$ -	\$ 5,531,092	\$ 27,780,387
Other taxes	14,785,517	-	-	-	34,265	14,819,782
Licenses and permits	2,896,170	-	-	-	-	2,896,170
Charges for services	5,630,024	-	-	-	35,332	5,665,356
Fines and forfeitures	4,108,007	-	-	-	48,016	4,156,023
Intergovernmental	97,753	-	-	-	7,744,251	7,842,004
Contributions	-	900,000	-	-	-	900,000
Investment income	133,805	30,851	7,541	6,365	38,067	216,629
Miscellaneous	1,296,336	-	-	-	12,612	1,308,948
<b>Total Revenues</b>	<b>44,310,824</b>	<b>2,975,905</b>	<b>4,848,670</b>	<b>6,365</b>	<b>13,443,635</b>	<b>65,585,299</b>
<b>EXPENDITURES</b>						
Current						
General government	4,042,809	-	-	-	-	4,042,809
Public safety	32,686,968	-	-	-	723,324	33,410,292
Public works	4,539,573	-	-	-	1,732,335	6,271,908
Economic development	151,652	3,937,502	-	-	4,564,218	8,653,372
Culture and recreation	1,303,943	-	-	-	3,066,663	4,370,606
Health and sanitation	4,265,730	-	-	-	-	4,265,730
Capital outlay	-	-	-	779,445	9,849	789,294
Debt service	-	-	5,025,000	-	155,161	5,180,161
Principal	23,436	-	4,243,053	-	67,034	4,353,525
Interest and fiscal charges	31,817	-	206,017	-	53,293	291,127
Bond issuance costs	47,045,930	3,937,502	9,474,070	779,445	10,391,877	71,628,824
<b>Total Expenditures</b>	<b>(2,735,106)</b>	<b>(961,697)</b>	<b>(4,625,400)</b>	<b>(773,080)</b>	<b>3,051,758</b>	<b>(6,043,525)</b>
Excess (deficiency) of revenues over expenditures						
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of debt issuance	1,000,000	-	6,475,000	-	5,675,000	13,150,000
Premium on issuance of long-term debt	28,230	-	182,787	-	47,285	258,302
Proceeds from sale of capital assets	5,251	-	-	-	-	5,251
Transfers in	3,446,816	-	953,549	-	140,100	4,540,465
Transfers (out)	(140,100)	-	(3,200,000)	(684,656)	(1,515,709)	(5,540,465)
<b>Total Other Financing Sources (Uses)</b>	<b>4,340,197</b>	<b>-</b>	<b>4,411,336</b>	<b>(684,656)</b>	<b>4,346,676</b>	<b>12,413,553</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,605,091</b>	<b>(961,697)</b>	<b>(214,064)</b>	<b>(1,457,736)</b>	<b>7,398,434</b>	<b>6,370,028</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>375,825</b>	<b>9,566,282</b>	<b>646,714</b>	<b>5,240,228</b>	<b>5,718,758</b>	<b>21,547,807</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,980,916</b>	<b>\$ 8,604,585</b>	<b>\$ 432,650</b>	<b>\$ 3,782,492</b>	<b>\$ 13,117,192</b>	<b>\$ 27,917,835</b>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2010

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 6,370,028
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	3,381,909
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	(37,093)
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	(13,150,000)
The accretion on capital appreciation bonds does not require the use of current financial resources and, therefore, is not reported in the governmental funds	(100,197)
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	5,387,948
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	(3,430,582)
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements	(26,445)
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	(680,083)
Change in accrued interest payable	32,598
Amortization of issuance costs	(135,811)
Capitalization of issuance costs	291,127
Deferral of bond discount/premium	(258,302)
Amortization of accounting loss on refunding	(296,743)
Amortization of bond premium and discount	265,429
Change in compensated absences	(769,493)
Change in long-term portion of prior year unallowable costs	160,318
Change in IMRF liability	78,038
The change in net assets of certain activities of internal service funds is reported with governmental activities	<u>2,353,147</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (564,207)</u>

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## CITY OF BERWYN, ILLINOIS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
December 31, 2010

	Business-Type			Governmental Activities Internal Service
	Water and Sewer	Parking Garage	Totals	
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 3,750,697	\$ -	\$ 3,750,697	\$ 48,686
Restricted cash	812,614	-	812,614	-
Receivables				
Accounts (net of allowance)	1,544,748	-	1,544,748	-
Due from other funds	-	67,769	67,769	3,358,181
Total Current Assets	<u>6,108,059</u>	<u>67,769</u>	<u>6,175,828</u>	<u>3,406,867</u>
<b>NONCURRENT ASSETS</b>				
Deferred charges	26,368	-	26,368	-
Capital assets				
Capital assets, not being depreciated	24,600	-	24,600	-
Capital assets, net of accumulated depreciation	32,814,819	9,992,205	42,807,024	-
Net Capital Assets	<u>32,839,419</u>	<u>9,992,205</u>	<u>42,831,624</u>	<u>-</u>
Total Noncurrent Assets	<u>32,865,787</u>	<u>9,992,205</u>	<u>42,857,992</u>	<u>-</u>
Total Assets	<u>38,973,846</u>	<u>10,059,974</u>	<u>49,033,820</u>	<u>3,406,867</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	337,097	3,966	341,063	-
Claims payable	-	-	-	651,054
Accrued payroll	68,343	-	68,343	-
Accrued interest payable	7,836	-	7,836	-
Total Current Liabilities	<u>413,276</u>	<u>3,966</u>	<u>417,242</u>	<u>651,054</u>
<b>LONG-TERM LIABILITIES</b>				
Claims payable	-	-	-	3,359,299
Bonds payable	873,396	-	873,396	-
Net pension obligation	13,700	-	13,700	-
Compensated absences payable	39,280	-	39,280	-
Total Long-Term Liabilities	<u>926,375</u>	<u>-</u>	<u>926,375</u>	<u>3,359,299</u>
Total Liabilities	<u>1,339,651</u>	<u>3,966</u>	<u>1,343,617</u>	<u>4,010,353</u>
<b>NET ASSETS</b>				
Invested in capital assets	32,839,419	9,992,205	42,831,624	-
Restricted				
Public Works	812,614	-	812,614	-
Unrestricted (deficit)	3,982,162	63,803	4,045,965	(603,486)
Total Net Assets (Deficit)	<u>\$ 37,634,195</u>	<u>\$ 10,056,008</u>	<u>\$ 47,690,203</u>	<u>\$ (603,486)</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, 2010

	Business-Type			Governmental
	Water and Sewer	Parking Garage	Totals	Activities Internal Service
<b>OPERATING REVENUES</b>				
Charges for services				
Billings	\$ 6,244,314	\$ -	\$ 6,244,314	\$ -
Penalties	258,291	-	258,291	-
Plumbing inspections	54,015	-	54,015	-
Meter sales	15,960	-	15,960	-
Water and sewer taps	9,477	-	9,477	-
Internal service charges	-	-	-	3,741,668
Other revenue	3,878	119,871	123,749	206,512
	<u>6,585,935</u>	<u>119,871</u>	<u>6,705,806</u>	<u>3,948,180</u>
Total Operating Revenues				
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,274,699	-	1,274,699	-
Internal service fund charge	347,534	3,707	351,241	-
Cost of water	3,875,889	-	3,875,889	-
Contractual services	238,674	12,026	250,700	666,873
Utilities and cost of water	125,472	28,297	153,769	-
Repairs and maintenance	40,400	9,387	49,787	-
Postage, printing and publications	69,770	-	69,770	-
Commodities and supplies	135,767	-	135,767	-
Interdepartmental charges	519,764	-	519,764	-
Other general	41,713	-	41,713	-
Bad debt expense	60,000	-	60,000	-
Equipment lease	24,696	-	24,696	-
Claims expense	-	-	-	1,928,161
Depreciation	4,000,612	210,202	4,210,814	-
	<u>10,754,990</u>	<u>263,619</u>	<u>11,018,609</u>	<u>2,595,034</u>
Total Operating Expenses				
Operating income (loss)	(4,169,055)	(143,748)	(4,312,803)	1,353,146
<b>NONOPERATING INCOME (EXPENSE)</b>				
Investment income	8,454	-	8,454	1
Bond issuance costs	(676)	-	(676)	-
Interest expense	(7,236)	-	(7,236)	-
	<u>542</u>	<u>-</u>	<u>542</u>	<u>1</u>
Total nonoperating income (expense)				
Income (loss) before contributions and transfers	(4,168,513)	(143,748)	(4,312,261)	1,353,147
<b>CAPITAL CONTRIBUTIONS</b>				
	-	137,342	137,342	-
<b>TRANSFERS IN</b>				
	-	-	-	1,000,000
	<u>(4,168,513)</u>	<u>(6,406)</u>	<u>(4,174,919)</u>	<u>2,353,147</u>
CHANGE IN NET ASSETS				
NET ASSETS (DEFICIT), JANUARY 1	41,802,708	10,062,414	51,865,122	(2,956,633)
	<u>\$ 37,634,195</u>	<u>\$ 10,056,008</u>	<u>\$ 47,690,203</u>	<u>\$ (603,486)</u>
NET ASSETS (DEFICIT), DECEMBER 31				

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2010

	Business-Type			Governmental Activities Internal Service
	Water and Sewer	Parking Garage	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 6,231,676	\$ 119,871	\$ 6,351,547	\$ 4,036,183
Payments to employees	(819,494)	-	(819,494)	-
Payments to suppliers	(5,173,278)	(45,744)	(5,219,022)	(2,671,496)
Payments for interfund services used	(867,298)	(3,707)	(871,005)	-
Net cash from operating activities	<u>(628,392)</u>	<u>70,420</u>	<u>(557,972)</u>	<u>1,364,687</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Reduction (increase) of Interfund receivable	3,379,698	(67,769)	3,311,929	(2,316,002)
(Decrease) in interfund payable	-	(2,651)	(2,651)	-
Transfer from other funds	-	-	-	1,000,000
Net cash from noncapital financing activities	<u>3,379,698</u>	<u>(70,420)</u>	<u>3,309,278</u>	<u>(1,316,002)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt	846,951	-	846,951	-
Sale of capital asset	-	-	-	-
Net cash from capital and related financing activities	<u>846,951</u>	<u>-</u>	<u>846,951</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	8,454	-	8,454	1
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,606,711	-	3,606,711	48,686
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	956,600	-	956,600	-
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 4,563,311</u>	<u>\$ -</u>	<u>\$ 4,563,311</u>	<u>\$ 48,686</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (4,169,055)	\$ (143,748)	\$ (4,312,803)	\$ 1,353,146
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	4,000,612	210,202	4,210,814	-
Bad debt expense	60,000	-	60,000	-
Changes in assets and liabilities				
Accounts receivable	(354,260)	-	(354,260)	88,003
Accounts payable	(221,912)	3,966	(217,946)	-
Accrued payroll and compensated absences	42,523	-	42,523	-
Net pension obligation	13,700	-	13,700	-
Claims payable	-	-	-	(76,462)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (628,392)</u>	<u>\$ 70,420</u>	<u>\$ (557,972)</u>	<u>\$ 1,364,687</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contributions of capital assets from government	\$ -	\$ 137,342	\$ 137,342	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
December 31, 2010

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**ASSETS**

Cash and investments	
Cash and cash equivalents	\$ 124,394
Investments	
Certificates of deposit	1,340,498
U.S. Treasury securities	20,224,292
U.S. Agency securities	2,973,657
Money market mutual funds	3,281,231
Equities	8,430,916
Equity mutual funds	17,542,839
Insurance contracts	92,541
State and local obligations	<u>2,662,079</u>
Total Cash and Investments	<u>56,672,447</u>
Receivables	
Accrued interest	215,710
Due from governmental funds	<u>346,859</u>
Total Receivables	<u>562,569</u>
Prepays	<u>2,425</u>
Total Assets	<u>57,237,441</u>
<b>LIABILITIES</b>	
Accounts payable	<u>35,917</u>
Total Liabilities	<u>35,917</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 57,201,524</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, 2010

**ADDITIONS**

Contributions	
Employer	\$ 4,979,856
Participants	<u>1,517,454</u>
Total Contributions	<u>6,497,310</u>

Investment income	
Net appreciation in fair value of investments	3,160,144
Interest earned	1,882,248
Less investment expenses	<u>(130,842)</u>
Total Investment Income	<u>4,911,550</u>
Total Additions	<u>11,408,860</u>

**DEDUCTIONS**

Administrative	142,295
Pension benefits and refunds	<u>5,974,337</u>
Total Deductions	<u>6,116,632</u>

NET INCREASE 5,292,228

NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS - January 1 51,909,296

**NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS - December 31** \$ 57,201,524

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - 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 and Berwyn Development Corporation's (the BDC) accounting policies are described below.

Reporting Entity: As required by GAAP, these financial statements present the City (the primary government) and its component unit.

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 five-member pension board. Two are appointed by the City's Mayor, two are elected from active participants, and one is elected from retired participants of the Fund. 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 includes one component unit.

*Discretely Presented Component Unit – Berwyn Development Corporation (the BDC)* – The BDC provides low-interest lending assistance to local businesses. 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 businesses and also manages the City's tax increment financing projects. Separately issued audited financial statements can be obtained by mailing a request to the Berwyn Development Corporation, 3322 S. Oak Park Ave, Second Floor, Berwyn, IL 60402.

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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 Parking Garage Fund, an enterprise fund, is used to account for the operation of the municipal parking garage in the South Berwyn TIF District.

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

**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.

For the year ended December 31, 2010, a portion of the City's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the City elected to recognize the portion received after 60 days, or \$990,482, as revenue, in order to properly present 12 months of revenue on the financial statements.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

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, 2010 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of December 31, 2010.

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.

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.

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.

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(Continued)



CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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, 2010, the City reported \$602,059 within its General Fund and \$11,590 within its Water and Sewer Fund related to sick leave purchased back in 2011. The balances are recorded as a portion of the noncurrent liabilities – due in one year balances on the Statement of Net Assets for both governmental and business-type activities.

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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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. In cases where either restricted or unrestricted funds can be used to pay expenditures, restricted funds will be used first until exhausted.

**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.

**Restricted Cash:** Property taxes levied for the purpose of making debt service payments on the 2008 bond issue are required by bond covenants to be directly deposited in an escrow account. The balance of that escrow account at December 31, 2010 is classified as restricted cash on the balance sheet because its use is limited by applicable bond covenants. The restricted cash is to be used to make future interest payments as follows:

6/1/2011	\$ 114,071
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In addition, unspent bond proceeds in the amount of \$812,614 to be used for a capital project in the Water and Sewer Fund are classified as restricted cash on the Statement of Net Assets.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Balances:** The City's Internal Service Fund had deficit net assets as of December 31, 2010 of \$603,486. This deficit is primarily due to the accrual of some significant claims payable in prior years. The City has adopted a funding policy to eliminate this deficit over time and has, in fact, reduced the deficit by \$2,353,147 from 2009.

The Senior Citizen Program Fund also had a deficit fund balance at December 31, 2010 of \$60,251. This was primarily due to less than anticipated grant funding and will be eliminated through additional General Fund subsidies in the upcoming year.

The Library Fund also had a deficit fund balance at December 31, 2010 of \$39,592. This was primarily due to hire than expected benefit costs resulting from a more precise method of allocating health insurance premiums to departments. It will be eliminated in the upcoming year through cost reductions.

The CDBG Fund also had a deficit fund balance at December 31, 2010 of \$34,892.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - 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:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risk</u>
Demand Deposits	\$ 11,672,473	\$ 12,393,077	Custodial credit deposits
Illinois Funds	4,323,442	4,323,442	Credit and interest rate
Certificates of deposit	1,769,364	1,769,364	Custodial credit deposits
U.S. treasuries	20,224,292	20,224,292	Custodial credit investments and interest rate risks
U.S. agencies	2,973,657	2,973,657	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance company contracts	92,541	92,541	Credit and interest rate
Equities	8,528,433	8,528,433	Credit and interest rate
Equity mutual funds	17,542,839	17,542,839	Credit and interest rate
State and local obligations	2,662,079	2,662,079	Credit and interest rate
Money market mutual funds	<u>3,281,231</u>	<u>3,281,231</u>	Credit and interest rate
	<u>\$ 73,070,351</u>	<u>\$ 73,790,955</u>	
Reconciliation to financial statements			
Per Statement of Net Assets			
Cash and investments	\$ 15,471,219		
Restricted cash	926,685		
Per Statement of Net Assets -			
Fiduciary funds			
Pension Trust Funds	<u>56,672,447</u>		
Total cash and investments	<u>\$ 73,070,351</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.

Subsequent to year end, the City discovered that it had, in a prior year, received shares of stock in Prudential Financial Inc.. Since the City is not allowed to hold equity securities per it's investment policy, the shares were subsequently sold. At December 31, 2010, the City's balance sheet includes the market value of these shares (\$97,517) in cash and investments.

