

City of Berwyn, Illinois



A Century of Progress with Pride

Comprehensive Annual Financial Report

For the Year Ended December 31, 2011

CITY OF BERWYN, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2011

Prepared by: Finance Department

CITY OF BERWYN, ILLINOIS
 Berwyn, Illinois
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 December 31, 2011

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INTRODUCTORY SECTION



A Century of Progress with Pride

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June 29, 2012

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, 2011.

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, 2011. 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 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 continued to struggle in 2011 with an amount received of \$916,000.

In 2009, the City, like most municipalities in the state and nation, was negatively impacted by the economic recession. While there has been some recovery in 2010 and 2011, many of the significant revenues continued to be below their 2008 levels. For example, sales tax revenues increased 7% from 2010 but remains 12% below 2008 levels and municipal utility tax is up 2% from last year, but remains 4% below 2008 levels. State income tax revenue rose slightly from the prior year by 4% and reached its highest point since 2008. It still remains 12% below 2008 levels, however.

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 decreased by \$5.5 million during 2011 as property purchased for new developments started to be turned into commercial properties which either opened for business in 2011 or will be in 2012 and beyond.

The City has also continued its plan to restructure long term debt. Due to excellent fiscal management, while other municipalities were being downgraded, Standard & Poor's upgraded the City's bond rating in 2011 from an A- stable bond rating to A- with a positive outlook. This marks the second year in a row that the City's bond rating has been upgraded. The upgrades now see the City as having a positive outlook which has 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 fourth year in a row and only the fourth 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 \$2.6 million in 2011. Our long term goal is to continue strengthening our financial position as further discussed below.

Relevant Financial Policies

In 2011, City Council passed a revised fund balance policy requiring that the general and library funds 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 expected capital projects budget, and the water and sewer fund maintain unreserved equity of 10% of the following year's budget. The policy further requires that should any other fund have a deficit fund balance, a plan will be determined to eliminate the deficit.

At the time of its passage, the general fund was out of compliance with the policy. However, the City built upon the progress achieved in 2010 when the unreserved fund balance ended the year at a positive \$1.6 million after being negative at the end of 2009. During 2011, the City increased unreserved fund balance by \$2.5 million to finish the year at \$4.1 million. A number of revenue enhancements enacted in 2011 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. During 2011, that deficit rose by almost \$0.7 million and is now slightly under \$1.3 million. It is expected to be eliminated during 2012. The City will continue to eliminate deficit 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 2011, actual charges to other funds and departments were reduced by a \$0.7 million in accordance with the policy.

Major Initiatives

During 2011, a number of very positive initiatives were undertaken by the City. Improvements were made to City buildings including a new energy efficient air conditioning unit and elevators in the library, a new HVAC at the police department and city hall, a new backup power generator at city hall, and a new energy efficient heating system at the public works department. All of these were 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 opened: 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 2012 within the City's only major shopping center. The shopping center has completed 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 was completed at the corner of Harlem and Cermak Avenue. Several restaurants including Buffalo Wild Wings, Five Guys, and Chipotle, just to name a few are now open. 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, 2010. 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.

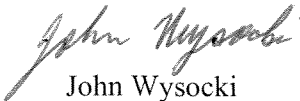
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2010

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.



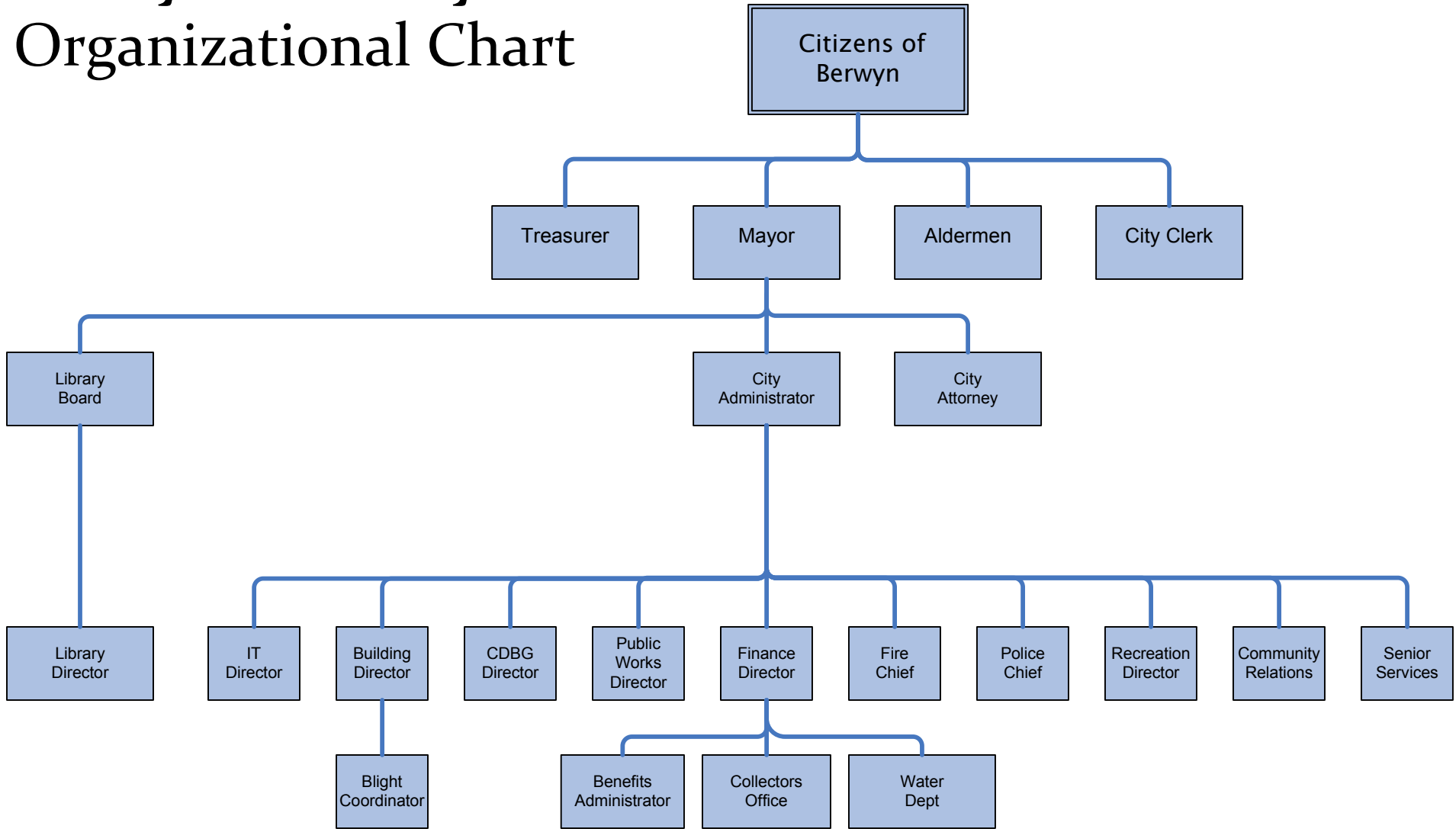
Linda C. Dandson

President

Jeffrey R. Enow

Executive Director

City of Berwyn Organizational Chart



**City of Berwyn
List of Elected and Appointed Officials
December 31, 2011**

Elected Officials

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

Appointed Officials

Anthony Bertuca	City Attorney
Tammy Clausen	Director, Library Services
Robert Dwan	Director, Community Development
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, 2011, 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, insofar as it relates to the amounts included for the Berwyn Development Corporation, is based solely on the report of 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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2012 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 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining and individual fund financial statements and schedules, the introductory section and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

In February 2009, the GASB released Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement is effective for fiscal periods beginning after June 15, 2010. As discussed in Note 1, the City has implemented this statement retrospectively as of their fiscal year ended December 31, 2011. The statement addresses the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions as well as establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.



Crowe Horwath LLP

Oak Brook, Illinois
June 29, 2012



A Century of Progress with Pride

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

Management's Discussion and Analysis

As management of the City of Berwyn, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Berwyn for the fiscal year ended December 31, 2011.

Financial Highlights

At the end of the current fiscal year, fund balance for the General Fund, the main operating fund of the City, was \$4,496,542, an increase of \$2,575,877 or more than double the prior year's balance. This is the result of the continuing long term effort to build fund balance in order to protect the City from future economic downturns or unexpected events.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,355,756, a decrease of \$4,562,079 in comparison with the prior year. The TIF funds decreased by over \$6 million and the capital projects funds decreased by over \$2 million. This represents spending of assets accumulated in prior years for major projects and evidences the City's focus on commercial development and spending on capital items which will benefit the City in future years.

In 2011, the City's total net assets decreased by \$15,082,825. Two primary factors have contributed to this decrease. First, economic development costs have increased significantly - over 87% - compared to 2010 as the City focuses on developing its business districts and increasing its commercial tax base. Second, 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.