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (Continued)

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 Funds' 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.

*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, 2010, due to a bank error, \$3,704,272 of the City's bank balances were uninsured and uncollateralized. The error was subsequently addressed through the implementation of new procedures at the bank and increased monitoring by the City.

*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.

*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, 2010, 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>4,323,442</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, 2010, 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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (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 Police Pension 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, 2010, 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 to custodial credit risk. Although not specifically required by the investment policy, the Police Pension Fund limits its exposure by requiring 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 \$1,130,500, or a minimum of \$600,000.

As of December 31, 2010, the Police Pension Fund's investments matured as follows:

<u>Investment Type</u>	<u>Maturity in Years</u>				
	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. Treasuries	\$ 7,338,179	\$ -	\$ 2,411,628	\$ 2,599,072	\$ 2,327,479
U.S. agencies	6,382,389	1,948,518	2,743,769	470,251	1,219,851
U.S. government-backed	2,334,740	102,489	1,687,249	545,002	-
State, local and corporate	1,749,825	-	-	409,644	1,340,181
Money market mutual funds	1,712,775	1,712,775	-	-	-
<b>Total</b>	<b>\$ 19,517,908</b>	<b>\$ 3,763,782</b>	<b>\$ 6,842,646</b>	<b>\$ 4,023,969</b>	<b>\$ 4,887,511</b>

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (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 State and Local Obligations were rated AA or higher and 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 \$1,197,031.

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, 2010, the Police Pension Fund had greater than five percent of its overall portfolio invested in the following:

<u>Investment</u>	<u>Amount Invested</u>	<u>Percentage of Total Portfolio</u>
Vanguard Developed Market Index Fund	\$ 2,328,233	6.23%
Federal National Mortgage Assoc.	2,572,932	6.89%
Washington Large Cap Value Fund	3,928,738	10.51%
Allianz Small Cap Value Fund	2,997,606	8.02%
Harbor Int'l Fund	2,196,786	5.88%

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	\$ 3,928,738
Allianz Small Cap Value Fund	2,997,606
Vanguard Developed Market Index Fund	2,328,233
Harbor Int'l Fund	2,196,786
Lazard Emerging Markets Equity Fund	1,627,949
Hartford/Putnam Capital Manager Insurance Contract	9,406

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (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:** 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, 2010, the Firefighters' Pension Fund's investments matured as follows:

Investment Type	Fair Fair Value	Maturity in Years			
		Less than 1 Year	1 - 5	6 - 10	Over 10
U.S. Treasuries	\$ 3,226,363	\$ 275,624	\$ 309,472	\$ 1,503,078	\$ 1,138,189
U.S. agencies	3,277,361	59,975	1,899,223	8,223	1,309,940
U.S. government backed Certificates of deposit	638,917	-	354,568	284,349	-
State and local obligations	1,340,498	734,664	508,873	96,961	-
Money market mutual funds	912,254	-	-	-	912,254
	1,568,456	1,568,456	-	-	-
<b>Total</b>	<b>\$ 10,963,849</b>	<b>\$ 2,638,719</b>	<b>\$ 3,072,136</b>	<b>\$ 1,892,611</b>	<b>\$ 3,360,383</b>

**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 establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. 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. Unrated investments total less than \$425,000.

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

The Firefighters' 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 Firefighters' Pension Fund has a high percentage of their investments invested in one type of investment. At December 31, 2010, the Firefighters' Pension Fund had greater than five percent of its overall portfolio invested in a Morgan Stanley Smith Barney Money Market Mutual Fund (\$1,568,455 or 8.0%) and Federal National Mortgage Association securities (\$1,586,842 or 8.1%). Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier 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. The Firefighters' Pension Fund investment policy has stated the following allocations for its investments:

<u>Investment</u>	<u>Minimum</u>	<u>Maximum</u>
Cash & equivalents	0%	25%
Equities	20	35
Fixed Income	55	75

**B. Receivables**

Property Taxes: Property taxes for 2010 attach as an enforceable lien on January 1, 2010 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, 2011 and October 1, 2011 and are payable in two installments, on or about April 1, 2011 and November 1, 2011. 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:

<u>Original Loan</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Loans Made</u>	<u>Repayments</u>	<u>Loan Write-Offs</u>	<u>Ending Balance</u>
CDBG Rehab Loans	<u>0%</u>	<u>\$ 1,330,118</u>	<u>\$ 813,202</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 2,142,320</u>

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

(Continued)



CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (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, 2010 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 Position</u>
\$ 320,000	\$ 170,183	\$ -	\$ 170,183	\$ -	\$ -
35,000	22,227	-	9,340	12,887	5,000
390,000	326,596	-	16,971	309,625	309,625
35,000	-	35,000	980	34,020	1,095
54,000	53,069	-	53,069	-	-
45,000	21,883	-	8,895	12,988	9,509
<u>\$ 879,000</u>	<u>\$ 593,958</u>	<u>\$ 35,000</u>	<u>\$ 259,438</u>	<u>\$ 369,520</u>	<u>\$ 325,229</u>

- \$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. The loan was paid in full in December of 2010.
- **\$35,000 note receivable** in 83 consecutive payments of \$417 commencing July 31, 2006 and one final payment of all outstanding liabilities on June 30, 2013. 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 of prime plus 2.5% adjusted each December 1. The borrower is delinquent but subsequent to year end the note was renegotiated. The new note provides for payments of \$2,050 commencing July 1, 2011 through June 30, 2016 at a variable rate of prime plus 2% adjusted each December 1.
- \$35,000 note receivable in 60 consecutive principal and interest payments of \$231 commencing February 14, 2010 and one final payment of all outstanding liabilities on January 14, 2015. Interest accrues on unpaid balances at a rate of 5% per annum.
- \$54,000 note receivable in 240 consecutive payments commencing February 16, 2009 through January 16, 2029. Interest accrues on unpaid balances at a variable rate of prime plus 2% adjusted each December 1. During 2010, this business filed for bankruptcy. The balance of the loan less collateral was written off. The net amount of the write off was \$48,069.
- \$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 rate of 4% per annum.

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Ambulance	\$ 3,097,733	\$ -
Utility billings	-	1,734,225
Allowance for uncollectible	(2,497,013)	(210,009)
Garbage	702,442	-
Franchise fees	85,700	-
Other	628,011	20,532
	<hr/>	<hr/>
Total	\$ 2,016,873	\$ 1,544,748
	<hr/>	<hr/>

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:

<u>Description</u>	<u>Unearned</u>	<u>Total Deferred</u>
Subsequent year's tax levy	\$ 23,758,911	\$ 23,758,911
CDBG loan program	2,142,320	2,142,320
Grants	55,012	55,012
	<hr/>	<hr/>
Total	\$ 25,956,243	\$ 25,956,243
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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2010 was as follows:

<u>Primary Government</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
Government activities				
Capital assets not being depreciated				
Land	\$ 9,843,565	\$ 78,537	\$ -	\$ 9,922,102
CIP	1,278,308	2,652,254	840,186	3,090,376
Total capital assets not being depreciated	<u>11,121,873</u>	<u>2,730,791</u>	<u>840,186</u>	<u>13,012,478</u>
Capital assets being depreciated				
Vehicles	5,942,050	509,575	207,873	6,243,752
Equipment	1,962,050	238,452	82,878	2,117,624
Land improvements	5,058,944	840,186	-	5,899,130
Buildings	14,678,913	-	-	14,678,913
Infrastructure	54,059,825	-	-	54,059,825
Total capital assets being depreciated	<u>81,701,782</u>	<u>1,588,213</u>	<u>290,751</u>	<u>82,999,244</u>
Less accumulated depreciation for				
Vehicles	3,583,149	404,365	197,499	3,790,015
Equipment	1,031,723	228,252	56,159	1,203,816
Land improvements	2,721,316	166,346	-	2,887,662
Buildings	3,256,211	336,222	-	3,592,433
Infrastructure	25,143,703	2,295,397	-	27,439,100
Total accumulated depreciation	<u>35,736,102</u>	<u>3,430,582</u>	<u>253,658</u>	<u>38,913,026</u>
Total capital assets being depreciated, net	<u>45,965,680</u>	<u>(1,842,369)</u>	<u>37,093</u>	<u>44,086,218</u>
Total government activities	<u>\$ 57,087,553</u>	<u>\$ 888,422</u>	<u>\$ 877,279</u>	<u>\$ 57,098,696</u>

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

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 64,041
Public safety	656,915
Public works	2,489,734
Culture and recreation	<u>219,892</u>
Total Government Activities	<u>\$ 3,430,582</u>

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

<u>Primary Government</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
<b>Business-type Activities</b>				
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	10,799,883	-	-	10,799,883
Equipment	-	137,343	-	137,343
Infrastructure	111,413,362	-	-	111,413,362
Total capital assets being depreciated	<u>122,611,869</u>	<u>137,343</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation for				
Vehicles	91,174	16,300	-	107,474
Land improvements	198,670	15,035	-	213,705
Buildings	436,393	217,392	-	653,785
Equipment	-	6,867	-	6,867
Infrastructure	75,005,137	3,955,220	-	78,960,357
Total accumulated depreciation	<u>75,731,374</u>	<u>4,210,814</u>	<u>-</u>	<u>79,942,188</u>
Total capital assets being depreciated, net	<u>46,880,495</u>	<u>(4,073,471)</u>	<u>-</u>	<u>42,807,024</u>
Total business-type activities	<u>\$ 46,905,095</u>	<u>\$ (4,073,471)</u>	<u>\$ -</u>	<u>\$ 42,831,624</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

<u>Function</u>	<u>Amount</u>
Business-type Activities	
Water & Sewer	\$ 4,000,612
Parking Garage	<u>210,202</u>
Total Business-type Activities	<u>\$ 4,210,814</u>

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Interfund Disclosures**

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
<u>Major Governmental Funds</u>			
General Fund	CDGB	\$ 481,284	Exp. reimbursement
General Fund	Police seizure	17,700	Exp. reimbursement
General Fund	NSP	27,744	Exp. reimbursement
General Fund	Senior	45,517	Exp. reimbursement
General Fund	South Berwyn TIF	95,980	Exp. reimbursement
General Fund	Cermak TIF	90,038	Exp. reimbursement
General Fund	Roosevelt TIF	8,280	Exp. reimbursement
General Fund	Ogden TIF	215,361	Exp. reimbursement
General Fund	2007 Bond	322,530	Exp. reimbursement
General Fund	Library	276,488	Exp. reimbursement
Debt Service	General Fund	890,909	Tax collections
<u>NonMajor Governmental Funds</u>			
Grants Fund	General Fund	56,813	Revenue collections
MFT	General Fund	1,271	Cash held
Infrastructure Bond	General Fund	<u>18,727</u>	Cash held
Total Governmental Funds		2,548,642	
Parking Garage	General Fund	67,769	Permit revenues
Internal Service Fund	General Fund	2,358,181	Authorized transfer
Internal Service Fund	Debt Service	<u>1,000,000</u>	Authorized transfer
Total		<u>\$ 5,974,592</u>	

All interfund balances are expected to be repaid during 2011.

Due To/From Fiduciary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Police Pension	General Fund	\$ 169,389	Tax collections
Fire Pension	General Fund	<u>177,470</u>	Tax collections
Total		<u>\$ 346,859</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 will be repaid during 2011.

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Transfers: Transfers between funds during the year were as follows:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<u>Major Governmental Funds</u>			
General Fund	Emergency 911	\$ 100,000	Reimbursement of salaries
General Fund	2007 Bond	684,656	Reimbursement for capital items
General Fund	Police seizure	462,160	Revenues offset against liabilities
General Fund	Debt service	2,200,000	Excess revenues from bond refunding
Total General Fund		<u>3,446,816</u>	
Debt Service Fund	Roosevelt Road TIF	76,636	Debt service
Debt Service Fund	Ogden Avenue TIF	475,089	Debt service
Debt Service Fund	South Berwyn TIF	401,824	Debt service
Total Debt Service Fund		<u>953,549</u>	
<u>Nonmajor Governmental Funds</u>			
Senior Fund	General Fund	112,000	Operating subsidy
Grant Fund	General Fund	28,100	City share of grant funded project
Total Nonmajor Funds		<u>140,100</u>	
Internal Service Fund	Debt Service	1,000,000	Surplus from bonding refunding
Total		<u>\$ 5,540,465</u>	

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities</u>					
Bonds and notes payable					
General obligation debt	\$ 95,843,519	\$ 9,250,197	\$ 12,755,000	\$ 92,338,716	\$ 3,365,000
Installment notes payable	1,357,654	-	155,161	1,202,493	155,161
Mortgage notes payable	-	4,000,000	-	4,000,000	-
Unamortized premiums (discounts)	1,982,239	258,302	265,429	1,975,112	-
Unamortized Loss on refunding	(1,237,448)	-	(296,743)	(940,705)	-
<b>Total bonds and notes payable</b>	<b>97,945,964</b>	<b>13,508,499</b>	<b>12,878,847</b>	<b>98,575,616</b>	<b>3,520,161</b>
Other liabilities					
Capital leases	758,641	-	207,787	550,854	158,495
Claims payable	4,086,815	2,367,749	2,444,211	4,010,353	651,054
Net pension obligation	1,488,149	680,083	-	2,168,232	-
Net OPEB obligation	758,629	26,445	-	785,074	-
IMRF early retirement liability	869,915	65,417	143,455	791,877	-
Grant refunds	460,318	114,431	460,318	114,431	114,431
Compensated absences	2,448,147	1,452,848	672,216	3,228,779	602,059
<b>Total other liabilities</b>	<b>10,870,614</b>	<b>4,706,973</b>	<b>3,927,987</b>	<b>11,649,600</b>	<b>1,526,039</b>
<b>Total governmental long-term obligations</b>	<b>\$ 108,816,578</b>	<b>\$ 18,215,472</b>	<b>\$ 16,806,834</b>	<b>\$ 110,225,216</b>	<b>\$ 5,046,200</b>
<u>Business-Type Activities</u>					
General obligation debt	\$ -	\$ 873,995	\$ 600	\$ 873,395	\$ -
Net pension obligation	-	13,700	-	13,700	-
Compensated absences	32,041	30,208	11,379	50,870	11,590
<b>Total business-type long term obligations</b>	<b>\$ 32,041</b>	<b>\$ 917,903</b>	<b>\$ 11,979</b>	<b>\$ 937,965</b>	<b>\$ 11,590</b>

**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. Bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Bonds in the proprietary funds will be retired by water revenues.

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance 12/31/2010</u>
<u>Governmental Activities</u>					
General obligation debt					
Corporate purpose	06/15/01	3.20-4.60%	12/01/11	\$ 3,890,000	\$ 110,000
	08/15/07	5.00%	12/01/27	28,165,000	28,165,000
	10/09/08	4.30-5.00%	12/01/28	7,830,000	7,830,000
	10/29/09	4.75%	12/01/29	5,165,000	5,165,000
	12/30/09	3.00-4.00%	12/01/18	7,720,000	7,720,000
	10/28/10	2.00-5.00%	12/01/30	9,150,000	9,150,000
Capital appreciation bonds	04/03/02	3.00-5.25%	12/01/16	1,335,140	2,078,716
Refunding bonds	03/04/04	2.00-5.00%	12/01/14	19,710,000	10,115,000
Taxable bonds	04/03/02	3.20-5.10%	12/01/20	940,000	610,000
	08/15/07	5.62-5.71%	12/01/22	21,395,000	21,395,000
Total governmental activities general obligation debt					<u>\$ 92,338,716</u>
<u>Business-type Activities</u>					
General obligation debt	10/28/10	2.00-5.00%	12/01/29	850,000	850,000

The City reviews federal arbitrage requirements annually and has determined that no liability for rebatable arbitrage exists at December 31, 2010.

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 6.00%. The total amount outstanding under the agreement at December 31, 2010 was \$1,202,493. Principal payments made in 2010 totaled \$155,161. Debt service on the agreement is an expenditure of the South Berwyn Corridor TIF Fund.

Mortgage Notes Payable: The City entered into a \$4,000,000 loan on December 6, 2010 for the purchase of certain real property. Interest is payable in quarterly installments at a fixed rates of 2%. The principal is due in full at the maturity date of December 6, 2011. However, there is a one year renewal provision on substantially the same terms provided that there are no events of default and that the City has not conveyed title to the property securing the note. After the first renewal, there is a provision for an additional renewal for 60 months with monthly principal and interest payments based on either 1) a 10 year amortization schedule with a balloon payment after 60 months if the property is still owned by the City or 2) a 60 month amortization schedule if the property is no longer owned by the City. The City intends to exercise the renewal options and therefore the note is being reported as long term in the financial statements. Debt service on the agreement is an expenditure of the Ogden Avenue TIF Fund.

(Continued)



CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**Debt Service Requirements:** Debt service requirements to maturity for general obligation debt (excluding capital appreciation bonds) are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,955,000	\$ 4,505,755	\$ -	\$ 40,665
2012	3,020,000	4,350,486	-	37,250
2013	3,195,000	4,204,116	-	37,250
2014	3,360,000	4,047,532	-	37,250
2015	3,560,000	3,873,427	-	37,250
2016-2020	20,740,000	16,772,481	-	186,250
2021-2025	26,325,000	10,786,010	525,000	113,250
2026-2030	<u>27,105,000</u>	<u>3,808,183</u>	<u>325,000</u>	<u>65,000</u>
Totals	<u>\$ 90,260,000</u>	<u>\$ 52,347,990</u>	<u>\$ 850,000</u>	<u>\$ 554,165</u>

The annual requirements to amortize to maturity capital appreciation bonds outstanding as of December 31, 2010 are as follows:

	<u>Principal</u>	<u>Interest Accretion</u>
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>\$ 391,284</u>

The annual requirements to maturity for installment notes payable are as follows:

	Governmental Activities <u>Installment Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 155,161	\$ 148,659
2012	155,161	139,349
2013	923,511	123,021
2014	939,019	98,203
2015	954,841	70,647
2016-2020	<u>2,074,800</u>	<u>66,557</u>
Totals	<u>\$5,202,493</u>	<u>\$ 646,436</u>

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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.

**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, 2010 was \$0. Principal payments made in 2010 totaled \$34,789. 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, 200 was \$0. Principal payments made in 2010 totaled \$21,401. 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, 2010 was \$60,106. Principal payments made in 2010 totaled \$29,215. 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, 2010 was \$100,156. Principal payments made in 2010 totaled \$37,741. 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, 2010 was \$71,585. Principal payments made in 2010 totaled \$29,901. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$430,594 lease financing agreement in August 2008 for the purchase of a fire truck which it took delivery of in 2009 and which is included in capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 5.15%. The total amount outstanding under the agreement at December 31, 2010 was \$319,008. Principal payments made in 2010 totaled \$54,740. Debt service on the agreement is an expenditure of the General Fund.

The assets acquired through capital lease, all of which are for governmental activities, are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$1,193,860	\$452,409	\$741,451

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2010, are as follows:

	Governmental Activities General Obligation Debt	
	Governmental Activities Capital Leases Payable	
	Principal	Interest Accretion
2011	\$ 158,495	\$ 24,028
2012	170,540	16,867
2013	84,536	10,581
2014	66,918	7,070
2015	70,365	3,623
Totals	\$ 550,854	\$ 62,169

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 and Current Refundings:

*Current Year Refunding of Debt*

On October 28, 2010, the City issued \$10,000,000 in tax-exempt bonds with an average interest rate of 4.88% a portion of which was used to currently refund a portion of the bonds listed below:

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

<u>Series</u>	<u>Principal Refunded</u>	<u>Interest Refunded</u>	<u>Total</u>
2001	\$ 105,000	\$ 4,868	\$ 109,868
2002A	395,000	8,492	403,492
2002B	45,000	15,818	60,818
2004	4,480,000	329,250	4,809,250
2007A	-	704,125	704,125
2008	-	180,136	180,136
2009 (Oct)	-	122,669	122,669
2009 (Dec)	-	139,425	139,425
	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 5,025,000</u>	<u>\$ 1,504,783</u>	<u>\$ 6,529,783</u>

In addition, \$1 million of the 2010 issue was used to refund a \$1 million line of credit balance. The cash flow requirements on the refunded bonds and line of credit prior to the advance refunding was \$7,529,783 in 2010. The cash flow requirements on the portion of the 2010 tax exempt bonds used to refund the bonds and line of credit are \$14,850,510 from 2011 through 2030. The City refunded this debt in order to restructure the annual debt service payments and meet short term cash needs. The remaining funds from the 2010 bond issue were used to finance capital projects.

*Current Year Defeasance of Debt*

On December 30, 2009, \$7,720,000 in bonds were issued for the purpose of paying in full the \$7,730,000 balance of the bonds issued on February 1, 1999 on their call date of January 1, 2010. On January 1, 2010, the proceeds were in fact used for this purpose. However, because the bond proceeds were not placed in an irrevocable escrow account on December 30, the transaction did not qualify as an in-substance defeasance in accordance with GASB Statement No. 7. Therefore, both the December 30, 2009 issue and the balance of the February 1, 1999 issue remain on the City's Statement of Net Assets at December 31, 2009 with the latter balance being removed on the following day. As a result of the refunding, the City achieved a cash flow savings and an economic gain on the refunding of \$329,771.

*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, 2010, \$4,468,680 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 2010 was \$296,743 which is reported in the governmental activities.

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**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, 2010, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2010 was \$1,063,482.

**Grant Refunds:** The liability for Grant Refunds is a result of questioned costs resulting from audits of expenditures made from fiscal 2004 through 2009 from the Police Seizure Fund. This liability is being satisfied by offsetting future grant revenues to be earned in the Police Seizure Fund. During 2010, \$460,318 of such grant revenues were awarded to the City and used to reduce the liability. This left a remaining balance due at December 31, 2010 of \$114,431 all of which is considered a current liability and is reflected in the General Fund's Other Liabilities.

**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 \$500,000 for liability claims and \$650,000 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, 2010 was \$4,010,353 and is recorded as a portion of the noncurrent liabilities balance for governmental activities.

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:

	<u>Beginning Balance</u>	<u>Incurred Claims</u>	<u>Claims Paid/ Settled</u>	<u>Ending Balance</u>
2009	\$ 3,700,324	\$ 3,543,664	\$ (3,157,173)	\$ 4,086,815
2010	4,086,815	2,367,749	(2,444,211)	4,010,353

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**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.

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 2010, BDC maintained agreements with seven local financial institutions establishing a \$3,600,000 line of credit to fund community renovation and business investment projects. The balance drawn under this credit line as of December 31, 2010 is \$2,223,486. Of this balance, \$1,202,493 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.

**H. Subsequent Event – Economic Development and Redevelopment Agreements**

Subsequent to year end, the City sold property that it had previously acquired in the Roosevelt Road TIF with a book value of \$1,475,000 to a developer for \$500,000 in order to bring a national restaurant chain to the City. The City also sold property that it had previously acquired in the Cermak Road TIF with a book value of \$4,584,200 to a developer for \$680,000 in order to redevelop the corner of Harlem and Cermak with several national restaurant chains and retailers.

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(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Postemployment Benefits (OPEB)**

Plan Description: The City offers postemployment health care benefits in accordance with Illinois Compiled Statutes, labor contracts 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 postretirement 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. Finally, the City will pay 50% of the single HMO premium for police officers who retire on or after January 1, 2009 until they reach age 65. The City funds these postemployment 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. A separate, audited GAAP-basis postemployment benefit plan report is not available.

Eligibility for these benefits as of December 31, 2010 was as follows:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	37
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	188
Nonvested	<u>145</u>
Total	<u>370</u>

Actuarial Assumptions and Methods:

Actuarial valuation date	December 31, 2010
Actuarial cost method	Entry-age
Asset valuation method	Market
Amortization method	Level Percentage of Pay, open
Remaining amortization period	30 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	Police & Fire 100%; IMRF 20.0%

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**Net OPEB Obligation**

The City's annual OPEB cost and net OPEB obligation (asset) for the year ended December 31, 2010 was as follows:

Annual required contributions	\$	105,479
Interest on net OPEB obligation		37,931
Adjustment to annual required contribution		<u>(25,288)</u>
Annual OPEB cost		118,122
Contributions made		<u>91,677</u>
Increase in net OPEB obligation		26,445
Net OPEB obligation beginning of year		<u>758,629</u>
Net OPEB obligation end of year	\$	<u><u>785,074</u></u>

**Trend Information**

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual OPEB cost	\$ 486,719	\$ 117,688	\$ 118,122
Actual contribution	91,677	91,677	91,677
Percentage of annual OPEB cost contributed	18.80%	77.90%	77.60%
Net OPEB obligation	732,617	758,629	785,074

**Funded Status and Funding Progress**

The funded status and funding progress of the plan as of December 31, 2008 (the date of the most recent actuarial valuation) was as follows:

Actuarial accrued liability	\$	9,610,538
Actuarial value of assets		-
Unfunded actuarial accrued liability (UAL)		9,610,538
Funded ratio		0.00%
Covered payroll		23,755,000
UAAL as a percentage of covered payroll		40.46%

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.

(Continued)



CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - 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 benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. 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 online at [www.imrf.org](http://www.imrf.org).

*Illinois Municipal Retirement Fund*

All employees (other than those covered by the Police or Firefighters' Pension 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, 2010 was 11.19% of covered payroll. The employer annual required contribution rate for calendar year 2010 was 13.10%.

*Sherriff's Law Enforcement Personnel*

Sherriff'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 contribution rate for the year ended December 31, 2010 was 9.85% of covered payroll. The employer annual required contribution rate for calendar year 2010 was 12.88%.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

*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.

At December 31, 2010, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	55
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	73
Nonvested	<u>34</u>
Total	<u>162</u>

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, 2009, the City's contribution was 23.99% of covered payroll.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (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, 2009, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	66
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	44
Nonvested	<u>23</u>
<b>Total</b>	<u><u>133</u></u>

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, 2009 the City's contribution was 39.443% of covered payroll.

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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Annual Pension Cost

	Illinois Municipal Retirement Fund	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2008	December 31, 2008	December 31, 2008	December 31, 2009
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Remaining amortization period	30 Years, Opened	30 Years, Opened	25 Years, Closed	30 Years, Closed
Significant actuarial assumptions				
(a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded	7.25% Compounded	7.25% Compounded
(b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00%* Compounded Annually	5.00%* Compounded Annually
(c) Additional projected salary increases - seniority/merit	0.40% - 10%	0.40% - 10%	0.0%	0.0%
(d) Post-retirement benefit increases	3.00%	3.00%	3.00%	3.00%
* Increase includes inflation at:			3.00%	3.00%

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Net Pension Obligation: The City's annual pension cost and net pension obligation (asset) for the year ended December 31, 2010 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>IMRF</u>	<u>IMRF SLEP</u>
Annual required contributions	\$ 2,654,633	\$ 2,842,419	\$ 961,513	\$ 15,929
Interest on net pension obligation	55,300	52,590	-	-
Adjustment to annual required contribution	<u>(36,265)</u>	<u>(38,975)</u>	-	-
Annual pension cost	2,673,668	2,856,034	961,513	15,929
Contributions made	<u>2,447,616</u>	<u>2,532,240</u>	<u>821,323</u>	<u>12,182</u>
Increase (decrease) in net pension obligation	226,052	323,794	140,190	3,747
Net pension obligation beginning of year	<u>762,764</u>	<u>725,385</u>	-	-
Net pension obligation end of year	<u>\$ 988,816</u>	<u>\$ 1,049,179</u>	<u>\$ 140,190</u>	<u>\$ 3,747</u>

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

	Fiscal <u>Year</u>	Illinois Municipal Retirement <u>Fund</u>	Sheriff's Law Enforcement Personnel	Police <u>Pension</u>	Firefighters' <u>Pension</u>
Annual pension cost (APC)	2008	\$ 755,995	\$ 15,394	\$ 2,364,477	\$ 2,384,393
	2009	731,777	7,059	2,200,202	2,424,122
	2010	961,513	15,929	2,673,668	2,856,034
Actual contribution	2008	755,995	15,394	1,895,617	2,327,797
	2009	731,777	7,059	1,956,851	2,024,816
	2010	821,323	12,182	2,447,616	2,532,240
Percentage of APC contributed	2008	100.00%	100.00%	80.17%	97.63%
	2009	100.00%	100.00%	88.94%	83.53%
	2010	85.42%	76.48%	91.55%	88.70%
NPO (Asset)	2008	\$ -	\$ -	\$ 519,413	\$ (54,678)
	2009	-	-	762,764	725,385
	2010	140,190	3,747	988,816	1,049,179

(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Funded Status and Funding Progress

	<u>Illinois Municipal Retirement Fund</u>	<u>Sheriff's Law Enforcement Personnel</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Percent Funded	74.82%	441.11%	45.97%	30.1%
Actuarial Accrued Liability	\$17,504,140	\$23,666	\$72,189,978	\$60,437,229
Actuarial Value of Assets	\$13,095,843	\$104,392	\$33,184,738	\$18,199,886
Unfunded Actuarial Accrued Liability	\$4,408,297	(\$80,726)	\$39,005,240	\$42,237,343
Covered Payroll	\$7,339,791	\$123,676	\$7,520,822	\$5,133,665
Ratio of the UAAL to Covered Payroll	60%	None	519%	823%

The schedule of funding progress presented as required supplementary information (RSI) following the notes to financial statements, presents multi-year 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 1.95% of the City's payroll to the IMRF system. This liability accrues interest at varying annual rates, 7.5% for 2010. The outstanding balance of \$791,877 is recorded as a noncurrent liability within the government-wide financial statements.

**K. Short-Term Debt**

The City has a \$2 million revolving line of credit with its bank at an interest rate of 1% less than the prime rate of the Wall Street Journal. The line of credit was established to meet the City's working cash needs in the event of unforeseen emergencies or delays in the receipt of tax payments. Changes in the line of credit during 2010 were as follows:

<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
\$1,000,000	\$2,000,000	\$2,000,000	\$1,000,000

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2010

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS** (Continued)

**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 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.

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, equipment and computer software are stated at their historic costs. Depreciation is computed using a straight-line method over the estimated economic useful asset life of five years for leasehold improvements, three years for computer software and seven years for furniture and equipment. Depreciation expense for the year ended December 31, 2010 amounted to \$19,513. During the year, the BDC retired \$10,383 of property and recorded a net loss of \$275 thereon. The BDC expended \$7,948 for asset purchases in 2010.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

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(Continued)

CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 1,171,789	\$ 1,171,489	Custodial credit risk
<b>Total</b>	<b>\$ 1,171,789</b>	<b>\$ 1,171,489</b>	

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, 2010, \$556,516 of the BDC's demand deposits were uninsured and uncollateralized.

**Notes Receivable:** There are currently seven notes funded through the line of credit including one from the City payable from the South Berwyn Corridor TIF with a balance at December 31, 2010 of \$1,202,494. Notes receivable have a gross value of \$2,433,067 at December 31, 2010. No provision for loan losses has been established because the fair market value of the various collateral is in excess of the related 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:

<u>Rate</u>	<u>Maturity</u>	<u>Payment Amount</u>	<u>Payment Frequency</u>	<u>Balance Due</u>
Prime + 2%	8/1/2014	\$ 838	Monthly	\$ 112,461
Prime + 1%	9/30/2018	38,790 + Int.	Quarterly	1,202,494
Prime - 0.5%	8/11/2017	2,745	Monthly	190,365
Prime - 0.5%	10/26/2015	3,035	Monthly	160,360
Prime	4/24/2019	3,236	Monthly	264,030
Prime + 1%	10/26/2016	1,456	Monthly	118,357
Prime + 2%	7/16/2015	2,985	Monthly	385,000
<b>Total</b>				<b>\$ 2,433,067</b>

(Continued)



CITY OF BERWYN, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2010

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Long-Term Debt - Notes Payable: During 2010, the BDC maintained agreements with seven local financial institutions establishing a \$3,600,000 line of credit to fund community renovation and business investment projects. The balance of this credit line at December 31, 2010 is \$2,223,486. 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:

	<u>Principal</u>
2011	\$ 747,439
2012	369,012
2013	-
2014	1,107,035
2015	<u>-</u>
Totals	<u>\$ 2,223,486</u>

Lease Commitments: The BDC rents office space under a lease, which expires September, 2013. Total rent paid during 2010 was \$11,250. 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 2013 and 2011, respectively. Total lease expense in 2010 was \$18,232. Future minimum annual rental and lease payments are:

2011	\$ 32,977
2012	31,200
2013	<u>27,200</u>
Totals	<u>\$ 91,377</u>

Restricted Cash: The BDC controls 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 \$10,671 in 2010.

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.