The assets of the City of Berwyn (primary government only) exceeded its liabilities at the close of the most recent fiscal year by \$12,777,527. The City has deficit unrestricted net assets of \$16,340,078 at year end.

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 26 and 27 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 sixteen 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, and the Debt Service Fund which are considered to be major funds. Data from the other fourteen 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 28 and 30 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 32 - 34 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 35 and 36 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 37 - 75 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 fund 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 76 - 88 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 89 - 113 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 2010 and 2011 Statement of Net Assets for both governmental and business-type activities:

City of Berwyn Net Assets

	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 62,220,400	\$ 65,117,288	\$ 7,336,619	\$ 6,202,196	\$ 69,557,019	\$ 71,319,484
Capital assets	<u>56,561,198</u>	<u>57,098,696</u>	<u>39,123,018</u>	<u>42,831,624</u>	<u>95,684,216</u>	<u>99,930,320</u>
Total assets	118,781,598	122,215,984	46,459,637	49,033,820	165,241,235	171,249,804
Current liabilities	33,280,627	31,820,619	753,077	405,652	34,033,704	32,226,271
Long-term liabilities	<u>115,397,404</u>	<u>110,225,216</u>	<u>3,032,600</u>	<u>937,965</u>	<u>118,430,004</u>	<u>111,163,181</u>
Total liabilities	148,678,031	142,045,835	3,785,677	1,343,617	152,463,708	143,389,452
Invested in capital assets net of related debt	(25,148,350)	(19,601,775)	38,876,966	42,831,624	13,728,616	23,229,849
Restricted	14,690,665	22,265,090	698,324	812,614	15,388,989	23,077,704
Unrestricted	<u>(19,438,748)</u>	<u>(22,493,166)</u>	<u>3,098,670</u>	<u>4,045,965</u>	<u>(16,340,078)</u>	<u>(18,447,201)</u>
Total net assets	<u>\$ (29,896,433)</u>	<u>\$ (19,829,851)</u>	<u>\$ 42,673,960</u>	<u>\$ 47,690,203</u>	<u>\$ 12,777,527</u>	<u>\$ 27,860,352</u>

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

Governmental activities

The City's governmental activities current assets decreased from 2010 by approximately \$2.9 million. The most significant change was a \$5.5 million decrease in land held for resale. Property, much of which had been accumulated during 2010, in the City's TIF districts was sold to commercial developers during 2011. Cash increased by \$5.4 million of which \$2 million is owed to business type activities from bond issue proceeds.

Current liabilities increased \$1.5 million from 2010. Several factors accounted for this increase including: a \$1.3 million increase in unearned revenue, a \$1 million decrease in notes payable as the line of credit existing at 12/31/10 was paid off during 2011, an increase in accounts payable of \$600,000 and an increase in due to fiduciary funds of \$700,000 representing an additional contribution from the City to the pension funds which was paid after year end.

Long-term liabilities increased by about \$5.2 million. This was primarily the result of a net \$2 million of bonds issued and a \$2.2 million increase in the net pension obligation.

The decrease in restricted net assets is primarily in funds restricted for economic development which dropped \$8.5 million as TIF resources were deployed on commercial development projects.

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 2011 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 all of the proceeds from the bond issue have not yet been spent.

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

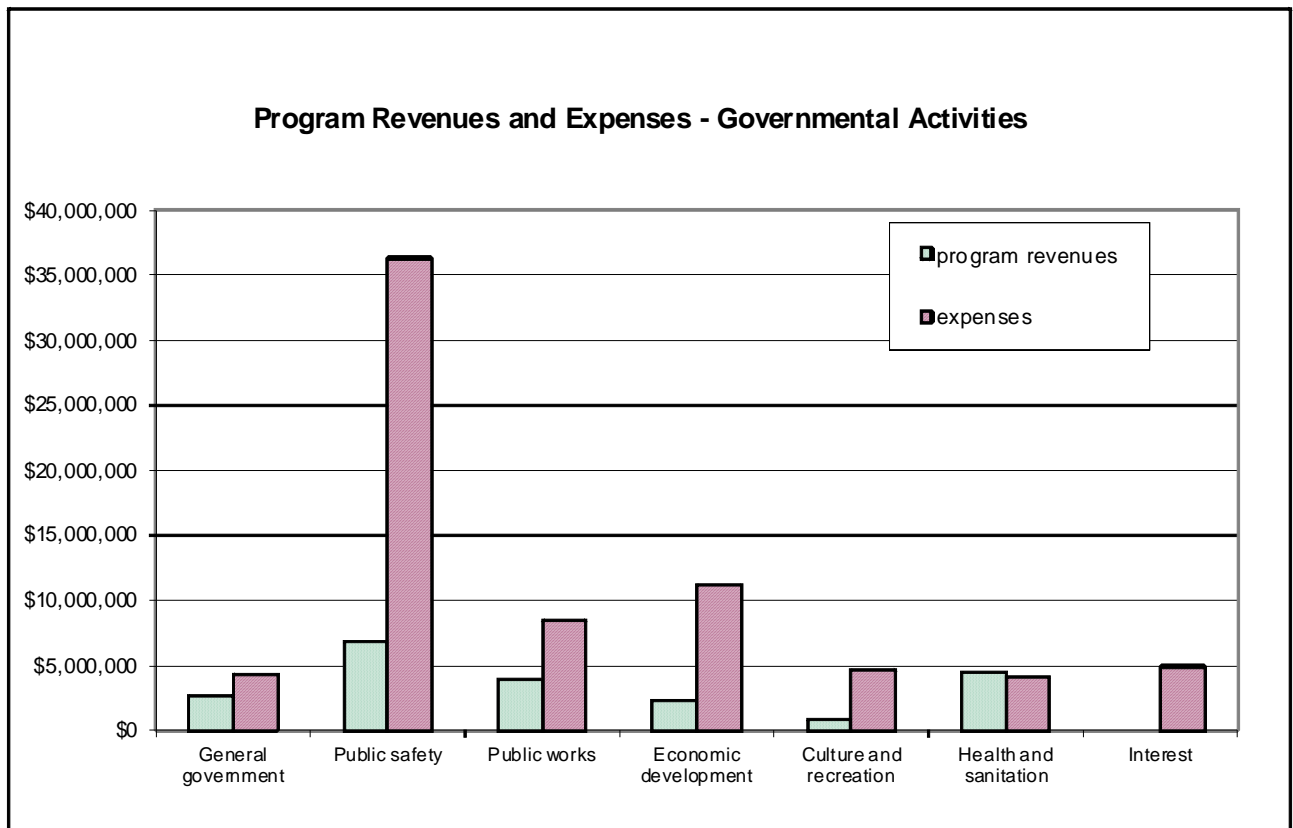
	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 14,691,452	\$ 13,586,352	\$ 6,454,438	\$ 6,705,806	\$ 21,145,890	\$ 20,292,158
Operating grants & contributions	4,684,682	4,699,635	-	-	4,684,682	4,699,635
Capital grants & contributions	1,641,462	4,178,890	-	-	1,641,462	4,178,890
General revenues						
Property taxes	28,372,384	27,780,387	-	-	28,372,384	27,780,387
Other taxes	15,514,131	15,113,094	-	-	15,514,131	15,113,094
Other revenues	<u>386,130</u>	<u>272,806</u>	<u>10,312</u>	<u>542</u>	<u>396,442</u>	<u>273,348</u>
Total revenues	65,290,241	65,631,164	6,464,750	6,706,348	71,754,991	72,337,512
Expenses:						
General government	4,474,679	4,039,444	-	-	4,474,679	4,039,444
Public safety	36,778,991	33,929,018	-	-	36,778,991	33,929,018
Public works	8,622,452	8,696,471	-	-	8,622,452	8,696,471
Health and sanitation	4,086,307	4,265,730	-	-	4,086,307	4,265,730
Culture and recreation	5,065,032	4,604,469	-	-	5,065,032	4,604,469
Economic development	11,210,313	5,934,648	-	-	11,210,313	5,934,648
Interest on long-term debt	4,891,883	4,588,249	-	-	4,891,883	4,588,249
Water & sewer	-	-	11,432,263	10,754,990	11,432,263	10,754,990
Parking garage	-	-	275,896	263,619	275,896	263,619
Total expenses	<u>75,129,657</u>	<u>66,058,029</u>	<u>11,708,159</u>	<u>11,018,609</u>	<u>86,837,816</u>	<u>77,076,638</u>
Change in Net Assets Before Transfers	<u>(9,839,416)</u>	<u>(426,865)</u>	<u>(5,243,409)</u>	<u>(4,312,261)</u>	<u>(15,082,825)</u>	<u>(4,739,126)</u>
Transfers	<u>(227,166)</u>	<u>(137,342)</u>	<u>227,166</u>	<u>137,342</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(10,066,582)</u>	<u>(564,207)</u>	<u>(5,016,243)</u>	<u>(4,174,919)</u>	<u>(15,082,825)</u>	<u>(4,739,126)</u>
Net assets Jan 1	<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>
Net assets Dec 31	<u>\$ (29,896,433)</u>	<u>\$ (19,829,851)</u>	<u>\$ 42,673,960</u>	<u>\$ 47,690,203</u>	<u>\$ 12,777,527</u>	<u>\$ 27,860,352</u>