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**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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes	\$ 15,407,150	\$ 15,407,150	\$ 15,363,212	\$ (43,938)
Other taxes	15,648,000	15,648,000	14,785,517	(862,483)
Licenses and permits	2,561,640	2,561,640	2,896,170	334,530
Charges for services	5,965,100	5,965,100	5,630,024	(335,076)
Fines and forfeitures	3,770,000	3,770,000	4,108,007	338,007
Intergovernmental	94,382	94,382	97,753	3,371
Investment income	40,000	40,000	133,805	93,805
Miscellaneous	1,206,764	1,206,764	1,296,336	89,572
Total Revenues	<u>44,693,036</u>	<u>44,693,036</u>	<u>44,310,824</u>	<u>(382,212)</u>
<b>EXPENDITURES</b>				
Current				
General government	3,588,981	3,828,981	4,042,809	(213,828)
Public safety	32,935,543	32,745,543	32,686,968	58,575
Public works	4,802,543	4,752,543	4,539,573	212,970
Economic development	147,564	147,564	151,652	(4,088)
Culture and recreation	1,290,473	1,290,473	1,303,943	(13,470)
Health and sanitation	4,005,000	4,005,000	4,265,730	(260,730)
Debt service				
Bond issuance costs	-	-	31,817	(31,817)
Interest and fiscal charges	22,500	22,500	23,438	(938)
Total Expenditures	<u>46,792,604</u>	<u>46,792,604</u>	<u>47,045,930</u>	<u>(253,326)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,099,568)</u>	<u>(2,099,568)</u>	<u>(2,735,106)</u>	<u>(635,538)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of debt issuance	-	-	1,000,000	1,000,000
Premium on debt issuance	-	-	28,230	28,230
Sale of capital assets	5,000	5,000	5,251	251
Transfers in	2,220,000	4,720,000	3,446,816	(1,273,184)
Transfers (out)	(112,006)	(112,006)	(140,100)	(28,094)
Total Other Financing Sources (Uses)	<u>2,112,994</u>	<u>4,612,994</u>	<u>4,340,197</u>	<u>(272,797)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,426</u>	<u>\$ 2,513,426</u>	1,605,091	<u>\$ (908,335)</u>
FUND BALANCE, JANUARY 1			<u>375,825</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,980,916</u>	

See independent auditors' report.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 CERMAK ROAD TIF FUND  
 For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes - increment	\$ 2,147,869	\$ 2,147,869	\$ 2,044,954	\$ (102,915)
Contributions	-	-	900,000	900,000
Investment income	90,445	90,445	30,851	(59,594)
<b>Total Revenues</b>	<u>2,238,314</u>	<u>2,238,314</u>	<u>2,975,805</u>	<u>737,491</u>
<b>EXPENDITURES</b>				
Economic Development				
TIF expenditures	4,199,824	5,699,824	3,180,068	2,519,756
Main Street	130,000	130,000	217,934	(87,934)
TIF management services - BDC	539,500	539,500	539,500	-
<b>Total Expenditures</b>	<u>4,869,324</u>	<u>6,369,324</u>	<u>3,937,502</u>	<u>2,431,822</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,631,010)</u>	<u>\$ (4,131,010)</u>	<u>(961,697)</u>	<u>\$ 3,169,313</u>
FUND BALANCE, JANUARY 1			<u>9,566,282</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 8,604,585</u>	

See independent auditors' report.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 December 31, 2010

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)
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%
2009	11,741,219	16,099,501	72.93%	4,358,282	7,181,322	60.69%
2010	13,095,843	17,504,140	74.82%	4,408,297	7,339,791	60.06%

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
 IMRF- SHERIFFS' LAW ENFORCEMENT PERSONNEL  
 December 31, 2010

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Actuarial Valuation Date <u>December 31</u>	(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)
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%
2009	81,808	64,397	127.04%	(17,411)	112,946	0.00%
2010	104,392	23,666	441.11%	(80,726)	123,676	0.00%

Note: The City began participating in the IMRF - Sheriffs' Law Enforcement Personnel in 2007.



CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 POLICE PENSION FUND  
 December 31, 2010

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)
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%
2009	30,474,443	63,130,886	48.27%	32,656,443	7,900,326	413.36%
2010	33,184,738	72,189,978	45.97%	39,005,240	7,520,822	518.63%

\* - Actuarial evaluations were conducted for the years beginning 2003, 2005, 2007, 2008 and 2009.  
 The actuarial amounts for interim years were based on the previous valuation year.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 FIREFIGHTERS' PENSION FUND  
 December 31, 2010

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)
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%
2009	16,925,476	55,853,421	30.30%	38,927,945	5,074,057	767.20%
2010	18,199,886	60,437,229	30.11%	42,237,343	5,133,665	822.75%

\* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009 and 2010  
 The actuarial amounts for interim years were based on the previous valuation year.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POSTEMPLOYMENT BENEFITS  
 December 31, 2010

Actuarial Valuation Date December 31	(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	20,242,848	32.59%
2008		-	1,871,775	0.00%	1,871,775	21,148,785	8.85%
2009		-	1,871,775	0.00%	1,871,775	21,283,792	8.79%
2010		-	9,610,538	0.00%	9,610,538	23,889,274	40.23%

Note: Information for prior years is not available as the City's first actuarial valuation was performed December 31, 2007. No valuation was completed in 2009 so the 2008 results were used for 2009.

CITY OF BERWYN, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
December 31, 2010

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2009	731,777	731,777	100.00%
2010	821,323	961,513	85.42%

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See independent auditors' report.

CITY OF BERWYN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
IMRF - SHEFFI'S LAW ENFORCEMENT PERSONNEL  
December 31, 2010

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2007	\$ 14,742	\$ 14,742	100.00%
2008	15,394	15,394	100.00%
2009	7,059	7,059	100.00%
2010	12,182	15,929	76.48%

Note: The City began participation in the IMRF - Sheriffs' Law Enforcement Personnel in 2007.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE PENSION FUND  
 December 31, 2010

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Fiscal Year*	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
2005	\$ 1,859,590	\$ 1,749,061	106.32%	\$ 100,126
2006	1,923,606	1,984,638	96.92%	161,158
2007	2,096,646	1,981,989	105.78%	50,553
2008	1,895,617	2,363,368	80.21%	519,413
2009	1,956,851	2,190,453	89.34%	762,764
2010	2,447,616	2,654,633	92.20%	988,816

\* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009 and 2010  
 The ARC and NPO for interim years were based on the previous valuation year.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FIREFIGHTERS' PENSION FUND  
 December 31, 2010

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<u>Fiscal Year*</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2005	\$ 1,859,590	\$ 1,674,024	111.09%	\$ (109,136)
2006	2,034,480	1,674,024	121.53%	(109,136)
2007	2,024,829	2,130,357	95.05%	(111,274)
2008	2,327,797	2,387,190	97.51%	(54,678)
2009	2,024,816	2,425,321	83.49%	725,385
2010	2,532,240	2,842,419	89.09%	1,049,179

\* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009 and 2010  
 The ARC and NPO for interim years were based on the previous valuation year.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 OTHER POSTEMPLOYMENT BENEFITS  
 December 31, 2010

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Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net OPEB Obligation (Asset)
2007	\$ 120,609	\$ 458,184	26.32%	\$ 337,575
2008	91,677	486,719	18.84%	732,617
2009	91,677	105,479	86.91%	758,629
2010	91,677	105,479	86.91%	785,074

Note: Information for prior years is not available as the City's first actuarial valuation was performed December 31, 2007.



CITY OF BERWYN, ILLINOIS  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2010

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**NOTE 1 - 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 Grants, Police Seizure, NSP and Emergency 911 Telephone System Funds), Enterprise, Capital Projects (except the Infrastructure Bond Fund) 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.

**NOTE 2 - 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:

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Mayor	\$ 1,211
City Administrator	1,425
City Clerk	3,726
Legal	113,507
Finance	82,019
Information Technology	36,014
Police	76,028
Fleet	47,799
Zoning Board of Appeals	689
Committees and Planning	3,399
Recreation	13,730
Health and Sanitation	260,730
Debt Service	32,755
Motor Fuel Tax	228,524
Ogden Avenue TIF	27,037

(Continued)

CITY OF BERWYN, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2010

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**NOTE 3 - SUPPLEMENTAL BUDGET APPROPRIATIONS**

Supplemental budget appropriations during the year were as follows:

<u>Fund</u>	<u>Amount</u>
Motor Fuel Tax	\$ 200,000
Debt Service	45,000
Cermak Road TIF	<u>1,500,000</u>
Total	<u>\$ 1,745,000</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes - debt service	\$ 4,744,643	\$ 4,744,643	\$ 4,841,129	\$ 96,486
Investment income	3,000	3,000	7,541	4,541
Total Revenues	<u>4,747,643</u>	<u>4,747,643</u>	<u>4,848,670</u>	<u>101,027</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	5,025,000	5,025,000	5,025,000	-
Interest and fiscal charges	4,239,907	4,239,907	4,243,053	(3,146)
Bond issuance costs	170,000	215,000	206,017	8,983
Total Expenditures	<u>9,434,907</u>	<u>9,479,907</u>	<u>9,474,070</u>	<u>5,837</u>
Excess (deficiency) of revenues over expenditures	<u>(4,687,264)</u>	<u>(4,732,264)</u>	<u>(4,625,400)</u>	<u>106,864</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	3,037,770	3,037,770	6,475,000	3,437,230
Premium on issuance of long term debt	-	-	182,787	182,787
Transfers in - Roosevelt Road TIF	77,000	77,000	76,636	(364)
Transfers in - Ogden Avenue TIF	475,000	475,000	475,089	89
Transfers in - South Berwyn TIF	401,000	401,000	401,824	824
Transfers in - Other	98,782	98,782	-	(98,782)
Transfer (out)	-	(3,200,000)	(3,200,000)	-
Total Other Financing Sources (Uses)	<u>4,089,552</u>	<u>889,552</u>	<u>4,411,336</u>	<u>3,521,784</u>
NET CHANGE IN FUND BALANCE	<u>\$ (597,712)</u>	<u>\$ (3,842,712)</u>	<u>(214,064)</u>	<u>\$ 3,628,648</u>
FUND BALANCE, JANUARY 1			<u>646,714</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 432,650</u>	

See independent auditors' report.

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 2007 BOND FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Investment income	\$ 10,000	\$ 6,365	\$ (3,635)
Total Revenues	<u>10,000</u>	<u>6,365</u>	<u>(3,635)</u>
<b>EXPENDITURES</b>			
Capital outlay			
Parking garage	761,522	151,942	609,580
Roosevelt Road sewer lining	-	137,198	(137,198)
Oak Park Avenue lighting	-	1,599	(1,599)
Alleys	-	21,823	(21,823)
East Avenue sewers	-	1,639	(1,639)
Streets	100,000	-	100,000
Fuel tank replacement	30,000	-	30,000
General ledger system	25,000	24,181	819
Signs	30,000	7,656	22,344
Pool renovations	12,000	12,675	(675)
Public works vehicles	305,000	358,093	(53,093)
Fire engine	800,000	-	800,000
Generator	225,000	-	225,000
Library upgrades	88,000	-	88,000
Quiet zone	-	11,888	(11,888)
IT equipment (servers, etc.)	-	50,751	(50,751)
HVAC	35,000	-	35,000
Total Expenditures	<u>2,411,522</u>	<u>779,445</u>	<u>1,632,077</u>
Excess (deficiency) of revenues over expenditures	<u>(2,401,522)</u>	<u>(773,080)</u>	<u>1,628,442</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>(885,000)</u>	<u>(684,656)</u>	<u>200,344</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,286,522)</u>	<u>(1,457,736)</u>	<u>\$ 1,828,786</u>
FUND BALANCE, JANUARY 1		<u>5,240,228</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 3,782,492</u>	

See independent auditors' report.



## CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>PROPERTY TAXES</b>				
Property taxes - general	\$ 15,407,150	\$ 15,407,150	\$ 15,363,212	\$ (43,938)
<b>OTHER TAXES</b>				
Personal property replacement	250,000	250,000	253,095	3,095
State income	5,300,000	5,300,000	4,961,602	(338,398)
State sales	2,500,000	2,500,000	2,401,276	(98,724)
Home rule sales	1,825,000	1,825,000	1,834,332	9,332
Municipal utility	4,400,000	4,400,000	4,124,813	(275,187)
Liquor	155,000	155,000	135,614	(19,386)
Real estate transfer	1,030,000	1,030,000	913,411	(116,589)
Gas	140,000	140,000	137,384	(2,616)
Parking lot	8,000	8,000	4,437	(3,563)
Video	40,000	40,000	15,162	(24,838)
Pull tabs and jar games	-	-	4,391	4,391
Total Other Taxes	15,648,000	15,648,000	14,785,517	(862,483)
<b>LICENSES AND PERMITS</b>				
Vehicle				
Recreation vehicle	3,000	3,000	1,918	(1,082)
Motorcycle	7,000	7,000	11,145	4,145
Trucks	145,000	145,000	146,707	1,707
Passenger vehicles	1,063,520	1,063,520	1,076,887	13,367
Licenses				
Business	326,425	326,425	369,741	43,316
Liquor	204,400	204,400	224,528	20,128
Pet	14,000	14,000	14,160	160
Permits				
Commuter parking	161,000	161,000	99,866	(61,134)
Electrical	41,990	41,990	54,875	12,885
Municipal parking	5,075	5,075	48,154	43,079
Building	50,000	50,000	18,873	(31,127)
Certificate of compliance	50,000	50,000	56,966	6,966
Local improvement	375,230	375,230	612,816	237,586
Service charge and escrow default	60,000	60,000	98,149	38,149
Electrical sign inspection	55,000	55,000	61,385	6,385
Total Licenses and Permits	2,561,640	2,561,640	2,896,170	334,530

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CHARGES FOR SERVICES</b>				
Public safety				
Police reports	\$ 25,000	\$ 25,000	\$ 19,046	\$ (5,954)
Paramedic service collections	900,000	900,000	668,891	(231,109)
False alarms	16,000	16,000	1,350	(14,650)
Range rental	1,000	1,000	-	(1,000)
Miscellaneous charges for services	27,900	27,900	21,046	(6,854)
CPR training revenue	2,000	2,000	-	(2,000)
Sanitation				
Garbage fees	4,313,200	4,313,200	4,260,409	(52,791)
Recycling rebate	90,000	90,000	86,696	(3,304)
Recreation				
Athletics	100,000	100,000	60,849	(39,151)
Adult programs	55,000	55,000	25,718	(29,282)
Children's programs	150,000	150,000	249,320	99,320
Pool	85,000	85,000	80,342	(4,658)
Concession stand	20,000	20,000	19,745	(255)
Rental	-	-	3,735	3,735
Other				
Commuter parking meters	60,000	60,000	36,912	(23,088)
Sale of gas	60,000	60,000	77,745	17,745
Special Event Revenue	16,000	16,000	8,233	(7,767)
Miscellaneous charges for services	44,000	44,000	9,987	(34,013)
<b>Total Charges For Services</b>	<b>5,965,100</b>	<b>5,965,100</b>	<b>5,630,024</b>	<b>(335,076)</b>
<b>FINES AND FORFEITURES</b>				
Late penalties	85,000	85,000	179,765	94,765
Towing fees	25,000	25,000	20,814	(4,186)
Impound vehicles	475,000	475,000	675,500	200,500
Booting	35,000	35,000	35,840	840
Cannabis tickets	25,000	25,000	28,905	3,905
Court fines	225,000	225,000	208,591	(16,409)
Violation fines	2,000,000	2,000,000	2,052,114	52,114
After the fact fines	30,000	30,000	5,475	(24,525)
Compliance tickets	50,000	50,000	2,550	(47,450)
Local ordinance fines	490,000	490,000	697,245	207,245
Red Speed photo enforcement	250,000	250,000	172,320	(77,680)
Adjudication court fines	80,000	80,000	28,888	(51,112)
<b>Total Fines and Forfeitures</b>	<b>3,770,000</b>	<b>3,770,000</b>	<b>4,108,007</b>	<b>338,007</b>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>INTERGOVERNMENTAL</b>				
Highway maintenance	\$ 94,382	\$ 94,382	\$ 97,753	\$ 3,371
Total Intergovernmental	<u>94,382</u>	<u>94,382</u>	<u>97,753</u>	<u>3,371</u>
<b>INVESTMENT INCOME</b>	<u>40,000</u>	<u>40,000</u>	<u>133,805</u>	<u>93,805</u>
<b>OTHER REVENUES</b>				
Franchises	395,000	395,000	327,577	(67,423)
Cell tower rental	80,000	80,000	87,511	7,511
Interdepartmental charges - water	519,764	519,764	519,764	-
Reimbursements	152,000	152,000	159,536	7,536
Grants	-	-	126,166	126,166
Contributions	-	-	24,897	24,897
Other	60,000	60,000	50,885	(9,115)
Total Other Revenues	<u>1,206,764</u>	<u>1,206,764</u>	<u>1,296,336</u>	<u>89,572</u>
<b>TOTAL REVENUES</b>	<u>\$ 44,693,036</u>	<u>\$ 44,693,036</u>	<u>\$ 44,310,824</u>	<u>\$ (382,212)</u>

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT</b>				
Mayor's Office				
Salaries and benefits	\$ 129,062	\$ 138,062	\$ 141,430	\$ (3,368)
Internal service fund charges	3,934	3,934	4,393	(459)
Administrative expenditures	7,500	7,500	5,610	1,890
Supplies	750	2,750	3,627	(877)
Postage and printing	600	1,600	1,688	(88)
Repairs and maintenance	600	600	-	600
Other general	2,100	2,100	648	1,452
Copier maintenance	3,000	3,000	3,361	(361)
Total Mayor's Office	<u>147,546</u>	<u>159,546</u>	<u>160,757</u>	<u>(1,211)</u>
City Administrator's Office				
Salaries and benefits	176,487	184,487	191,753	(7,266)
Internal service fund charges	-	-	4,393	(4,393)
Training, dues and publications	5,953	5,953	1,898	4,055
Supplies	750	750	602	148
Postage and printing	2,200	2,200	1,062	1,138
Repairs and maintenance	600	600	230	370
Other general	6,300	6,300	3,480	2,820
Copier maintenance	3,000	3,000	1,297	1,703
Total City Administrator's Office	<u>195,290</u>	<u>203,290</u>	<u>204,715</u>	<u>(1,425)</u>
City Clerk's Office				
Salaries and benefits	152,254	173,254	185,895	(12,641)
Internal service fund charges	9,232	10,232	10,238	(6)
Codification	5,000	7,500	7,696	(196)
Record retention	6,000	6,000	3,153	2,847
Other general	13,500	14,000	6,176	7,824
Copier maintenance	4,700	4,700	6,254	(1,554)
Total City Clerk's Office	<u>190,686</u>	<u>215,686</u>	<u>219,412</u>	<u>(3,726)</u>
Treasurer's Office				
Salaries and benefits	59,538	34,538	24,524	10,014
Internal service fund charges	380	380	628	(248)
Postage, printing and publications	4,000	4,000	3,525	475
Total Treasurer's Office	<u>63,918</u>	<u>38,918</u>	<u>28,677</u>	<u>10,241</u>
City Council				
Salaries and benefits	93,923	136,923	141,020	(4,097)
Internal service fund charges	5,050	7,050	7,225	(175)
Ward expenditures	36,000	36,000	24,184	11,816
Other general	500	500	350	150
Total City Council	<u>135,473</u>	<u>180,473</u>	<u>172,779</u>	<u>7,694</u>

(Continued)

## CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT (CONT.)</b>				
Legal Department				
Salaries and benefits	209,313	209,313	206,163	3,150
Internal service fund charges	35,455	35,455	38,064	(2,609)
Adjudication program	35,000	35,000	22,663	12,337
Other general	1,750	1,750	401	1,349
Professional services	367,000	482,000	609,734	(127,734)
Total Legal Department	<u>648,518</u>	<u>763,518</u>	<u>877,025</u>	<u>(113,507)</u>
Finance Department				
Salaries and benefits	\$ 818,554	\$ 873,554	\$ 922,006	\$ (48,452)
Internal service fund charges	42,318	42,318	52,782	(10,464)
Vehicle registration service	35,000	35,000	31,202	3,798
Municipal revenue based fee	250,000	250,000	247,940	2,060
Other general	42,250	42,250	48,875	(6,625)
Postage, printing and publications	22,000	22,000	22,511	(511)
Telephone	30,000	30,000	55,352	(25,352)
Supplies	5,000	5,000	3,639	1,361
Training, dues and publications	4,750	4,750	2,180	2,570
Professional services	4,000	4,000	-	4,000
Copier maintenance	5,500	5,500	9,904	(4,404)
Total Finance Department	<u>1,259,372</u>	<u>1,314,372</u>	<u>1,396,391</u>	<u>(82,019)</u>
Information Technology Department				
Salaries and benefits	386,882	321,882	334,922	(13,040)
Internal service fund charges	15,276	15,276	25,257	(9,981)
Network infrastructure	180,000	175,000	177,647	(2,647)
Hardware purchases	80,000	80,000	80,236	(236)
Hardware maintenance	30,000	30,000	35,648	(5,648)
Software purchases	30,000	30,000	36,331	(6,331)
Software maintenance	30,000	30,000	29,591	409
Other general	40,000	40,000	38,924	1,076
Professional services	30,000	30,000	29,616	384
Total Information Technology Department	<u>822,158</u>	<u>752,158</u>	<u>788,172</u>	<u>(36,014)</u>
Statutory				
Auditing/accounting expenditures	85,000	85,000	79,178	5,822
Bad debt expenditure	-	48,500	48,069	431
Unallocated employee benefits	-	20,500	19,495	1,005
Other	7,500	13,500	14,619	(1,119)
City wide software applications	33,520	33,520	33,520	-
Total Statutory	<u>126,020</u>	<u>201,020</u>	<u>194,881</u>	<u>6,139</u>
Total General Government	<u>3,588,981</u>	<u>3,828,981</u>	<u>4,042,809</u>	<u>(213,828)</u>

(Continued)

## CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>PUBLIC SAFETY</b>				
Fire Department				
Salaries and benefits	\$ 7,840,018	\$ 7,740,018	\$ 7,673,176	\$ 66,842
Pension expenditures	2,534,586	2,534,586	2,532,240	2,346
Internal service fund charges	590,048	590,048	729,397	(139,349)
Collection service fees	65,000	65,000	65,799	(799)
Other general	110,500	110,500	39,946	70,554
Supplies	11,000	11,000	11,787	(787)
Telephone	9,900	9,900	8,891	1,009
Utilities	75,000	75,000	65,293	9,707
Training, dues, and education	54,050	54,050	42,358	11,692
Professional services	510,417	510,417	510,310	107
Repairs and maintenance	200,000	200,000	138,202	61,798
Copier maintenance	5,700	5,700	4,111	1,589
Equipment purchases/capital outlay	162,979	162,979	125,026	37,953
Equipment lease	152,694	152,694	156,253	(3,559)
Turnout gear	29,500	29,500	15,735	13,765
Total Fire Department	<u>12,351,392</u>	<u>12,251,392</u>	<u>12,118,524</u>	<u>132,868</u>
Police Department				
Salaries and benefits	14,877,262	14,787,262	14,996,736	(209,474)
Pension expenditures	2,428,758	2,428,758	2,447,617	(18,859)
Internal service fund charges	1,862,907	1,862,907	1,705,221	157,686
Other general	150,000	150,000	80,136	69,864
Postage, printing, and publications	18,000	18,000	50,419	(32,419)
Telephone	90,000	90,000	80,294	9,706
Utilities	245,000	245,000	216,617	28,383
Training, dues, and education	55,000	55,000	49,255	5,745
Supplies	55,000	55,000	37,259	17,741
Repairs and maintenance	200,000	200,000	207,010	(7,010)
Red Speed photo enforcement	135,000	135,000	93,485	41,515
Prior year unallowable seizure expenditures	-	-	276,591	(276,591)
Capital outlay	424,000	424,000	279,868	144,132
Copier maintenance	14,000	14,000	20,447	(6,447)
Total Police Department	<u>20,554,927</u>	<u>20,464,927</u>	<u>20,540,955</u>	<u>(76,028)</u>
Fire and Police Commission				
Salaries and benefits	17,224	17,224	20,836	(3,612)
Other general	12,000	12,000	6,653	5,347
Total Fire and Police Commission	<u>29,224</u>	<u>29,224</u>	<u>27,489</u>	<u>1,735</u>
Total Public Safety	<u>32,935,543</u>	<u>32,745,543</u>	<u>32,686,968</u>	<u>58,575</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>PUBLIC WORKS</b>				
<b>Building Department</b>				
Salaries and benefits	\$ 616,160	\$ 616,160	\$ 635,133	\$ (18,973)
Internal service fund charges	494,500	444,500	153,062	291,438
Other general	40,000	40,000	3,952	36,048
Postage, printing and publications	8,000	8,000	10,320	(2,320)
Utilities	22,000	22,000	34,808	(12,808)
Telephone	4,000	4,000	4,896	(896)
Training, dues and publications	3,000	3,000	597	2,403
Supplies	3,500	3,500	3,436	64
Professional services	285,000	285,000	279,630	5,370
Repairs and maintenance	65,000	65,000	133,642	(68,642)
Copier maintenance	4,700	4,700	3,184	1,516
Total Building Department	<u>1,545,860</u>	<u>1,495,860</u>	<u>1,262,660</u>	<u>233,200</u>
<b>Street Department</b>				
Salaries and benefits	1,802,133	1,802,133	1,863,853	(61,720)
Internal service fund charges	347,847	347,847	370,381	(22,534)
Other general	14,000	14,000	10,126	3,874
Telephone	-	-	6,253	(6,253)
Utilities	16,900	16,900	25,915	(9,015)
External gas and oil	125,000	125,000	134,280	(9,280)
Supplies	54,000	54,000	74,953	(20,953)
Equipment lease	100,000	100,000	93,875	6,125
Equipment	4,000	4,000	3,095	905
Repairs and maintenance	154,000	154,000	140,501	13,499
Copier maintenance	3,000	3,000	919	2,081
Professional services	210,000	210,000	79,160	130,840
Total Street Department	<u>2,830,880</u>	<u>2,830,880</u>	<u>2,803,311</u>	<u>27,569</u>
<b>Fleet Department</b>				
Salaries and benefits	276,803	276,803	292,914	(16,111)
Other general	14,000	14,000	26,843	(12,843)
Professional services	10,000	10,000	2,336	7,664
Repairs and maintenance	125,000	125,000	151,509	(26,509)
Total Fleet Department	<u>425,803</u>	<u>425,803</u>	<u>473,602</u>	<u>(47,799)</u>
Total Public Works	<u>4,802,543</u>	<u>4,752,543</u>	<u>4,539,573</u>	<u>212,970</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>ECONOMIC DEVELOPMENT</b>				
Zoning Boards of Appeals				
Salaries and benefits	\$ 13,564	\$ 13,564	\$ 12,673	\$ 891
Other general	2,500	2,500	4,080	(1,580)
Total Zoning Boards of Appeals	<u>16,064</u>	<u>16,064</u>	<u>16,753</u>	<u>(689)</u>
Committees and Planning Department				
West Central Municipal Conference	20,000	20,000	19,987	13
Historical Preservation Commission	5,000	5,000	968	4,032
Utility tax rebate	80,000	80,000	91,558	(11,558)
National Night Out	20,000	20,000	85	19,915
Other general	6,500	6,500	22,301	(15,801)
Total Committees and Planning Department	<u>131,500</u>	<u>131,500</u>	<u>134,899</u>	<u>(3,399)</u>
Total Economic Development	<u>147,564</u>	<u>147,564</u>	<u>151,652</u>	<u>(4,088)</u>
<b>CULTURE AND RECREATION</b>				
Recreation Department				
Salaries and benefits	801,653	801,653	831,908	(30,255)
Internal service fund charges	38,937	38,937	63,879	(24,942)
Special events	30,000	30,000	24,582	5,418
Community programs	-	-	30	(30)
Concession stand	18,000	18,000	74,452	(56,452)
Other general	105,000	105,000	72,259	32,741
Postage, printing, and publications	3,000	3,000	3,877	(877)
Telephone	6,000	6,000	6,941	(941)
Utilities	65,000	65,000	36,961	28,039
Supplies	80,000	80,000	40,134	39,866
Repairs and maintenance	90,000	90,000	137,614	(47,614)
Equipment purchases/capital outlay	40,000	40,000	-	40,000
Copier maintenance	6,000	6,000	4,683	1,317
Total Recreation Department	<u>1,283,590</u>	<u>1,283,590</u>	<u>1,297,320</u>	<u>(13,730)</u>

(Continued)



CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CULTURE AND RECREATION (CONT.)</b>				
Community Relations Department				
Salaries and benefits	\$ 5,383	\$ 5,383	\$ 5,943	\$ (560)
Other general	<u>1,500</u>	<u>1,500</u>	<u>680</u>	<u>820</u>
Total Community Relations Department	<u>6,883</u>	<u>6,883</u>	<u>6,623</u>	<u>260</u>
 Total Culture and Recreation	 <u>1,290,473</u>	 <u>1,290,473</u>	 <u>1,303,943</u>	 <u>(13,470)</u>
<b>HEALTH AND SANITATION</b>				
Garbage - professional services	4,005,000	4,005,000	4,025,730	(20,730)
Bad debt expense	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>(240,000)</u>
Total Health and Sanitation	<u>4,005,000</u>	<u>4,005,000</u>	<u>4,265,730</u>	<u>(260,730)</u>
<b>DEBT SERVICE</b>				
Bond issuance costs	-	-	31,817	(31,817)
Line of Credit				
Interest and fiscal charges	<u>22,500</u>	<u>22,500</u>	<u>23,438</u>	<u>(938)</u>
Total Debt Service	<u>22,500</u>	<u>22,500</u>	<u>55,255</u>	<u>(32,755)</u>
 TOTAL GENERAL FUND EXPENDITURES	 <u>\$ 46,792,604</u>	 <u>\$ 46,792,604</u>	 <u>\$ 47,045,930</u>	 <u>\$ (253,326)</u>

## NONMAJOR GOVERNMENTAL FUNDS

The NSP Fund is used to account for revenues and expenditures of the Neighborhood Stabilization Grant program with funding provided by the Federal Department of Housing and Urban Development.

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 Senior Citizen Program Fund is used to account for the spending of funds on senior citizen programs, services and activities. Revenues include charges for services and grant revenues received.

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, 2010

	Special Revenue						
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	
<b>ASSETS</b>							
Cash and investments	\$ 7,125	\$ 176,270	\$ 217,315	\$ 872,735	\$ 2,707,982	\$ 1,078,697	\$ 100
Receivables							
Property taxes	-	3,109,230	-	162,844	43,762	175,561	-
Notes	-	-	-	-	-	-	-
Interest	-	121	28	363	735	530	-
Accounts	25,887	1,099	-	-	-	-	-
Land held for resale	2,484,394	-	-	84,032	1,475,000	4,008,036	-
Due from other funds	-	-	1,271	-	-	-	56,813
Due from other governments	-	-	242,177	-	-	-	14,198
<b>TOTAL ASSETS</b>	<b>\$ 2,517,406</b>	<b>\$ 3,286,720</b>	<b>\$ 460,791</b>	<b>\$ 1,119,974</b>	<b>\$ 4,227,479</b>	<b>\$ 5,262,824</b>	<b>\$ 71,111</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 5,268	\$ 54,650	\$ 250,134	\$ 20,097	\$ 51,261	\$ 10,396	\$ 10,754
Accrued payroll	-	103,862	-	-	-	-	-
Deferred revenue	-	2,891,312	-	-	-	-	55,012
Due to other funds	27,744	276,488	-	95,980	8,280	215,361	-
Other Liabilities	-	-	-	-	500,000	-	-
<b>TOTAL LIABILITIES</b>	<b>33,012</b>	<b>3,326,312</b>	<b>250,134</b>	<b>116,077</b>	<b>559,541</b>	<b>225,757</b>	<b>65,766</b>
<b>FUND BALANCES</b>							
Reserved							
Land held for resale	2,484,394	-	-	84,032	1,475,000	4,008,036	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	210,657	-	-	-	-
Economic development	-	-	-	919,865	2,192,938	1,029,031	-
Unreserved (deficit)							
Special Revenue Funds	-	(39,592)	-	-	-	-	5,345
Capital Projects Funds	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>2,484,394</b>	<b>(39,592)</b>	<b>210,657</b>	<b>1,003,897</b>	<b>3,667,938</b>	<b>5,037,067</b>	<b>5,345</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,517,406</b>	<b>\$ 3,286,720</b>	<b>\$ 460,791</b>	<b>\$ 1,119,974</b>	<b>\$ 4,227,479</b>	<b>\$ 5,262,824</b>	<b>\$ 71,111</b>

(Continued)

CITY OF BERWYN, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2010

	Special Revenue					Capital Projects	Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	Senior Citizen Program	CDBG	Infrastructure Bond	
<b>ASSETS</b>							
Cash and investments	\$ 183,849	\$ 560,144	\$ 42,439	\$ -	\$ 16,520	\$ -	\$ 5,863,176
Receivables							
Property taxes	-	-	-	-	-	-	3,491,397
Notes	-	-	-	-	2,142,320	-	2,142,320
Interest	65	777	17	-	-	-	2,636
Accounts	-	-	-	274	-	-	27,260
Land held for resale	-	-	-	-	-	-	8,051,462
Due from other funds	-	-	-	-	-	18,727	76,811
Due from other governments	-	81,399	-	-	651,378	-	989,152
<b>TOTAL ASSETS</b>	<b>\$ 183,914</b>	<b>\$ 642,320</b>	<b>\$ 42,456</b>	<b>\$ 274</b>	<b>\$ 2,810,218</b>	<b>\$ 18,727</b>	<b>\$ 20,644,214</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 27,088	\$ -	\$ -	\$ 8,369	\$ 196,459	\$ -	\$ 634,476
Accrued payroll	-	-	-	6,639	25,047	-	135,548
Deferred revenue	-	-	-	-	2,142,320	-	5,088,644
Due to other funds	17,700	-	-	45,517	481,284	-	1,168,354
Other Liabilities	-	-	-	-	-	-	500,000
<b>TOTAL LIABILITIES</b>	<b>44,788</b>	<b>-</b>	<b>-</b>	<b>60,525</b>	<b>2,845,110</b>	<b>-</b>	<b>7,527,022</b>
<b>FUND BALANCES</b>							
<b>Reserved</b>							
Land held for resale	-	-	-	-	-	-	8,051,462
Public safety	139,126	642,320	42,456	-	-	-	823,902
Public works	-	-	-	-	-	-	210,657
Economic development	-	-	-	-	-	-	4,141,834
<b>Unreserved</b>							
Special Revenue Funds	-	-	-	(60,251)	(34,892)	-	(129,390)
Capital Projects Funds	-	-	-	-	-	18,727	18,727
<b>TOTAL FUND BALANCES</b>	<b>139,126</b>	<b>642,320</b>	<b>42,456</b>	<b>(60,251)</b>	<b>(34,892)</b>	<b>18,727</b>	<b>13,117,192</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 183,914</b>	<b>\$ 642,320</b>	<b>\$ 42,456</b>	<b>\$ 274</b>	<b>\$ 2,810,218</b>	<b>\$ 18,727</b>	<b>\$ 20,644,214</b>