Significant Changes in the Statement of Activities

Government activities

The City's governmental activities net assets decreased about \$10.1 million compared to a \$564,207 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 2010 to 2011:

	Governmental activities		Change	% Chg
	<u>2011</u>	<u>2010</u>		
Revenues:				
Program revenues:				
Charges for services	\$ 14,691,452	\$ 13,586,352	\$ 1,105,100	8%
Operating grants & contributions	4,684,682	4,699,635	(14,953)	0%
Capital grants & contributions	1,641,462	4,178,890	(2,537,428)	-61%
General revenues				
Property taxes	28,372,384	27,780,387	591,997	2%
Other taxes	15,514,131	15,113,094	401,037	3%
Other revenues	386,130	272,806	113,324	42%
Total revenues	<u>\$ 65,290,241</u>	<u>\$ 65,631,164</u>	<u>\$ (340,923)</u>	<u>-1%</u>

Significant changes:

The City's charges for services increased from \$13.6 million to \$14.7 million in 2011. 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 building permits of \$130,000, various fines of \$778,000, and interdepartmental charges of \$128,000.

Capital grants and contributions decreased \$2.5 million in 2011 after increases in both 2010 and 2009. The decrease relates mainly to the Neighborhood Stabilization Program which began in 2010. In 2010, the City acquired \$2.5 million of foreclosed properties through a federal grant. The City is in the remodeling phase of the program and intends to sell the properties in future years at below market prices to qualified buyers in accordance with the purpose of the grant.

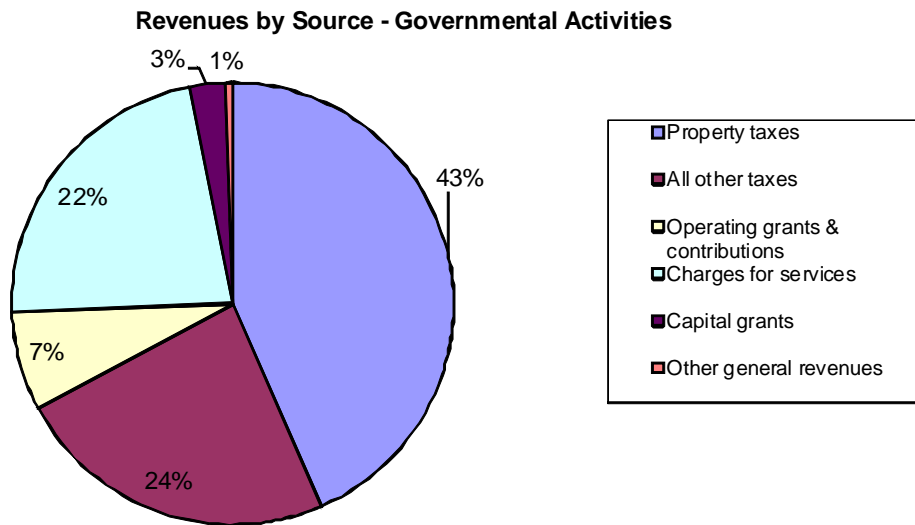
The City's property taxes revenues increased in 2011 by \$592,000.

After remaining flat from 2009 to 2010, other taxes have increased \$401,000 in 2011. This is primarily due to increases in sales tax revenues as the City begins to see the impact of commercial development that has taken place during 2011 and increases in income tax revenues as economic conditions begin to improve. These increases were partially offset by declines in utility tax revenues.

Other revenues, the most significant of which is investment income, continued to decline in 2011. Investment income dropped \$128,000 due to the low interest rate environment. Additionally, the City earned proceeds of \$222,500 from the sale of pools to the Berwyn Park District during the year.

Composition of Revenues:

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



The City's governmental activities are supported mainly by property taxes, followed by all other taxes. These percentages shifted slightly from 2010 when property taxes accounted for 43%, all other taxes accounted for 23%, capital grants were 6% and charges for services were 21%.

Governmental activities - Expenses

The table below shows the change in expenses from 2010 to 2011:

Changes in Governmental Activities Expenses

	Governmental activities		Change	% Chg
	2011	2010		
Expenses:				
General government	\$ 4,474,679	\$ 4,039,444	\$ 435,235	11%
Public safety	36,778,991	33,929,018	2,849,973	8%
Public works	8,622,452	8,696,471	(74,019)	-1%
Economic development	11,210,313	5,934,648	5,275,665	89%
Culture and recreation	5,065,032	4,604,469	460,563	10%
Health and sanitation	4,086,307	4,265,730	(179,423)	-4%
Interest on long-term debt	4,891,883	4,588,249	303,634	7%
Total expenses	<u>\$ 75,129,657</u>	<u>\$ 66,058,029</u>	<u>\$ 9,071,628</u>	<u>14%</u>

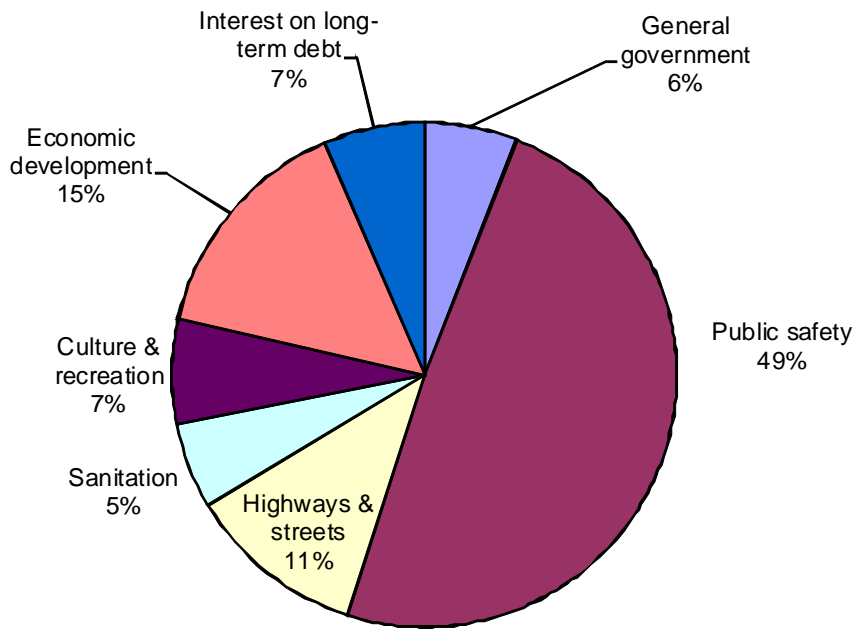
Significant changes:

Overall, expenses increased by 14% or \$9.1 million with much of the increase related to economic development. Economic development expenses increased by 89% as a result of the extensive development activity taking place in the TIF districts. Expenditures in both the Cermak TIF and the Roosevelt Road TIF were up \$1.7 million each from last year. In the case of the Cermak TIF, the sale of property for the Gateway Project at Harlem and Cermak to the developer was the most significant expenditure. For the Roosevelt Road TIF, the sale of TIF owned property to Culvers and the costs related to the streetscape project were the largest expenditures. The timing of various projects plays a large role in this expenditure line.

Composition of expenses:

As in the prior year, the City's largest area of expense continues to be public safety, accounting for 49% of governmental expenses. The expense composition changed from 2010 when public safety accounted for 51%, highways and streets accounted for 13%, sanitation accounted for 7%, culture and recreation accounted for 7% and economic development accounted for 9% of total City expenses. Again the change in percentages was primarily affected by the large increase in economic development as several major development projects have come to fruition in 2011.

Governmental Activities - Expense Composition



Business-type activities

	<u>Business-type activities</u>			
	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Program revenues:				
Charges for services	\$ 6,454,438	\$ 6,705,806	\$ (251,368)	-4%
Expenses:				
Water & sewer	\$ 11,432,263	\$ 10,754,990	\$ 677,273	6%
Parking garage	275,896	263,619	12,277	5%
Total Expenses	\$ 11,708,159	\$ 11,018,609	\$ 689,550	6%

Significant changes:

Business-type activities represent the City's water and sewer utility and the parking garage. 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. However, increasing costs in recent years have made this goal difficult. While depreciation expense amounted to \$4.0 million, business-type activities decreased the City's net assets by \$5.2 million before transfers.