CITY OF BERWYN, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2010

	Special Revenue						
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	
<b>REVENUES</b>							
Property taxes	\$ -	\$ 2,509,022	\$ -	\$ 1,170,951	\$ 599,452	\$ 1,251,667	\$ -
Other taxes	-	-	-	-	-	-	-
Charges for services	-	-	14,820	-	-	-	-
Fines and forfeitures	-	48,016	-	-	-	-	-
Intergovernmental	2,528,183	55,869	1,764,689	95,161	-	-	327,160
Investment income	-	821	228	8,272	10,251	11,592	75
Miscellaneous	-	12,472	-	-	-	-	-
Total Revenues	<u>2,528,183</u>	<u>2,626,200</u>	<u>1,779,737</u>	<u>1,274,384</u>	<u>609,703</u>	<u>1,263,259</u>	<u>327,235</u>
<b>EXPENDITURES</b>							
Current							
Public safety	-	-	-	-	-	-	192,979
Public works	-	-	1,570,024	-	-	-	162,311
Economic development	43,789	-	-	485,269	474,021	1,536,337	-
Culture and recreation	-	2,843,254	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	155,161	-	-	-
Bond issuance costs	-	-	-	-	53,293	-	-
Interest and fiscal charges	-	-	-	87,034	-	-	-
Total Expenditures	<u>43,789</u>	<u>2,843,254</u>	<u>1,570,024</u>	<u>727,464</u>	<u>527,314</u>	<u>1,536,337</u>	<u>355,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,484,394</u>	<u>(217,054)</u>	<u>209,713</u>	<u>546,920</u>	<u>82,389</u>	<u>(273,078)</u>	<u>(28,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds of debt issuance	-	-	-	-	1,675,000	4,000,000	-
Premium on issuance of long-term debt	-	-	-	-	47,285	-	-
Transfers in	-	-	-	-	-	-	28,100
Transfers (out)	-	-	-	(401,824)	(76,636)	(475,089)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(401,824)</u>	<u>1,645,649</u>	<u>3,524,911</u>	<u>28,100</u>
NET CHANGE IN FUND BALANCES	2,484,394	(217,054)	209,713	145,096	1,728,038	3,251,833	45
FUND BALANCES (DEFICIT), JANUARY 1	-	177,462	944	858,801	1,939,900	1,785,234	5,300
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 2,484,394</u>	<u>\$ (39,592)</u>	<u>\$ 210,657</u>	<u>\$ 1,003,897</u>	<u>\$ 3,667,938</u>	<u>\$ 5,037,067</u>	<u>\$ 5,345</u>

(Continued)

CITY OF BERWYN, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2010

	Special Revenue					Capital Projects	Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	Senior Citizen Program	CDBG	Infrastructure Bond	
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,531,092
Other taxes	-	-	34,265	-	-	-	34,265
Charges for services	-	-	-	20,512	-	-	35,332
Fines and forfeitures	-	-	-	-	-	-	48,016
Intergovernmental	521,387	427,117	-	34,815	1,989,870	-	7,744,251
Investment income	1,129	5,640	59	-	-	-	38,067
Miscellaneous	-	-	-	100	40	-	12,612
<b>Total Revenues</b>	<u>522,516</u>	<u>432,757</u>	<u>34,324</u>	<u>55,427</u>	<u>1,989,910</u>	<u>-</u>	<u>13,443,635</u>
<b>EXPENDITURES</b>							
Current							
Public safety	164,630	341,663	24,052	-	-	-	723,324
Public works	-	-	-	-	-	-	1,732,335
Economic development	-	-	-	-	2,024,802	-	4,564,218
Culture and recreation	-	-	-	223,409	-	-	3,066,663
Capital outlay	-	-	-	-	-	9,849	9,849
Debt service							
Principal	-	-	-	-	-	-	155,161
Bond issuance costs	-	-	-	-	-	-	53,293
Interest and fiscal charges	-	-	-	-	-	-	87,034
<b>Total Expenditures</b>	<u>164,630</u>	<u>341,663</u>	<u>24,052</u>	<u>223,409</u>	<u>2,024,802</u>	<u>9,849</u>	<u>10,391,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>357,886</u>	<u>91,094</u>	<u>10,272</u>	<u>(167,982)</u>	<u>(34,892)</u>	<u>(9,849)</u>	<u>3,051,758</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds of debt issuance	-	-	-	-	-	-	5,675,000
Premium on issuance of long-term debt	-	-	-	-	-	-	47,285
Transfers in	-	-	-	112,000	-	-	140,100
Transfers (out)	(462,160)	(100,000)	-	-	-	-	(1,515,709)
<b>Total Other Financing Sources (Uses)</b>	<u>(462,160)</u>	<u>(100,000)</u>	<u>-</u>	<u>112,000</u>	<u>-</u>	<u>-</u>	<u>4,346,676</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(104,274)</u>	<u>(8,906)</u>	<u>10,272</u>	<u>(55,982)</u>	<u>(34,892)</u>	<u>(9,849)</u>	<u>7,398,434</u>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<u>243,400</u>	<u>651,226</u>	<u>32,184</u>	<u>(4,269)</u>	<u>-</u>	<u>28,576</u>	<u>5,718,758</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 139,126</u>	<u>\$ 642,320</u>	<u>\$ 42,456</u>	<u>\$ (60,251)</u>	<u>\$ (34,892)</u>	<u>\$ 18,727</u>	<u>\$ 13,117,192</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - library	\$ 2,497,312	\$ 2,509,022	\$ 11,710
Charges for services - rental revenue	500	-	(500)
Fines and forfeitures			
Book fines	50,000	36,119	(13,881)
Copier fees - maintenance fund	955,000	11,897	(943,103)
Intergovernmental revenue - Per Capita Grant	60,000	55,869	(4,131)
Investment income	2,000	821	(1,179)
Miscellaneous revenues			
Donations - building fund	16,000	12,472	(3,528)
<b>Total Revenues</b>	<b>3,580,812</b>	<b>2,626,200</b>	<b>(954,612)</b>
<b>EXPENDITURES</b>			
Culture and Recreation			
Salaries and benefits	1,966,642	2,130,370	(163,728)
Internal service fund charges	69,179	101,749	(32,570)
Books	141,910	149,385	(7,475)
Periodicals	22,600	29,630	(7,030)
Audio visual	44,600	50,287	(5,687)
Computer system	56,000	42,617	13,383
Dues and subscriptions	12,000	9,514	2,486
Computer support databases	12,500	10,922	1,578
Programs adult/children	15,800	23,821	(8,021)
Reciprocal borrowing	4,500	4,900	(400)
Promotions	17,000	18,488	(1,488)
Director expense	350	377	(27)
Board expense	350	295	55
Other general	-	2,841	(2,841)
Postage, printing, and publications	6,000	2,287	3,713
Telephone	14,000	14,778	(778)
Utilities	16,500	10,927	5,573
Supplies	101,337	103,244	(1,907)
Repairs and maintenance	129,500	136,822	(7,322)
Capital improvement	946,000	-	946,000
<b>Total Expenditures</b>	<b>3,576,768</b>	<b>2,843,254</b>	<b>733,514</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 4,044</b>	<b>(217,054)</b>	<b>\$ (221,098)</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>177,462</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ (39,592)</b>	

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Intergovernmental revenues - state allotment	\$ 1,420,000	\$ 1,420,000	\$ 1,764,689	\$ 344,689
Sidewalk construction	20,000	20,000	14,820	(5,180)
Investment income	4,000	4,000	228	(3,772)
<b>Total Revenues</b>	<b>1,444,000</b>	<b>1,444,000</b>	<b>1,779,737</b>	<b>335,737</b>
<b>EXPENDITURES</b>				
Current				
Public Works				
Rock salt	351,500	351,500	329,213	22,287
Utilities	220,000	420,000	442,736	(22,736)
Professional services	65,000	65,000	210,944	(145,944)
Repairs and maintenance				
Street/sidewalk	260,000	260,000	196,582	63,418
Sewer system	20,000	20,000	47,274	(27,274)
Traffic control	190,000	190,000	343,275	(153,275)
Capital outlay				
Engineering	35,000	35,000	-	35,000
<b>Total Expenditures</b>	<b>1,141,500</b>	<b>1,341,500</b>	<b>1,570,024</b>	<b>(228,524)</b>
Excess (deficiency) of revenues over expenditures			209,713	107,213
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(235,000)	(235,000)	-	235,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 67,500</b>	<b>\$ (132,500)</b>	<b>209,713</b>	<b>\$ 342,213</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>944</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 210,657</b>	



CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SOUTH BERWYN CORRIDOR TIF FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 1,250,000	\$ 1,170,951	\$ (79,049)
Intergovernmental	-	95,161	\$ 95,161
Investment income	30,000	8,272	(21,728)
<b>Total Revenues</b>	<u>1,280,000</u>	<u>1,274,384</u>	<u>(5,616)</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	1,594,563	362,841	1,231,722
TIF management services - BDC	122,403	122,428	(25)
Debt Service			
Principal	155,161	155,161	-
Interest - notes payable	96,100	87,034	9,066
<b>Total Expenditures</b>	<u>1,968,227</u>	<u>727,464</u>	<u>1,240,763</u>
Excess (deficiency) of revenues over expenditures	<u>(688,227)</u>	<u>546,920</u>	<u>1,235,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(401,000)</u>	<u>(401,824)</u>	<u>(824)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,089,227)</u>	145,096	<u>\$ 1,234,323</u>
FUND BALANCE, JANUARY 1		<u>858,801</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,003,897</u>	

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 ROOSEVELT ROAD TIF FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 668,140	\$ 599,452	\$ (68,688)
Investment income	<u>28,000</u>	<u>10,251</u>	<u>(17,749)</u>
Total Revenues	<u>696,140</u>	<u>609,703</u>	<u>(86,437)</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	3,402,000	407,521	2,994,479
TIF management services - BDC	66,500	66,500	-
Debt Service			
Bond issuance costs	<u>-</u>	<u>53,293</u>	<u>(53,293)</u>
Total Expenditures	<u>3,468,500</u>	<u>527,314</u>	<u>2,941,186</u>
Excess (deficiency) of revenues over expenditures	<u>(2,772,360)</u>	<u>82,389</u>	<u>2,854,749</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of debt issuance	2,200,000	1,675,000	(525,000)
Premium on issuance of long-term debt	-	47,285	47,285
Transfers (out)	<u>(77,000)</u>	<u>(76,636)</u>	<u>364</u>
Total Other Financing Sources (Uses)	<u>2,123,000</u>	<u>1,645,649</u>	<u>(477,351)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (649,360)</u>	<u>1,728,038</u>	<u>\$ 2,377,398</u>
FUND BALANCE, JANUARY 1		<u>1,939,900</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 3,667,938</u>	

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2010

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 1,435,000	\$ 1,251,667	\$ (183,333)
Investment income	<u>36,000</u>	<u>11,592</u>	<u>(24,408)</u>
Total Revenues	<u>1,471,000</u>	<u>1,263,259</u>	<u>(207,741)</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	1,004,800	1,031,812	(27,012)
TIF management services - BDC	<u>504,500</u>	<u>504,525</u>	<u>(25)</u>
Total Expenditures	<u>1,509,300</u>	<u>1,536,337</u>	<u>(27,037)</u>
Excess (deficiency) of revenues over expenditures	<u>(38,300)</u>	<u>(273,078)</u>	<u>(234,778)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of debt issuance	-	4,000,000	4,000,000
Transfers (out)	<u>(475,000)</u>	<u>(475,089)</u>	<u>(89)</u>
Total Other Financing Sources (Uses)	<u>(475,000)</u>	3,524,911	<u>3,999,911</u>
NET CHANGE IN FUND BALANCE	<u>\$ (513,300)</u>	3,251,833	<u>\$ (234,867)</u>
FUND BALANCE, JANUARY 1		<u>1,785,234</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 5,037,067</u>	

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CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOREIGN FIRE INSURANCE FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Other taxes	\$ 28,562	\$ 34,265	\$ 5,703
Investment income	-	59	(59)
Total Revenues	<u>28,562</u>	<u>34,324</u>	<u>5,644</u>
<b>EXPENDITURES</b>			
Public Safety			
Supplies	2,000	5,087	(3,087)
Tools and equipment	15,000	15,996	(996)
Other general	13,569	2,508	11,061
Training, dues and publications	1,700	461	1,239
Total Expenditures	<u>32,269</u>	<u>24,052</u>	<u>8,217</u>
Excess (deficiency) of revenues over expenditures	<u>(3,707)</u>	<u>10,272</u>	<u>13,979</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ (3,707)</u>	 10,272	 <u>\$ 13,979</u>
FUND BALANCE, JANUARY 1		<u>32,184</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 42,456</u>	

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SENIOR CITIZENS PROGRAM FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental revenues	\$ 100,000	\$ 34,815	\$ (65,185)
Miscellaneous	-	100	100
Charges for services	<u>17,500</u>	<u>20,512</u>	<u>20,512</u>
 Total Revenues	 <u>117,500</u>	 <u>55,427</u>	 <u>(44,573)</u>
<b>EXPENDITURES</b>			
Culture and Recreation			
Salaries and benefits	170,000	149,316	20,684
Copier maintenance	-	836	(836)
Telephone	1,000	601	399
Special events	6,000	7,272	(1,272)
Postage and printing	500	2,715	(2,215)
Other general	5,600	740	4,860
Professional services	17,000	18,218	(1,218)
Equipment lease	4,800	6,000	(1,200)
Internal service fund charges	-	8,360	(8,360)
Repairs and maintenance	<u>26,000</u>	<u>29,351</u>	<u>(3,351)</u>
Total Expenditures	<u>230,900</u>	<u>223,409</u>	<u>7,491</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(113,400)</u>	 <u>(167,982)</u>	 <u>(54,582)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>112,000</u>	<u>112,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>112,000</u>	<u>112,000</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (1,400)</u>	 <u>(55,982)</u>	 <u>\$ (54,582)</u>
 FUND BALANCE, JANUARY 1		 <u>(4,269)</u>	
 FUND BALANCE (DEFICIT), DECEMBER 31		 <u>\$ (60,251)</u>	

CITY OF BERWYN, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 CDBG FUND  
 For the Year Ended December 31, 2010

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental revenues	\$ 3,000,905	\$ 1,989,870	\$ (1,011,035)
Miscellaneous	-	40	40
Total Revenues	<u>3,000,905</u>	<u>1,989,910</u>	<u>(1,010,995)</u>
<b>EXPENDITURES</b>			
Economic Development			
Salaries and benefits	350,105	450,715	(100,610)
Internal service fund charges	20,000	115,398	(95,398)
Utilities	4,500	5,021	(521)
Copier maintenance	9,000	3,184	5,816
Telephone	3,000	5,499	(2,499)
Supplies	1,800	7,679	(5,879)
Postage and printing	30,000	8,380	21,620
Professional services	5,000	69,348	(64,348)
Repairs and maintenance	-	210,529	(210,529)
Other general	25,000	20,190	4,810
Program	<u>2,552,500</u>	<u>1,128,859</u>	<u>1,423,641</u>
Total Expenditures	<u>3,000,905</u>	<u>2,024,802</u>	<u>976,103</u>
Excess (deficiency) of revenues over (under) expenditures	-	(34,892)	(34,892)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(34,892)</u>	<u>\$ (34,892)</u>
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		<u>\$ (34,892)</u>	