Water and sewer usage charges for 2011 were down from 2010 by about \$237,000 due in part to decreased usage.

Expenses within the water utility increased in 2011 due to several factors. The most significant of these

are increased contractual services costs, repairs and maintenance and interdepartmental charges.

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.

In 2011, the major fund categories changed from 2010. In 2010 the Cermak Road TIF was required to be reported as a major fund. However, due to decreased activity and balances as the TIF reached its expiration, it was not required to be reported as a major fund in 2011. Likewise, the 2007 Bond fund has historically been a major fund but as the assets of the fund have been expended on capital projects over the last few years, it is no longer required to be reported as major. Therefore, these funds are included in the Nonmajor Governmental Funds column for 2011.

Significant changes – Fund balances

	Fund		
	General Fund	Debt Service	Nonmajor Governmental Funds
Revenues	\$ 46,838,945	\$ 4,870,377	\$ 13,358,415
Expenditures	49,019,615	8,043,774	18,213,250
Other Financing Sources (Uses) net	<u>4,756,547</u>	<u>3,241,631</u>	<u>(2,351,355)</u>
Net change in fund balance	2,575,877	68,234	(7,206,190)
Fund balance, beginning	<u>1,920,665</u>	<u>432,650</u>	<u>25,564,520</u>
Fund balance, ending	<u>\$ 4,496,542</u>	<u>\$ 500,884</u>	<u>\$ 18,358,330</u>

General Fund revenues increased by \$2.5 million or 6% from 2010 to 2011. The largest increase was in property taxes which went up \$836,000. State sales tax revenues increased \$205,000 and state income tax increased \$253,000. Fines and forfeitures increased \$778,000 primarily due to increased revenues from impound vehicles and red speed photo enforcement. Grant revenue also increased by \$257,000.

General Fund expenditures increased almost \$2 million or 4% from the prior year. \$237,000 of the increase was the result of including senior services in the general fund. In the prior year, senior services was a separate special revenue fund. Public Works costs increased \$571,000. Much of this was the result of the snow storm in February. However, the financial impact of this storm on the City was lessened by FEMA reimbursements which accounted for much of the increase in grant revenues referred to above. Public Safety costs also increased by over \$900,000.

After an increase of \$1.6 million in 2010, General Fund fund balance increased by almost \$2.6 million in 2011. The increase was a result of transfers from other funds. \$3.1 million was transferred in from the Debt Service Fund due to the restructuring of debt which is more fully explained below. This is a continuation of a multi-year plan to build reserves to reduce the City's vulnerability to economic downturns and unexpected events. In addition, \$200,000 was transferred to the General Fund from the MFT fund to reimburse the General Fund for street worker salaries. Also, the reimbursement of a portion of dispatchers salaries from the Emergency 911 Fund was increased from \$100,000 in 2010 to \$200,000 in 2011.

Revenues in the Debt Service Fund approximated 2010 levels. Principal expenditures were down by \$1.4 million compared to 2010. Interest expenditures increased \$265,000. In 2011, the City continued its refunding plan by refunding a number of debt payments due in 2011. The taxes levied and collected to make these payments resulted in a surplus in the fund. \$3.1 million of this was transferred to the General Fund to build a fund balance as previously discussed. Fund balance in the Debt Service Fund increased by about \$68,000 to \$501,000.

With the classification of the Cermak Road TIF Fund and the 2007 Bond Fund as Nonmajor Governmental Funds in 2011, the expenditures of the Nonmajor Governmental Funds column increased significantly in 2011. Revenues, however, did not increase mainly because of reduced revenues in the NSP Fund as most of the property acquisition which generated grant revenue took place in 2010, and reduced property tax revenues in the South Berwyn and Ogden Avenue TIFs and reduced grant funding in the CDBG Fund. These reductions offset the revenue increase from including the Cermak TIF and increased revenues in the Library Fund and Grants Fund.

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 \$3 million. The total decrease in net assets of \$4.9 million was a result of operating activities which generated a loss of \$5.1 million and a contribution of capital assets of about \$227,000. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

Revenues of the Parking Garage Fund which include collections from meters located in the garage and an allocation of fees for parking permits amounted to approximately \$135,000. Expenses excluding depreciation amounted to about \$59,000. After depreciation of about \$217,000, the fund lost almost \$141,000 for the year. Net assets at year end were \$10 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 2011 the fund's expenses increased from \$2.6 million to \$3.7 million, following a drop of more than 36% or \$1.5 million from 2009 to 2010. The increase was a result of increased claim costs which were partially offset by decreased contractual services which include policy premiums. Revenues within the internal service fund decreased significantly from 2010. The majority of revenues come from charges to other funds and departments based on 115% of the prior year's expenses. Therefore, the decrease in 2011 revenues can be attributed to the decrease in expenses in 2010. Net assets decreased during 2011 resulting in a balance at December 31, 2011 of negative \$1.3 million. This negative balance is expected to be remedied in 2012.

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 twice during 2011. The first amendment was to provide additional funding for the public works department necessitated by the snow storm in February, 2011. Grant reimbursement for storm related costs by FEMA provided additional funding for the budget increase. The primary purpose for the second amendment was to reallocate budget dollars across departments. This is an annual practice and no net increase in the general fund budget resulted from the second amendment.

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

	General Fund			
	Final Budget	Actual	Variance	% Var.
Revenues				
Property taxes	\$ 16,122,956	\$ 16,199,635	\$ 76,679	0%
Other taxes	15,735,500	15,178,261	(557,239)	-4%
Charges for services	5,807,498	5,668,389	(139,109)	-2%
Fines and fees	4,400,000	4,885,759	485,759	11%
Licenses and permits	2,644,420	3,005,807	361,387	14%
Intergovernmental	95,000	100,738	5,738	6%
Investment income	30,000	38,165	8,165	27%
Miscellaneous	1,472,000	1,762,191	290,191	20%
Total Revenues	\$ 46,307,374	\$ 46,838,945	\$ 531,571	1%
Expenditures				
Current				
General government	\$ 4,326,548	\$ 4,302,988	\$ 23,560	1%
Public safety	33,135,084	33,620,406	(485,322)	-1%
Highways and streets	5,164,403	5,110,807	53,596	1%
Sanitation	4,065,075	4,086,307	(21,232)	-1%
Economic development	157,071	65,641	91,430	58%
Culture and recreation	1,658,103	1,831,091	(172,988)	-10%
Debt Service	22,500	2,375	20,125	89%
Total expenditures	\$ 48,528,784	\$ 49,019,615	\$ (490,831)	-1%

Significant changes from budget

Revenues

Other taxes were 4% less than budgeted. The largest negative variances were in municipal utility tax which was almost \$382,000 less than budgeted and state sales tax which was almost \$120,000 less than budgeted.

Charges for services were less than budget primarily due to paramedic service collections being \$173,000 lower than expected.

Fines and fees were over budget primarily due to revenues from red light photo enforcement of \$639,000 more than budgeted resulting mainly from the addition of a new red light camera.

Licenses and permits were over budget mainly due to local improvement permits being almost \$129,000 over budget, service charge and escrow default revenue being \$84,000 over budget, building permits being \$74,000 over budget and vehicle stickers being \$80,000 over budget.

Finally, miscellaneous revenues were over budget due, in part, to grant revenues that exceeded budget by \$175,000.

Expenditures

Overall, General Fund expenditures were \$491,000, or 1%, over budget. The most significant variance was in public safety where police department salaries and benefits exceeded budget. This variance was

the result of two factors. First, overtime costs in the police department exceeded budget by about \$342,000 as a result of staffing shortages, the effect of the February snowstorm and additional resources needed for a highly successful drug enforcement operation. Second, the police contract in effect provided for the payment of post retirement health benefits amounting to ½ of the single HMO premium for officers who retired during the term of the contract. This provision had not been budgeted for in 2011 and has been negotiated out of the contract going into effect in 2012.

Another significant budget variance was in culture and recreation which was over budget by \$173,000 due mainly to the accounting treatment of the land swap of swimming pools for other property with the park district which had no cash impact on the City.

Capital Asset and Debt Administration

Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2011 with comparative figures for 2010.