**FIDUCIARY FUNDS**





CITY OF BERWYN, ILLINOIS  
 COMBINING STATEMENT OF NET ASSETS  
 PENSION TRUST FUNDS  
 December 31, 2010

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and investments			
Cash and cash equivalents	\$ 99,047	\$ 25,347	\$ 124,394
Investments			
Certificates of deposit	-	1,340,498	1,340,498
U.S. Government and agency securities	13,720,568	6,503,724	20,224,292
U.S. Government backed securities	2,334,740	638,917	2,973,657
Money market mutual funds	1,712,775	1,568,456	3,281,231
Equities	4,661,709	3,769,207	8,430,916
Equity mutual fund	13,079,312	4,463,527	17,542,839
Insurance contracts	9,406	83,135	92,541
State and local obligations	1,749,825	912,254	2,662,079
Total Cash and Investments	<u>37,367,382</u>	<u>19,305,065</u>	<u>56,672,447</u>
Receivables			
Accrued interest	144,914	70,796	215,710
Due from governmental funds	169,389	177,470	346,859
Total Receivables	<u>314,303</u>	<u>248,266</u>	<u>562,569</u>
Prepays			
	<u>1,650</u>	<u>775</u>	<u>2,425</u>
Total Assets	<u>37,683,335</u>	<u>19,554,106</u>	<u>57,237,441</u>
<b>LIABILITIES</b>			
Accounts payable	<u>15,475</u>	<u>20,442</u>	<u>35,917</u>
Total Liabilities	<u>15,475</u>	<u>20,442</u>	<u>35,917</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 37,667,860</u>	<u>\$ 19,533,664</u>	<u>\$ 57,201,524</u>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET ASSETS  
 PENSION TRUST FUNDS  
 For the Year Ended December 31, 2010

	Police Pension	Firefighters' Pension	Totals
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 2,447,616	\$ 2,532,240	\$ 4,979,856
Participants	1,026,487	490,967	1,517,454
Total Contributions	<u>3,474,103</u>	<u>3,023,207</u>	<u>6,497,310</u>
Investment Income			
Net appreciation in fair value of investments	2,658,845	501,299	3,160,144
Interest earned	873,597	1,008,651	1,882,248
Less investment expenses	<u>(84,385)</u>	<u>(46,457)</u>	<u>(130,842)</u>
Total Investment Income	<u>3,448,057</u>	<u>1,463,493</u>	<u>4,911,550</u>
Total Additions	<u>6,922,160</u>	<u>4,486,700</u>	<u>11,408,860</u>
<b>DEDUCTIONS</b>			
Administrative	79,330	62,965	142,295
Pension benefits and refunds	<u>2,884,380</u>	<u>3,089,957</u>	<u>5,974,337</u>
Total Deductions	<u>2,963,710</u>	<u>3,152,922</u>	<u>6,116,632</u>
NET INCREASE	3,958,450	1,333,778	5,292,228
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - January 1	<u>33,709,410</u>	<u>18,199,886</u>	<u>51,909,296</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - December 31	<u>\$ 37,667,860</u>	<u>\$ 19,533,664</u>	<u>\$ 57,201,524</u>

**STATISTICAL SECTION**



CITY OF BERWYN, ILLINOIS  
NET ASSETS BY COMPONENTS  
Last Seven Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Governmental Activities</u></b>							
Invested in capital assets							
net of related debt	\$ (54,100,413)	\$ (42,547,755)	\$ (33,773,365)	\$ 7,399,270	\$ 3,546,131	\$ (17,667,300)	\$ (19,601,775)
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114	15,724,685	22,265,090
Unrestricted	<u>(1,384,267)</u>	<u>(5,951,732)</u>	<u>(15,561,601)</u>	<u>(21,533,594)</u>	<u>(16,013,844)</u>	<u>(17,323,029)</u>	<u>(22,493,166)</u>
 Total Governmental Activities	 <u>\$ (42,057,244)</u>	 <u>\$ (37,907,981)</u>	 <u>\$ (35,180,508)</u>	 <u>\$ (866,059)</u>	 <u>\$ 723,401</u>	 <u>\$ (19,265,644)</u>	 <u>\$ (19,829,851)</u>
<b><u>Business-type Activities</u></b>							
Invested in capital assets							
net of related debt	\$ 53,803,712	\$ 49,918,319	\$ 45,996,581	\$ 42,046,853	\$ 38,097,726	\$ 46,905,095	\$ 42,831,624
Restricted	-	-	-	-	-	-	812,614
Unrestricted	<u>3,373,650</u>	<u>4,320,618</u>	<u>5,126,822</u>	<u>4,771,633</u>	<u>4,837,469</u>	<u>4,960,027</u>	<u>4,045,965</u>
 Total Business-type Activities	 <u>\$ 57,177,362</u>	 <u>\$ 54,238,937</u>	 <u>\$ 51,123,403</u>	 <u>\$ 46,818,486</u>	 <u>\$ 42,935,195</u>	 <u>\$ 51,865,122</u>	 <u>\$ 47,690,203</u>
<b><u>Primary Government</u></b>							
Invested in capital assets							
net of related debt	\$ (296,701)	\$ 7,370,564	\$ 12,223,216	\$ 49,446,123	\$ 41,643,857	\$ 29,237,795	\$ 23,229,849
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114	15,724,685	23,077,704
Unrestricted	<u>1,989,383</u>	<u>(1,631,114)</u>	<u>(10,434,779)</u>	<u>(16,761,961)</u>	<u>(11,176,375)</u>	<u>(12,363,002)</u>	<u>(18,447,201)</u>
 Total Primary Government	 <u>\$ 15,120,118</u>	 <u>\$ 16,330,956</u>	 <u>\$ 15,942,895</u>	 <u>\$ 45,952,427</u>	 <u>\$ 43,658,596</u>	 <u>\$ 32,599,478</u>	 <u>\$ 27,860,352</u>

Note: The City delayed recording of their infrastructure assets until fiscal 2007.  
The City implemented GASB 34 in 2004, and therefore, a full ten years of data is not available for this schedule.

Data Source: Audited Financial Statements

CITY OF BERWYN, ILLINOIS  
CHANGES IN NET ASSETS  
Last Seven Fiscal Years

	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>							
<u>Governmental Activities</u>							
General government	\$ 2,522,183	\$ 3,950,982	\$ 4,102,604	\$ 3,784,866	\$ 3,704,316	\$ 3,985,591	\$ 4,039,444
Public safety	25,874,122	27,713,240	31,898,438	30,386,975	32,891,594	33,908,989	33,929,018
Public works	3,566,665	4,308,511	4,070,337	7,911,236	8,834,260	9,491,724	8,696,471
Economic development	2,381,472	4,113,862	5,553,608	4,822,636	4,422,771	7,524,769	5,934,646
Culture and recreation	3,596,705	3,939,759	3,821,004	4,378,740	4,482,379	4,422,112	4,804,469
Health and sanitation	3,375,642	3,639,509	2,532,495	3,793,645	3,979,436	4,004,624	4,265,730
Interest	3,287,663	3,491,041	3,230,567	3,810,963	4,605,725	4,644,552	4,588,249
<b>Total Governmental Activities Expenses</b>	<b>44,404,462</b>	<b>51,158,924</b>	<b>55,209,053</b>	<b>56,899,061</b>	<b>62,720,481</b>	<b>67,982,361</b>	<b>66,058,029</b>
<u>Business-type Activities</u>							
Water	8,306,455	7,933,640	8,390,828	9,406,507	9,219,236	9,675,323	10,754,990
Parking garage	-	-	-	-	-	104,318	263,619
<b>Total Business-type Activities Expenses</b>	<b>8,306,455</b>	<b>7,933,640</b>	<b>8,390,828</b>	<b>9,406,507</b>	<b>9,219,236</b>	<b>9,779,641</b>	<b>11,018,609</b>
<b>Total Primary Government Expenses</b>	<b>\$ 52,710,917</b>	<b>\$ 59,090,564</b>	<b>\$ 63,599,881</b>	<b>\$ 68,295,568</b>	<b>\$ 71,939,717</b>	<b>\$ 77,762,002</b>	<b>\$ 77,076,638</b>
<b>Program Revenues</b>							
<u>Governmental Activities</u>							
<u>Charges for Services</u>							
General government	2,905,720	3,025,435	3,575,623	2,532,851	2,338,313	2,281,261	2,565,532
Public safety	3,160,021	3,179,570	3,695,343	4,699,862	5,285,205	4,288,119	4,153,792
Public works	116,274	99,659	61,022	1,076,749	1,273,465	1,492,820	1,819,449
Culture and recreation	362,426	394,658	400,349	510,459	785,325	487,998	520,709
Health and sanitation	2,851,161	2,871,575	2,968,711	3,940,827	4,284,901	4,395,284	4,526,870
Economic development	-	38,326	26,765	-	-	-	-
Operating Grants and Contributions	4,333,823	5,471,424	2,859,123	4,108,493	4,141,684	4,254,621	4,699,635
Capital Grants and Contributions	-	-	2,277,698	1,275,193	1,185,936	2,905,195	4,178,890
<b>Total Governmental Activities Program Revenues</b>	<b>13,739,425</b>	<b>15,080,657</b>	<b>15,664,634</b>	<b>18,144,464</b>	<b>19,294,829</b>	<b>20,107,298</b>	<b>22,464,877</b>
<u>Business-type Activities</u>							
<u>Charges for Services</u>							
Water	5,455,034	4,907,882	5,075,488	4,958,994	5,285,856	5,801,624	6,585,935
Parking garage	-	-	-	-	-	-	119,671
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-
<b>Total Business-type Activities Program Revenues</b>	<b>5,455,034</b>	<b>4,907,882</b>	<b>5,075,488</b>	<b>4,958,994</b>	<b>5,285,856</b>	<b>5,801,624</b>	<b>6,705,606</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 19,194,459</b>	<b>\$ 19,988,539</b>	<b>\$ 20,940,122</b>	<b>\$ 23,103,458</b>	<b>\$ 24,580,685</b>	<b>\$ 25,908,922</b>	<b>\$ 29,170,683</b>
<b>Net (Expense) Revenue</b>							
Governmental Activities	\$ (30,665,037)	\$ (36,076,267)	\$ (39,344,419)	\$ (40,744,597)	\$ (43,425,652)	\$ (47,875,063)	\$ (43,593,152)
Business-type Activities	(2,851,421)	(3,025,758)	(3,315,340)	(4,447,513)	(3,933,380)	(3,978,017)	(4,312,803)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (33,516,458)</b>	<b>\$ (39,102,025)</b>	<b>\$ (42,659,759)</b>	<b>\$ (45,192,110)</b>	<b>\$ (47,359,032)</b>	<b>\$ (51,853,080)</b>	<b>\$ (47,905,955)</b>

CITY OF BERWYN, ILLINOIS  
CHANGES IN NET ASSETS  
Last Seven Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Assets</b>							
<u>Governmental Activities</u>							
Taxes							
Property	\$ 20,320,107	\$ 22,380,786	\$ 21,932,353	\$ 21,029,820	\$ 24,009,284	\$ 25,164,068	\$ 27,780,387
Sales	3,449,214	2,596,951	2,886,605	2,886,108	2,723,620	2,295,513	2,401,276
Home Rule Sales	1,854,171	1,894,374	1,957,207	2,011,687	2,000,041	1,688,743	1,834,332
Utility	3,487,508	4,234,714	3,979,120	4,178,301	4,548,527	4,050,262	4,124,813
Income	3,457,348	4,802,668	5,132,141	5,518,357	5,924,698	5,036,828	4,961,602
Real Estate Transfer	2,978,685	3,250,800	2,915,139	1,565,735	989,133	1,028,125	913,411
Other	552,848	776,270	757,008	1,066,871	1,064,663	967,893	877,660
Investment Earnings	138,414	170,347	442,830	1,019,673	863,193	330,184	216,629
Miscellaneous	120,810	133,582	182,793	63,518	227,446	198,975	56,177
Transfers	-	(87,333)	-	-	-	(12,879,994)	(137,342)
Total Governmental Activities	<u>36,359,105</u>	<u>40,153,159</u>	<u>40,185,196</u>	<u>39,340,070</u>	<u>42,350,605</u>	<u>27,880,597</u>	<u>43,028,945</u>
<u>Business-type Activities</u>							
Investment Earnings	-	-	-	57,429	50,089	23,949	8,454
Miscellaneous	-	-	-	-	-	4,000	(7,912)
Transfers	-	87,333	-	-	-	12,879,994	137,342
Total Business-type Activities	<u>-</u>	<u>87,333</u>	<u>-</u>	<u>57,429</u>	<u>50,089</u>	<u>12,907,943</u>	<u>137,884</u>
Total Primary Government	<u>\$ 36,359,105</u>	<u>\$ 40,240,492</u>	<u>\$ 40,185,196</u>	<u>\$ 39,397,499</u>	<u>\$ 42,400,694</u>	<u>\$ 40,788,540</u>	<u>\$ 43,166,829</u>
Change in Net Assets							
Governmental Activities	\$ 5,694,068	\$ 4,076,892	\$ 840,777	\$ (1,404,527)	\$ (1,075,047)	\$ (19,994,466)	\$ (564,207)
Business-type Activities	(2,851,421)	(2,938,425)	(3,315,340)	(4,390,084)	(3,883,291)	8,929,926	(4,174,919)
Total Primary Government Change in Net Assets	<u>\$ 2,842,647</u>	<u>\$ 1,138,467</u>	<u>\$ (2,474,563)</u>	<u>\$ (5,794,611)</u>	<u>\$ (4,958,338)</u>	<u>\$ (11,064,540)</u>	<u>\$ (4,739,126)</u>

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.

The City implemented GASB 34 in 2004 and, therefore, a full ten years of data is not available for this schedule