City of Berwyn Capital Assets (net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 10,002,147	\$ 9,922,102	\$ 24,600	\$ 24,600	\$ 10,026,747	\$ 9,946,702
CIP	2,423,846	3,090,376	-	-	2,423,846	3,090,376
Buildings	10,941,689	11,086,480	9,929,380	10,146,098	20,871,069	21,232,578
Equipment	812,479	913,808	116,742	130,476	929,221	1,044,284
Land improvements	5,371,429	3,011,468	26,847	37,586	5,398,276	3,049,054
Vehicles	2,602,836	2,453,737	75,095	39,859	2,677,931	2,493,596
Infrastructure	24,406,772	26,620,725	28,950,354	32,453,005	53,357,126	59,073,730
Total	<u>\$ 56,561,198</u>	<u>\$ 57,098,696</u>	<u>\$ 39,123,018</u>	<u>\$ 42,831,624</u>	<u>\$ 95,684,216</u>	<u>\$ 99,930,320</u>

A number of capital projects were under way at the end of 2011. Costs were incurred during 2011 and are included in construction in progress at year end for the Vacin Fairway improvements (\$127,000), the Roosevelt Road streetscape (\$557,000), the library elevator (\$162,000), the city hall emergency generator (\$171,000) and a fire truck (\$798,000). These projects were financed by various sources such as the TIFs, the 2007 Bond Fund and grants. The Cermak streetscape project was completed during 2011 and accumulated costs of \$2 million were transferred from construction in progress to land improvements.

Some of the other larger additions included the purchase of a public works truck (\$110,000) and the purchase of two ambulances by means of a capital lease (\$126,000). In addition, the City engaged in a non-cash land swap with the North Berwyn Park District in which swimming pools were provided to the park district in exchange for the Berwyn Gardens site,

Infrastructure costs of about \$227,000 were transferred to the water and sewer fund.

These increases in capital assets were offset by depreciation charges of \$3.5 million for governmental activities and \$4.0 million for business type activities.

Additional information on the City's capital assets can be found in Note 3.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	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 94,308,972	\$ 92,338,716	\$ 2,946,423	\$ 873,395	\$ 97,255,395	\$ 93,212,111
Installment notes payable	1,047,332	1,202,493	-	-	1,047,332	1,202,493
Mortgage notes payable	4,000,000	4,000,000	-	-	4,000,000	4,000,000
Unamortized premiums	1,651,371	1,975,112	-	-	1,651,371	1,975,112
Unamortized loss on refunding	(678,761)	(940,705)	-	-	(678,761)	(940,705)
Capital Leases	576,510	550,854	-	-	576,510	550,854
Claims Payable	4,840,917	4,010,353	-	-	4,840,917	4,010,353
Net pension obligation	4,350,136	2,168,232	22,379	13,700	4,372,515	2,181,932
Net OPEB Obligation	1,171,697	785,074	-	-	1,171,697	785,074
IMRF early retirement liability	692,916	791,877	-	-	692,916	791,877
Grant refunds	-	114,431	-	-	-	114,431
Compensated absences	3,436,314	3,228,779	63,798	50,870	3,500,112	3,279,649
Total	<u>\$ 115,397,404</u>	<u>\$ 110,225,216</u>	<u>\$ 3,032,600</u>	<u>\$ 937,965</u>	<u>\$ 118,430,004</u>	<u>\$ 111,163,181</u>

During 2011, the City was able to maintain its uninsured bond rating of A-, but was upgraded from a stable to a positive outlook. All of the City's outstanding debt is insured with an AAA rating.

During 2011, the City continued the restructuring of its outstanding general obligation debt which began in prior years. The City issued \$7,325,000 of General Obligation Bonds, Series 2011. \$5 million of the issue was used to refund the current maturities and interest payable on several bond issues. 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 continue building a solid fund balance. In addition, \$2 million of the bond issue was deposited into the water and sewer fund for an infrastructure project.

Further details of this refunding along with additional information on the City's long-term debt can be found in Note 3.E in the notes to financial statements.

Other significant changes in total long term debt during 2011 include: 1. the issuance of \$230,288 in capital leases for the purchase of two ambulances, 2. an increase in the actuarially determined net pension obligation of about \$2.2 million; 3. an increase of \$387,000 in the actuarially determined net other post employment benefit (OPEB) obligation; 4. the payment in full of the grant refunds for prior year unallowable costs to be returned to the granting agency and 5. a net increase of about \$208,000 in compensated absences.

Economic Factors and Next Year's Budgets and Rates

Economic development within the City's TIF districts continues to be a main focus for the City in 2012. The Berwyn Gateway project at the northeast corner of Harlem and Cermak was completed during the first half of 2012 with the opening of the Vitamin Shoppe, Verizon, Buffalo Wild Wings, Five Guys Burgers and Fries, Chipotle Mexican Grill, and Play N Trade. These businesses, along with a Meijers store expected to open later in 2012 in Cermak Plaza, are expected to generate additional sales tax for the City. A new Harlem and Cermak TIF district which includes Cermak Plaza has been established.

In addition, during 2012 property held for resale in the Ogden TIF was sold to a developer for \$1 million in 2012 and the proceeds were used to pay down a portion of the \$4 million mortgage that existed at December 31, 2011. A car dealership is being to be built on the property.

Finally, approximately \$5 million of property taxes related to principal and interest payments due on the City's general obligation bonds during 2012 have been abated in anticipation of a current bond refunding which is to take place in the fall of 2012. This expected bond issue has been budgeted for in the Debt Service Fund for 2012.

Requests for Information

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

CITY OF BERWYN, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
ASSETS				
Cash and investments	\$ 16,057,824	\$ 2,777,981	\$ 18,835,805	\$ 830,182
Restricted cash	1,157,142	698,324	1,855,466	530,931
Receivables, net of allowance where applicable				
Property tax	25,121,874	-	25,121,874	-
Sales tax	674,625	-	674,625	-
Home rule sales tax	503,703	-	503,703	-
Income tax	1,968,384	-	1,968,384	-
Personal property replacement tax	30,342	-	30,342	-
Utility tax	606,107	-	606,107	-
Accounts Interest	2,423,784	1,697,340	4,121,124	8,289
Prepaid expenses	324,658	-	324,658	10,544
Due (to) from other funds	(2,070,823)	2,070,823	-	-
Due from other governments	564,780	-	564,780	-
Notes receivable	2,962,397	-	2,962,397	2,708,933
Deferred charges	1,720,917	91,627	1,812,544	-
Land held for resale	10,163,123	-	10,163,123	-
Capital assets, not being depreciated	12,425,993	24,600	12,450,593	-
Capital assets, being depreciated (net of accumulated depreciation)	44,135,205	39,098,418	83,233,623	21,940
Total Assets	<u>118,781,598</u>	<u>46,459,637</u>	<u>165,241,235</u>	<u>4,110,819</u>
LIABILITIES				
Accounts payable	2,682,725	666,766	3,349,491	30,303
Accrued payroll	1,347,678	65,532	1,413,210	-
Accrued interest payable	429,761	20,779	450,540	-
Due to fiduciary funds	1,061,646	-	1,061,646	-
Unearned revenue	27,317,319	-	27,317,319	-
Other liabilities	441,498	-	441,498	530,931
Noncurrent liabilities				
Due within one year	7,025,305	14,078	7,039,383	791,166
Due in more than one year	108,372,099	3,018,522	111,390,621	1,574,899
Total Liabilities	<u>148,678,031</u>	<u>3,785,677</u>	<u>152,463,708</u>	<u>2,927,299</u>
NET ASSETS				
Invested in capital assets, net of related debt	(25,148,350)	38,876,966	13,728,616	21,940
Restricted for				
Public safety	571,255	-	571,255	-
Public works	1,132,493	698,324	1,830,817	-
Economic development	12,340,203	-	12,340,203	-
Debt service	646,714	-	646,714	-
Unrestricted (deficit)	<u>(19,438,748)</u>	<u>3,098,670</u>	<u>(16,340,078)</u>	<u>1,161,580</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ (29,896,433)</u>	<u>\$ 42,673,960</u>	<u>\$ 12,777,527</u>	<u>\$ 1,183,520</u>

CITY OF BERWYN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2011

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Assets							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
PRIMARY GOVERNMENT								
Governmental Activities								
General government	\$ 4,474,679	\$ 2,691,846	\$ -	\$ -	\$ (1,782,833)	\$ -	\$ (1,782,833)	\$ -
Public safety	36,778,991	5,028,338	1,183,614	574,988	(29,992,051)	-	(29,992,051)	-
Public works	8,622,452	1,902,463	1,610,518	395,277	(4,714,194)	-	(4,714,194)	-
Economic development	11,210,313	-	1,805,146	532,642	(8,872,525)	-	(8,872,525)	-
Culture and recreation	5,065,032	562,091	85,404	138,555	(4,278,982)	-	(4,278,982)	-
Health and sanitation	4,086,307	4,506,714	-	-	420,407	-	420,407	-
Interest	4,891,883	-	-	-	(4,891,883)	-	(4,891,883)	-
Total Governmental Activities	<u>75,129,657</u>	<u>14,691,452</u>	<u>4,684,682</u>	<u>1,641,462</u>	<u>(54,112,061)</u>	<u>-</u>	<u>(54,112,061)</u>	<u>-</u>
Business-Type Activities								
Water and sewer	11,432,263	6,319,419	-	-	-	(5,112,844)	(5,112,844)	-
Parking Garage	275,896	135,019	-	-	-	(140,877)	(140,877)	-
Total Business-type Activities	<u>11,708,159</u>	<u>6,454,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,253,721)</u>	<u>(5,253,721)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 86,837,816</u>	<u>\$ 21,145,890</u>	<u>\$ 4,684,682</u>	<u>\$ 1,641,462</u>	<u>(54,112,061)</u>	<u>(5,253,721)</u>	<u>(59,365,782)</u>	<u>-</u>
COMPONENT UNIT								
Berwyn Development Corporation	\$ 1,317,373	\$ 1,591,075	\$ -	\$ -	-	-	-	273,702
General Revenues								
Taxes								
Property					28,372,384	-	28,372,384	-
Sales					2,606,543	-	2,606,543	-
Home rule sales					1,923,750	-	1,923,750	-
Income					5,214,365	-	5,214,365	-
Replacement					211,903	-	211,903	-
Municipal utility					4,018,344	-	4,018,344	-
Real estate transfer					915,913	-	915,913	-
Other					623,313	-	623,313	-
Investment income					88,309	10,312	98,621	-
Gain on sale of capital assets					222,500	-	222,500	-
Miscellaneous					75,321	-	75,321	-
Transfers					(227,166)	227,166	-	-
Total General Revenues and Transfers					<u>44,045,479</u>	<u>237,478</u>	<u>44,282,957</u>	<u>-</u>
CHANGE IN NET ASSETS					(10,066,582)	(5,016,243)	(15,082,825)	273,702
NET ASSETS, JANUARY 1					<u>(19,829,851)</u>	<u>47,690,203</u>	<u>27,860,352</u>	<u>909,818</u>
NET ASSETS (DEFICIT), DECEMBER 31					<u>\$ (29,896,433)</u>	<u>\$ 42,673,960</u>	<u>\$ 12,777,527</u>	<u>\$ 1,183,520</u>

CITY OF BERWYN, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 5,408,451	\$ 1,566,314	\$ 8,983,059	\$ 15,957,824
Restricted cash	-	4,446	1,152,696	1,157,142
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	20,148,504	1,949,480	3,023,890	25,121,874
Sales taxes	674,625	-	-	674,625
Home rule sales tax	503,703	-	-	503,703
Income taxes	1,968,384	-	-	1,968,384
Personal property replacement tax	30,342	-	-	30,342
Utility tax	606,107	-	-	606,107
Accounts	2,074,707	8,102	340,975	2,423,784
Interest	3,897	3,071	4,595	11,563
Prepaid items	33,192	-	-	33,192
Due from other funds	1,677,723	843,725	364,078	2,885,526
Due from other governments	-	-	564,780	564,780
Notes receivable	376,529	-	2,585,868	2,962,397
Land held for resale	-	-	10,163,123	10,163,123
Total Assets	<u>\$ 33,506,164</u>	<u>\$ 4,375,138</u>	<u>\$ 27,183,064</u>	<u>\$ 65,064,366</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,120,319	\$ 200	\$ 1,562,206	\$ 2,682,725
Accrued payroll	1,920,536	-	144,061	2,064,597
Deferred revenues	19,922,766	1,872,007	5,522,546	27,317,319
Due to other funds	4,542,857	2,002,047	1,595,921	8,140,825
Due to fiduciary funds	1,061,646	-	-	1,061,646
Other liabilities	441,498	-	-	441,498
Total Liabilities	<u>29,009,622</u>	<u>3,874,254</u>	<u>8,824,734</u>	<u>41,708,610</u>
FUND BALANCES				
Nonspendable				
Notes receivable	376,529	-	-	376,529
Prepaid items	33,192	-	-	33,192
Restricted				
Federal and state seizure awards	-	-	571,255	571,255
Restrictions by state statutes	-	-	1,132,493	1,132,493
Capital projects funded by TIF districts	-	-	12,340,203	12,340,203
Debt Service	-	500,884	-	500,884
Grant expenditures	-	-	3,002,018	3,002,018
Committed				
Capital projects funded by bonds	-	-	1,732,894	1,732,894
Assigned				
Fuel surcharge for gas pump repairs	372	-	-	372
Unassigned (deficit)	4,086,449	-	(420,533)	3,665,916
Total Fund Balances	<u>4,496,542</u>	<u>500,884</u>	<u>18,358,330</u>	<u>23,355,756</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,506,164</u>	<u>\$ 4,375,138</u>	<u>\$ 27,183,064</u>	<u>\$ 65,064,366</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

December 31, 2011

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	23,355,756
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		56,561,198
The net other postemployment benefits obligation is not a current use of funds and, therefore, is not reported in the governmental funds		(1,171,697)
The net pension obligation is not a current use of funds and, therefore, is not reported in the governmental funds		(4,350,136)
The unamortized bond issuance cost is not a current financial resource and, therefore, is not reported in the governmental funds		1,720,917
The unamortized bond premium (discount) is not a current financial resource and, therefore, is not reported in the governmental funds		(1,651,371)
The unamortized loss on refunding is not a current financial use of funds and, therefore, is not reported in the governmental funds		678,761
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds		(429,761)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		(103,345,125)
The unrestricted net assets (deficit) of the internal service funds are included in the governmental activities in the statement of net assets		<u>(1,264,975)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>(29,896,433)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 16,199,635	\$ 4,865,244	\$ 7,307,505	\$ 28,372,384
Other taxes	15,178,261	-	36,685	15,214,946
Licenses and permits	3,005,807	-	-	3,005,807
Charges for services	5,668,389	-	-	5,668,389
Fines and forfeitures	4,885,759	-	46,294	4,932,053
Intergovernmental	100,738	-	5,879,760	5,980,498
Investment income	38,165	5,133	44,986	88,284
Miscellaneous	1,762,191	-	43,185	1,805,376
Total Revenues	<u>46,838,945</u>	<u>4,870,377</u>	<u>13,358,415</u>	<u>65,067,737</u>
EXPENDITURES				
Current				
General government	4,302,988	-	-	4,302,988
Public safety	33,620,406	-	546,559	34,166,965
Public works	5,110,807	-	1,656,001	6,766,808
Economic development	65,641	-	11,135,484	11,201,125
Culture and recreation	1,831,091	-	3,189,464	5,020,555
Health and sanitation	4,086,307	-	-	4,086,307
Capital outlay	-	-	1,380,811	1,380,811
Debt service				
Principal	-	3,365,000	155,161	3,520,161
Interest and fiscal charges	2,375	4,508,014	149,770	4,660,159
Bond issuance costs	-	170,760	-	170,760
Total Expenditures	<u>49,019,615</u>	<u>8,043,774</u>	<u>18,213,250</u>	<u>75,276,639</u>
Excess (deficiency) of revenues over expenditures	<u>(2,180,670)</u>	<u>(3,173,397)</u>	<u>(4,854,835)</u>	<u>(10,208,902)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued, at par	-	5,230,000	-	5,230,000
Discount on issuance of long-term debt	-	(53,184)	-	(53,184)
Proceeds from sale of capital assets	222,500	-	17,219	239,719
Proceeds on capital lease	230,288	-	-	230,288
Transfers in	4,303,759	1,164,815	-	5,468,574
Transfers (out)	-	(3,100,000)	(2,368,574)	(5,468,574)
Total Other Financing Sources (Uses)	<u>4,756,547</u>	<u>3,241,631</u>	<u>(2,351,355)</u>	<u>5,646,823</u>
NET CHANGE IN FUND BALANCES	2,575,877	68,234	(7,206,190)	(4,562,079)
FUND BALANCES, JANUARY 1 (As Restated)	<u>1,920,665</u>	<u>432,650</u>	<u>25,564,520</u>	<u>27,917,835</u>
FUND BALANCES, DECEMBER 31	<u>\$ 4,496,542</u>	<u>\$ 500,884</u>	<u>\$ 18,358,330</u>	<u>\$ 23,355,756</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,562,079)
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	3,296,741
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, etc.) is to decrease net assets	(333,825)
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	(5,460,288)
The accretion on capital appreciation bonds does not require the use of current financial resources and, therefore, is not reported in the governmental funds	(105,256)
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	3,724,793
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	(3,500,414)
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements	(386,623)
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	(2,181,904)
Change in accrued interest payable	12,278
Amortization of issuance costs	(147,358)
Capitalization of issuance costs	170,760
Deferral of bond discount/premium	53,184
Amortization of accounting loss on refunding	(261,944)
Amortization of bond premium and discount	270,557
Change in compensated absences	(92,676)
Change in IMRF liability	98,961
The change in net assets of certain activities of internal service funds is reported with governmental activities	<u>(661,489)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (10,066,582)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2011