Data Source: Audited Financial Statements

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ -	\$ -	\$ 318,222	\$ 419,443	\$ 5,237,810	\$ 684,885	\$ 642,046	\$ 582,439	\$ 610,349	\$ 384,632
Unreserved	<u>3,129,183</u>	<u>5,169,605</u>	<u>2,652,658</u>	<u>8,171,865</u>	<u>1,268,110</u>	<u>3,404,867</u>	<u>69,626</u>	<u>(434,196)</u>	<u>(234,524)</u>	<u>1,596,284</u>
Total General Fund	<u>\$ 3,129,183</u>	<u>\$ 5,169,605</u>	<u>\$ 2,970,880</u>	<u>\$ 8,591,308</u>	<u>\$ 6,505,920</u>	<u>\$ 4,089,752</u>	<u>\$ 711,672</u>	<u>\$ 148,243</u>	<u>\$ 375,825</u>	<u>\$ 1,980,916</u>
All Other Governmental Funds										
Reserved	\$ 2,000,220	\$ 2,146,042	\$ 2,057,893	\$ 13,427,436	\$ 14,587,806	\$ 17,101,126	\$ 17,062,795	\$ 19,643,461	\$ 15,724,685	\$ 22,265,090
Unreserved, reported in										
Special Revenue Funds	5,401,224	7,197,360	7,222,818	24,128	18,312	-	(248,969)	(189,840)	178,493	(129,390)
Debt Service Funds	-	-	-	-	(1,072,188)	(3,028,916)	(1,319,907)	-	-	-
Capital Project Funds	<u>5,601,955</u>	<u>3,806,475</u>	<u>2,504,657</u>	<u>627,504</u>	<u>631,279</u>	<u>357,607</u>	<u>21,969,161</u>	<u>17,175,732</u>	<u>5,268,804</u>	<u>3,801,219</u>
Total All Other Governmental Funds	<u>\$ 13,003,399</u>	<u>\$ 13,149,877</u>	<u>\$ 11,785,368</u>	<u>\$ 14,079,068</u>	<u>\$ 14,165,209</u>	<u>\$ 14,429,817</u>	<u>\$ 37,463,080</u>	<u>\$ 36,629,353</u>	<u>\$ 21,171,982</u>	<u>\$ 25,936,919</u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Property taxes	\$ 19,003,833	\$ 18,528,949	\$ 20,851,633	\$ 20,320,107	\$ 22,380,786	\$ 21,932,353	\$ 21,029,820	\$ 24,009,284	\$ 25,164,088	\$ 27,780,387
Other taxes	13,405,441	13,501,187	14,774,881	15,927,542	17,555,778	17,627,219	16,851,908	16,860,593	14,892,004	14,819,782
Licenses and permits	1,707,328	1,860,223	1,880,941	4,605,640	4,628,463	2,474,544	2,444,530	2,476,742	2,368,969	2,896,170
Intergovernmental	1,091,324	2,090,240	3,279,135	4,726,906	5,872,817	5,567,284	5,218,266	4,604,635	5,983,259	7,842,004
Fines and forfeitures	4,629,450	5,102,861	5,719,911	2,354,896	2,340,519	2,113,542	3,462,077	4,179,977	3,810,712	4,156,023
Charges for services	3,842,050	3,863,691	3,268,459	1,861,510	1,884,002	5,171,263	5,966,322	6,368,630	7,936,434	5,665,356
Contributions	-	-	-	-	-	-	-	-	-	900,000
Investment income	3,910,897	353,868	246,112	138,414	170,346	442,376	1,001,246	870,564	329,883	216,629
Miscellaneous	357,851	2,176,670	635,185	311,283	488,438	721,249	1,266,938	1,352,027	1,456,353	1,308,948
<b>Total Revenues</b>	<b>47,948,174</b>	<b>47,477,689</b>	<b>50,656,257</b>	<b>50,246,298</b>	<b>55,321,149</b>	<b>56,049,830</b>	<b>57,241,107</b>	<b>60,722,452</b>	<b>61,741,682</b>	<b>65,585,299</b>
<b>Expenditures</b>										
General government	10,086,369	11,207,581	11,304,603	4,330,211	3,881,802	3,769,646	3,628,208	3,582,290	3,787,572	4,042,809
Public safety	14,130,192	15,638,726	17,191,512	26,433,181	27,028,841	30,158,970	30,171,443	30,205,766	31,337,122	33,410,292
Highways and streets	8,213,581	7,159,385	4,946,880	3,383,133	4,072,069	3,831,925	5,522,486	5,887,924	5,935,836	6,271,908
Health & welfare	3,891,421	4,543,164	3,986,219	3,375,652	3,639,509	2,516,150	3,793,645	3,979,436	4,004,624	4,265,730
Culture and recreation	2,545,222	2,480,813	2,636,804	3,557,923	3,527,966	3,620,208	4,089,133	4,060,655	4,095,092	4,370,606
Economic development	289,168	105,233	511,725	2,359,178	4,099,439	3,580,521	4,821,508	6,374,928	8,593,042	8,653,372
Capital outlay	30,653,643	5,635,034	4,384,405	519,996	430,201	2,785,959	2,090,822	5,914,145	14,730,640	789,294
Debt service										
Principal	5,606,490	5,769,647	6,295,000	7,163,850	17,666,069	16,088,740	16,700,209	935,958	2,702,084	5,180,161
Interest	3,961,641	3,944,307	3,775,965	3,022,621	3,217,344	3,323,375	3,558,413	4,346,090	4,414,093	4,353,525
Other charges	-	-	-	427,932	69,800	53,835	767,099	379,643	381,331	291,127
<b>Total Expenditures</b>	<b>79,377,727</b>	<b>56,483,890</b>	<b>55,033,113</b>	<b>54,573,677</b>	<b>67,633,040</b>	<b>69,729,329</b>	<b>75,142,966</b>	<b>65,666,835</b>	<b>79,981,436</b>	<b>71,628,824</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(31,429,553)</b>	<b>(9,006,201)</b>	<b>(4,376,856)</b>	<b>(4,327,379)</b>	<b>(12,311,891)</b>	<b>(13,679,499)</b>	<b>(17,901,859)</b>	<b>(4,944,383)</b>	<b>(18,239,754)</b>	<b>(6,043,525)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	7,776,749	1,346,237	-	-	2,809,300	2,312,014	11,921,682	2,752,592	5,030,945	4,540,465
Transfers (out)	(758,344)	(346,237)	-	-	(2,896,633)	(2,312,014)	(11,921,682)	(2,752,592)	(6,280,945)	(5,540,465)
Debt issued	3,890,000	4,235,140	-	28,946,250	10,346,509	11,514,507	49,705,827	8,175,930	13,315,594	13,150,000
Premium (discount) on bonds issued	-	-	-	2,015,998	-	-	1,146,682	(64,086)	117,032	258,302
Transfer to bond escrow agent	(2,969,377)	-	-	(21,379,191)	-	-	(12,802,600)	(7,379,125)	(9,317,377)	-
Sale of capital assets	-	-	-	-	-	-	-	150,000	139,298	5,251
<b>Total Other Financing Sources (Uses)</b>	<b>7,939,028</b>	<b>5,235,140</b>	<b>-</b>	<b>9,583,057</b>	<b>10,259,176</b>	<b>11,514,507</b>	<b>38,049,909</b>	<b>882,719</b>	<b>3,004,547</b>	<b>12,413,553</b>
<b>Net Change in Fund Balances</b>	<b>\$ (23,490,525)</b>	<b>\$ (3,771,061)</b>	<b>\$ (4,376,856)</b>	<b>\$ 5,255,678</b>	<b>\$ (2,052,715)</b>	<b>\$ (2,164,992)</b>	<b>\$ 20,148,050</b>	<b>\$ (4,061,664)</b>	<b>\$ (15,235,207)</b>	<b>\$ 6,370,028</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>19.64%</b>	<b>19.10%</b>	<b>18.39%</b>	<b>19.00%</b>	<b>31.09%</b>	<b>28.24%</b>	<b>27.63%</b>	<b>9.09%</b>	<b>9.13%</b>	<b>13.95%</b>

Note: Debt refundings that occurred during 2007 through 2009 had the effect of spreading debt service requirements of a longer period of time thereby reducing required principal payments in 2008 and 2009.

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
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
2009	25,164,068	5,036,828	2,295,513	1,688,743	214,288	4,050,262	165,310	1,028,125	146,188	1,416,084	66,747
2010	27,780,387	4,961,602	2,401,276	1,834,332	253,095	4,124,813	135,614	913,411	137,384	1,764,689	23,990

Note: The breakdown of other taxes is not available ("N/A") for 2000-2001.

Motor Fuel Tax is presented as Intergovernmental Revenue on page 29.

In 2010, an additional \$234,574 was received for Motor Fuel Tax pursuant to the capital bill passed by the State of Illinois

Data Source: Audited Financial Statements

CITY OF BERWYN, ILLINOIS  
 ASSESSED VALUE AND ESTIMATED 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
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	3.54	1,487,069,622	33.333%
2002	552,441,950	147,765,493	41,748,473	103,763,963	638,191,953	2.87	1,914,575,859	33.333%
2003	549,947,802	143,105,633	42,369,503	104,519,909	630,903,029	2.95	1,892,709,087	33.333%
2004	575,936,497	144,154,771	44,162,422	117,952,634	646,301,056	2.90	1,938,903,168	33.333%
2005	853,293,634	171,983,602	54,227,847	278,528,880	800,976,203	2.22	2,402,928,609	33.333%
2006	847,136,756	166,320,099	53,871,866	267,186,564	800,142,157	2.22	2,400,426,471	33.333%
2007	889,222,360	167,643,270	55,748,222	277,382,974	835,230,878	2.45	2,505,692,634	33.333%
2008	1,051,667,154	194,366,973	61,988,558	389,516,640	918,506,045	2.22	2,755,518,135	33.333%
2009	1,002,325,200	175,398,379	49,149,463	312,780,439	914,092,603	2.56	2,742,277,809	33.333%

Data Source

Office of the County Clerk

Information for the 2010 levy year is not yet available

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

Total Direct Tax Rate includes the City of Berwyn Library

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

<u>Tax Levy Year</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>City Direct Rates</b>										
General	0.75	0.53	0.46	0.49	0.47	0.41	0.31	0.84	0.94	1.29
Bond & Interest	2.01	2.05	1.65	1.67	1.64	1.14	1.15	0.81	0.55	0.54
City of Berwyn Library	0.00	0.25	0.20	0.21	0.21	0.17	0.18	0.31	0.28	0.28
Police Pension	0.35	0.36	0.28	0.29	0.29	0.24	0.28	0.24	0.22	0.22
Fire Pension	0.35	0.36	0.28	0.29	0.29	0.26	0.30	0.25	0.23	0.23
<b>Total Direct Rate</b>	<b>3.45</b>	<b>3.54</b>	<b>2.87</b>	<b>2.95</b>	<b>2.90</b>	<b>2.22</b>	<b>2.22</b>	<b>2.45</b>	<b>2.22</b>	<b>2.56</b>
<b>Overlapping Rates</b>										
Cook County	0.82	0.75	0.69	0.69	0.65	0.59	0.56	0.50	0.47	0.44
Metropolitan Water Rec.	0.42	0.40	0.37	0.36	0.35	0.32	0.28	0.26	0.25	0.26
School District #100	3.65	3.58	2.79	2.97	2.97	2.55	2.62	2.57	2.44	2.49
High School District #201	2.60	2.62	2.16	2.31	2.30	1.93	2.00	1.96	1.84	1.85
Berwyn Park District	0.32	0.39	0.27	0.31	0.32	0.27	0.32	0.32	0.30	0.31
Community College #527	0.57	0.55	0.45	0.47	0.47	0.40	0.42	0.41	0.39	0.39
Other	0.31	0.34	0.34	0.23	0.19	0.18	0.17	0.18	0.16	0.19

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2010			2001		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
MacNeal Memorial Hospital	\$ 31,070,768	1	3.40%	\$ 15,146,688	1	3.06%
Cermak Plaza Associates	11,204,673	2	1.23%	8,717,530	2	1.76%
Shurgard	4,072,837	3	0.45%	-	N/A	0.00%
Fairfax	2,845,571	4	0.31%	-	N/A	0.00%
Vranas & Assoc.	2,178,254	5	0.24%	688,618	10	0.14%
Citizens Bank of Illinois	2,074,040	6	0.23%	1,334,998	4	0.27%
SKS	2,046,551	7	0.22%	-	N/A	0.00%
McDonald's Co.	1,710,703	8	0.19%	-	N/A	0.00%
Midwest Property	1,612,980	9	0.18%	-	N/A	0.00%
Turano Bakery	1,447,677	10	0.16%	-	N/A	0.00%
MacNeal Health Services	-	N/A	0.00%	2,045,126	3	0.41%
CNC	-	N/A	0.00%	937,343	5	0.19%
Physician's Rec. JE	-	N/A	0.00%	828,029	6	0.17%
ABN AMRO Property Mgmt	-	N/A	0.00%	816,167	7	0.16%
Harris Bank CRE	-	N/A	0.00%	740,374	8	0.15%
Arthur Scalfaro	-	N/A	0.00%	733,753	9	0.15%
	<u>\$ 60,264,054</u>		<u>6.59%</u>	<u>\$ 31,988,626</u>		<u>6.45%</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.

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
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%	(548,939)	18,285,783	97.48%
2005	17,806,429	17,531,870	98.46%	(573,276)	16,958,594	95.24%
2006	17,756,831	17,312,068	97.50%	(390,389)	16,921,679	95.30%
2007	20,425,153	19,453,602	95.24%	527,941	19,981,543	97.83%
2008	20,382,055	19,773,142	97.01%	648,055	20,421,197	100.19%
2009	23,423,263	22,487,727	96.01%	-	22,487,727	96.01%

Data Source

Office of the County Clerk

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. 2010 data is not yet available

CITY OF BERWYN, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of	
	General Obligation Bonds **	Installment & Mortgage Notes Payable ****	Capital Leases	General Obligation Bonds	Installment Notes Payable	Capital Leases		Personal Income*	Per Capita*
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	248,587	355,814	-	-	-	79,329,967	7.68%	1,469
2005	72,273,803	135,720	551,029	-	-	-	72,960,552	6.18%	1,299
2006	65,506,016	2,494,313	468,203	-	-	-	68,468,532	5.80%	1,219
2007	86,297,397	2,244,257	318,877	-	-	-	88,860,531	7.53%	1,582
2008	86,468,157	2,014,738	537,770	-	-	-	89,020,665	7.54%	1,585
2009	88,113,519	1,357,654	758,641	-	-	-	90,229,814	7.64%	1,606
2010	92,338,716	5,202,493	550,854	850,000	-	-	98,942,063	8.48%	1,746

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 Information on page 126 for personal income and population data.

\*\* \$7,730,000 of general obligation bonds outstanding at 12/31/09 were paid off on 1/1/10. Therefore, this amount has been excluded from these figures so as not to distort the comparison.

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

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Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt <u>Service Fund</u>	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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	3.50%	1,559.58
2008	86,468,157	1,586,221	84,881,936	3.08%	1,510.89
2009	88,113,519	646,714	87,466,805	3.19%	1,556.90
2010	92,338,716	432,650	91,906,066	N/A	1,622.15

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 118 for property value data.



CITY OF BERWYN, ILLINOIS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 December 31, 2010

<u>Governmental unit</u>	<u>Gross Debt</u>	<u>Percentage Debt Applicable to the City of Berwyn(1)</u>	<u>City of Berwyn Share of Debt</u>
City of Berwyn	\$ 92,338,716	100.00%	\$ 92,338,716
Cook County	3,499,615,000	0.51%	17,848,037
Cook County Forest Preserve District	101,935,000	0.51%	519,869
Metropolitan Water Reclamation District	1,945,659,620	0.52%	10,117,430
Berwyn Park District	1,623,923	100.00%	1,623,923
North Berwyn Park District	885,000	100.00%	885,000
Schools			
Elementary			
District No. 98	3,480,000	100.00%	3,480,000
District No. 100	29,390,000	100.00%	29,390,000
High School District No. 201	51,956,271	40.30%	20,938,377
Community College District No. 527	<u>7,200,000</u>	40.30%	<u>2,901,600</u>
	<u>5,641,744,814</u>		<u>87,704,236</u>
	<u>\$ 5,734,083,530</u>		<u>\$ 180,042,952</u>

Data Source

Cook County Clerk

- (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, 2010

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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

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<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	56,657	\$ 1,167,190,857	\$ 20,601	11.8%
2009	56,180	1,180,397,980	21,011	11.5
2008	56,180	1,180,397,980	21,011	7.0
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

Data Source

U.S. Department of Commerce, Bureau of the Census  
 and State of Illinois Department of Employment Security

CITY OF BERWYN, ILLINOIS  
 PRINCIPAL EMPLOYERS  
 Current Year and Nine Years Ago

2010			2001		
Employer	Number of Employees	% of Total City Employment	Employer	Number of Employees	% of Total City Employment
MacNeal Memorial Hospital	2,200	16.52%	MacNeal Memorial Hospital	2,493	18.71%
Morton West High School *	1,000	7.51%	Morton West High School	415	3.12%
Berwyn South School	480	3.60%	Turano Baking Co.	347	2.60%
Berwyn North School	382	2.87%	Berwyn South School	340	2.55%
City of Berwyn	550	4.13%	Berwyn North School	278	2.09%
Campagna-Turano Baking Co.	300	2.25%	McDonalds	160	1.20%
Pillars-The Fillmore Center	50	0.38%	Amoco Oil Co.	75	0.56%
BP Amoco	90	0.68%	Citizens National Bank	60	0.45%
Rosin Eyecare	85	0.64%	Central States Trucking	50	0.38%
Physician's Record Company	35	0.26%	Physician's Record Company	40	0.30%

Data Source

Phone canvas of employers, 2010 Illinois Service Directory and 2010 Illinois Manufacturer Directory  
 2001 Illinois Services and Manufacturing Directories and a phone canvas of employers

\* Includes part-time employees

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

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<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government										
Administration	8	8	8	8	9	16	16	17	16	15
Finance	27	17	17	16	17	19	19	12	12	12
Community Development	12	11	10	11	17	16	16	16	16	18
Public Safety										
Police										
Officers	90	91	89	92	92	98	101	101	104	106
Civilians	50	49	52	57	44	53	56	25	56	34
Fire										
Firefighters and officers	66	65	65	66	66	66	66	66	68	66
Civilians	2	2	2	2	2	2	2	2	1	1
Public Works	52	52	52	53	55	48	48	48	44	38
Culture & Recreation	51	58	56	59	52	58	59	59	58	44

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS  
OPERATING INDICATORS  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Public Safety</b>										
<b>Police</b>										
Physical arrests	N/A	1,347	2,158	1,670	2,276	2,795	2,002	2,054	2,815	3,971
Parking violations	49,543	59,387	74,390	100,228	78,231	65,277	66,442	67,941	67,941	41,641
Traffic tickets issued	N/A	N/A	2,359	3,045	2,118	9,043	1,101	1,193	11,020	20,762
<b>Fire</b>										
Emergency responses	5,131	5,816	5,984	6,726	8,956	8,566	9,539	9,308	8,413	6,557
Fires extinguished	206	195	207	220	211	190	333	114	139	199
<b>Public Works</b>										
Streeting resurfacing (miles)	30.5	0.0	0.0	1.1	0.4	1.3	0.0	0.0	2.0	0.0
Pothole repairs	1,078	1,164	1,108	1,235	1,329	1,465	1,515	1,576	1,692	2,769
<b>Water</b>										
New connections	7	2	-	8	-	3	2	3	1	14
Water main breaks	245	248	311	142	154	251	322	317	233	168
Average daily consumption	5.92 MGD	5.87 MGD	5.97 MGD	5.88 MGD	5.98 MGD	6.01 MGD	6.02 MGD	6.08 MGD	5.88 MGD	5.41 MGD
Peak daily consumption	8.35 MGD	7.93 MGD	9.04 MGD	7.99 MGD	8.03 MGD	9.12 MGD	7.89 MGD	8.21 MGD	9.03 MGD	6.50 MGD

Data Source

Various city departments

MGD = million gallons per day

CITY OF BERWYN, ILLINOIS  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	N/A	N/A	N/A	37	52	47	58	78
<b>Fire</b>										
Fire stations	3	3	3	3	3	3	3	2	3	3
Fire engines	4	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
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
<b>Water</b>										
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
<b>Wastewater</b>										
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

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