	Business-Type			Governmental Activities Internal Service
	Water and Sewer	Parking Garage	Totals	
CURRENT ASSETS				
Cash and investments	\$ 2,777,981	\$ -	\$ 2,777,981	\$ 100,000
Restricted cash	698,324	-	698,324	-
Receivables				
Accounts (net of allowance)	1,697,340	-	1,697,340	-
Interest	524	-	524	-
Prepaid expense	-	-	-	291,466
Due from other funds	<u>2,002,047</u>	<u>150,578</u>	<u>2,152,625</u>	<u>3,184,476</u>
Total Current Assets	<u>7,176,216</u>	<u>150,578</u>	<u>7,326,794</u>	<u>3,575,942</u>
NONCURRENT ASSETS				
Deferred charges	91,627	-	91,627	-
Capital assets				
Capital assets, not being depreciated	24,600	-	24,600	-
Capital assets, net of accumulated depreciation	<u>29,323,282</u>	<u>9,775,136</u>	<u>39,098,418</u>	<u>-</u>
Net Capital Assets	<u>29,439,509</u>	<u>9,775,136</u>	<u>39,214,645</u>	<u>-</u>
Total Assets	<u>36,615,725</u>	<u>9,925,714</u>	<u>46,541,439</u>	<u>3,575,942</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	656,183	10,583	666,766	-
Claims payable	-	-	-	1,516,655
Accrued payroll	65,532	-	65,532	-
Accrued interest payable	20,779	-	20,779	-
Compensated absences	14,078	-	14,078	-
Due to other funds	<u>81,802</u>	<u>-</u>	<u>81,802</u>	<u>-</u>
Total Current Liabilities	<u>838,374</u>	<u>10,583</u>	<u>848,957</u>	<u>1,516,655</u>
LONG-TERM LIABILITIES				
Claims payable	-	-	-	3,324,262
Bonds payable	2,946,423	-	2,946,423	-
Net pension obligation	22,379	-	22,379	-
Compensated absences payable	<u>49,720</u>	<u>-</u>	<u>49,720</u>	<u>-</u>
Total Long-Term Liabilities	<u>3,018,522</u>	<u>-</u>	<u>3,018,522</u>	<u>3,324,262</u>
Total Liabilities	<u>3,856,896</u>	<u>10,583</u>	<u>3,867,479</u>	<u>4,840,917</u>
NET ASSETS				
Invested in capital assets net of related debt	29,101,830	9,775,136	38,876,966	-
Restricted				
Public works	698,324	-	698,324	-
Unrestricted (deficit)	<u>2,958,675</u>	<u>139,995</u>	<u>3,098,670</u>	<u>(1,264,975)</u>
Total Net Assets (Deficit)	<u>\$ 32,758,829</u>	<u>\$ 9,915,131</u>	<u>\$ 42,673,960</u>	<u>\$ (1,264,975)</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, 2011

	Business-Type			Governmental Activities Internal Service
	Water and Sewer	Parking Garage	Totals	
OPERATING REVENUES				
Charges for services				
Billings	\$ 6,006,565	\$ -	\$ 6,006,565	\$ -
Penalties	174,594	-	174,594	-
Plumbing inspections	53,430	-	53,430	-
Meter sales	45,125	-	45,125	-
Water and sewer taps	24,040	-	24,040	-
Internal service charges	-	-	-	2,984,292
Other revenue	15,665	135,019	150,684	44,866
	<u>6,319,419</u>	<u>135,019</u>	<u>6,454,438</u>	<u>3,029,158</u>
Total Operating Revenues				
OPERATING EXPENSES				
Salaries and benefits	1,388,392	-	1,388,392	-
Internal service fund charge	297,621	7,200	304,821	-
Cost of water	3,827,990	-	3,827,990	-
Contractual services	753,720	155	753,875	586,049
Utilities and cost of water	170,913	39,906	210,819	-
Repairs and maintenance	199,434	10,888	210,322	-
Postage, printing and publications	45,819	-	45,819	-
Commodities and supplies	229,095	678	229,773	-
Interdepartmental charges	648,173	-	648,173	-
Other general	21,617	-	21,617	-
Equipment lease	26,935	-	26,935	-
Claims expense	-	-	-	3,104,598
Depreciation	3,766,470	217,069	3,983,539	-
	<u>11,376,179</u>	<u>275,896</u>	<u>11,652,075</u>	<u>3,690,647</u>
Total Operating Expenses				
Operating income (loss)	<u>(5,056,760)</u>	<u>(140,877)</u>	<u>(5,197,637)</u>	<u>(661,489)</u>
NONOPERATING INCOME				
Investment income	10,312	-	10,312	-
Bond issuance cost	(3,143)	-	(3,143)	-
Interest expense	(52,941)	-	(52,941)	-
Total nonoperating income	<u>(45,772)</u>	<u>-</u>	<u>(45,772)</u>	<u>-</u>
Income (loss) before contributions and transfers	(5,102,532)	(140,877)	(5,243,409)	(661,489)
CAPITAL CONTRIBUTIONS				
	<u>227,166</u>	<u>-</u>	<u>227,166</u>	<u>-</u>
CHANGE IN NET ASSETS	(4,875,366)	(140,877)	(5,016,243)	(661,489)
NET ASSETS (DEFICIT), JANUARY 1	<u>37,634,195</u>	<u>10,056,008</u>	<u>47,690,203</u>	<u>(603,486)</u>
NET ASSETS (DEFICIT), DECEMBER 31	<u>\$ 32,758,829</u>	<u>\$ 9,915,131</u>	<u>\$ 42,673,960</u>	<u>\$ (1,264,975)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2011

	Business-Type			Governmental Activities Internal Service
	Water and Sewer	Parking Garage	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,166,827	\$ 135,019	\$ 6,301,846	\$ 3,029,158
Payments to employees	(1,358,006)	-	(1,358,006)	-
Payments to suppliers	(4,956,437)	(45,010)	(5,001,447)	(3,151,549)
Payments for interfund services used	(945,794)	(7,200)	(952,994)	-
Net cash from operating activities	<u>(1,093,410)</u>	<u>82,809</u>	<u>(1,010,601)</u>	<u>(122,391)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Reduction (increase) of interfund receivable	(2,002,047)	(82,809)	(2,084,856)	173,705
Increase in interfund payable	81,802	-	81,802	-
Net cash from noncapital financing activities	<u>(1,920,245)</u>	<u>(82,809)</u>	<u>(2,003,054)</u>	<u>173,705</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	2,095,000	-	2,095,000	-
Interest paid on capital debt	(130,372)	-	(130,372)	-
Purchase of capital assets	(47,767)	-	(47,767)	-
Net cash from capital and related financing activities	<u>1,916,861</u>	<u>-</u>	<u>1,916,861</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	9,788	-	9,788	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,087,006)	-	(1,087,006)	51,314
CASH AND CASH EQUIVALENTS, JANUARY 1	4,563,311	-	4,563,311	48,686
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 3,476,305</u>	<u>\$ -</u>	<u>\$ 3,476,305</u>	<u>\$ 100,000</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (5,056,760)	\$ (140,877)	\$ (5,197,637)	\$ (661,489)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	3,766,470	217,069	3,983,539	-
Changes in assets and liabilities				
Accounts receivable	(152,592)	-	(152,592)	-
Accounts payable	319,086	6,617	325,703	-
Prepaid expense	-	-	-	(291,466)
Accrued payroll and compensated absences	21,707	-	21,707	-
Net pension obligation	8,679	-	8,679	-
Claims payable	-	-	-	830,564
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (1,093,410)</u>	<u>\$ 82,809</u>	<u>\$ (1,010,601)</u>	<u>\$ (122,391)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ 227,166	\$ -	\$ 227,166	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

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

December 31, 2011

ASSETS

Cash and investments	
Cash and cash equivalents	\$ 121,496
Investments	
Certificates of deposit	608,362
U.S. Treasury securities	16,476,532
Corporate bonds	9,225,275
Money market mutual funds	2,221,899
Equities	8,761,459
Equity mutual funds	16,564,981
Insurance contracts	84,241
State and local obligations	<u>2,888,142</u>
Total Cash and Investments	<u>56,952,387</u>
Receivables	
Accrued interest	231,758
Due from governmental funds	<u>1,061,646</u>
Total Receivables	<u>1,293,404</u>
Total Assets	<u>58,245,791</u>

LIABILITIES

Accounts payable	<u>45,093</u>
Total Liabilities	<u>45,093</u>

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

\$ 58,200,698

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

ADDITIONS

Contributions	
Employer	\$ 4,988,278
Participants	<u>1,476,223</u>
Total Contributions	<u>6,464,501</u>

Investment income	
Net appreciation in fair value of investments	(149,229)
Interest earned	1,849,200
Less investment expenses	<u>(156,714)</u>
Total Investment Income	<u>1,543,257</u>
Total Additions	<u>8,007,758</u>

DEDUCTIONS

Administrative	190,433
Pension benefits and refunds	<u>6,818,151</u>
Total Deductions	<u>7,008,584</u>

NET INCREASE 999,174

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS - January 1 57,201,524

**NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS - December 31** \$ 58,200,698

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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.

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011, a portion of the City's share of the State Income Tax was received past 90 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 90 days, or \$704,002, as revenue, in order to properly present 12 months of revenue on the financial statements.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of December 31, 2011.

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011, the City reported \$716,919 within its General Fund and \$14,078 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 within 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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances/Net Assets: In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to comply with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation. In the TIF funds, land for resale will be classified as restricted instead of nonspendable as proceeds from the sale of those assets will be restricted for future economic development.
- c) Committed fund balance has self imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the City, the Council is the highest level of decision making. As of December 31, 2011, the City has committed fund balance for capital projects funded with 2007 bond proceeds.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the official designated by the City Council for that purpose. The Finance Director has been designated by the City Council for this purpose. The City Administrator has been entrusted with reviewing and approving the assignment made by the Finance Director. As of December 31, 2011, the City has assigned fund balance for the purpose of replacing gas pumps under control of the City's Public Works Department.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Negative fund balances in governmental funds other than the general fund are also unassigned.

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

If there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the City will consider committed fund balance to be spent first, then assigned fund balance and finally unassigned fund balance.

Per GASB Statement No. 54, any special revenue funds that are not financed with specific revenue sources will no longer be reported separately and activity will be reported in the general fund as an individual department. The Senior Citizens Program Fund is now reported as a department of the General Fund. The program did not have revenue streams to fully support program activities and has relied upon a subsidy from the General Fund to operate. As a result, the beginning fund balance of the General Fund was restated by \$60,251 to \$1,920,665 from \$1,980,916, as previously reported.

The City's policy requires fund balance in the General and Library funds to be 16% of the next year's budget to fund January and February's expenditures of the following year as property tax revenues funding the following year are not received until March. The Motor Fuel Tax fund shall be maintained at a minimum of 15% of the following year's expected capital projects. The Water and Sewer Utility fund shall

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

be maintained at a minimum of 10% of the subsequent year's budget in preparation for unforeseen expenditures. The City will strive to ensure that all remaining funds have a positive fund balance.

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 2008-2011 bond issues are required by bond covenants to be directly deposited in an escrow account. The balance of that escrow account at December 31, 2011 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:

6/1/2012	\$	4,446
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In addition, unspent bond proceeds in the amount of \$698,324 to be used for a capital project in the Water and Sewer Fund are classified as restricted cash on the Statement of Net Assets. Unspent bond proceeds in the amount of \$1,152,696 to be used for a capital project in the Roosevelt Road TIF Fund are classified as restricted cash on the Statement of Net Assets as well.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances: The City's Internal Service Fund had deficit net assets as of December 31, 2011 of \$1,264,975. 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.

The Library Fund also had a deficit fund balance at December 31, 2011 of \$54,682. 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, 2011 of \$365,851. This was primarily due to a decline in federal funding which will continue in the near future. The City will attempt to compensate for the decline in funding through General Fund subsidies.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 17,231,919	\$ 18,865,519	Custodial credit deposits
Illinois Funds	3,124,312	3,124,312	Credit and interest rate
Certificates of deposit	1,064,898	1,064,898	Custodial credit deposits
U.S. treasuries	9,311,012	9,311,012	Custodial credit investments and interest rate risks
U.S. agencies	7,165,520	7,165,520	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance Company Contracts	84,241	84,241	Credit and interest rate
Corporate bonds	9,225,275	9,225,275	Credit and interest rate
Equities	8,761,459	8,761,459	Credit and interest rate
Equity mutual funds	16,564,981	16,564,981	Credit and interest rate
State and local obligations	2,888,142	2,888,142	Credit and interest rate
Money market mutual funds	<u>2,221,899</u>	<u>2,221,899</u>	Credit and interest rate
	<u>\$ 77,643,658</u>	<u>\$ 79,277,258</u>	
Reconciliation to financial statements			
Per Statement of Net Assets			
Cash and investments	\$ 18,835,805		
Restricted cash	1,855,466		
Per Statement of Net Assets -			
Fiduciary funds			
Pension Trust Funds	<u>56,952,387</u>		
Total cash and investments	<u>\$ 77,643,658</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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011, all of the City's bank balances were insured and collateralized.

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, 2011, 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>3,124,312</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, 2011, 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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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: In the case of deposits, this is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. At December 31, 2011, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions.

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 "a 2% cash position will be held outside of investible funds subject to cash flow needs." As of December 31, 2011, the Police Pension Fund held \$1,411,035 in cash accounts listed as Cash and Cash Equivalents and Money Market Funds, which is approximately 3.73% of Pension Fund Cash and Investments.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2011, the Police Pension Fund's investments matured as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. Treasuries	\$ 4,959,026	\$ -	\$ 853,551	\$ 1,433,883	\$ 2,671,592
U.S. agencies	4,085,360	1,475,558	1,452,598	484,458	672,746
Equities	4,168,707	4,168,707	-	-	-
Corporate bonds	8,554,956	-	2,648,469	5,450,539	455,948
State, local and corporate	1,899,787	-	-	800,909	1,098,878
Money market mutual funds	<u>1,365,722</u>	<u>1,365,722</u>	-	-	-
Total	<u>\$25,033,558</u>	<u>\$ 7,009,987</u>	<u>\$ 4,954,618</u>	<u>\$ 8,169,789</u>	<u>\$ 4,899,164</u>

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 \$300,000 and total \$630,861.

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, 2011, 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>
Washington Mutual Investors Fund	\$ 4,205,612	16.76%
Allianz Small Cap Value Fund	2,657,164	10.59%
Vanguard Developed Market Index Fund	2,210,483	8.81%
Harbor Int'l Institutional Shares Fund	1,952,331	7.78%
Lazard Emerging Markets Equity Fund	1,733,633	6.91%

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 30% to 68% of its portfolio be in fixed income securities, a 30% to 50% target in equities with the remaining 2% to 20% to be in cash and equivalents. The Police Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

Washington Mutual Investors Fund	\$ 4,205,612
Allianz Small Cap Value Fund	2,657,164
Vanguard Developed Market Index Fund	2,210,483
Harbor Int'l Institutional Shares Fund	1,952,331
Lazard Emerging Markets Equity Fund	1,733,633
Hartford/Putnam Capital Manager Insurance Contract	7,584

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.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fire 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 Fire 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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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. The investment policy defines this as "a 2% cash position will be held outside of investible funds subject to cash flow needs." As of December 31, 2011, the Fire Pension Fund held \$932,260 in cash accounts listed as Cash and Cash Equivalents and Money Market Funds, which is approximately 4.88% of Pension Fund Cash and Investments.

As of December 31, 2011, the Firefighters' Pension Fund's investments matured as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than 1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. treasuries	\$ 4,351,986	\$ -	\$ 521,296	\$ 2,945,115	\$ 885,575
U.S. agencies	3,080,160	-	2,808,754	45,001	226,405
Equities	4,592,752	4,592,752	-	-	-
Corporate bonds	670,319	-	357,059	313,260	-
Certificates of deposit	608,362	98,834	509,528	-	-
State and local obligations	988,355	-	-	56,901	931,454
Money market mutual funds	<u>856,177</u>	<u>856,177</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,148,111</u>	<u>\$ 5,547,763</u>	<u>\$ 4,196,637</u>	<u>\$ 3,360,277</u>	<u>\$ 2,043,434</u>

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 \$40,000.

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 Fire 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, 2011, the Fire Pension Fund had greater than five percent of its overall portfolio invested in the following:

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Investment</u>	<u>Amount Invested</u>	<u>Percentage of Total Portfolio</u>
Harding Loevner Emerging Market Portfolio Fund	\$ 2,137,821	11.19%
Harbor Int'l Institutional Shares Fund	1,075,458	5.63%

The Fire Pension Fund's investment policy requires diversification of investments to avoid unreasonable risk. The Fire Pension Fund's investment policy has a stated target that 30% to 68% of its portfolio be in fixed income securities, a 30% to 50% target in equities with the remaining 2% to 20% to be in cash and equivalents. The Fire Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

Harding Loevner Emerging Market Portfolio Fund	\$ 2,137,821
Harbor Int'l Institutional Shares Fund	1,075,458
Invesco Mid Cap Core Equity Fund	592,479
Prudential Discovery Insurance Contract	76,657

B. Receivables

Property Taxes: Property taxes for 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and October 1, 2012 and are payable in two installments, on or about April 1, 2012 and November 1, 2012. 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	0%	\$ 2,142,320	\$ 474,415	\$ 30,867	\$ -	\$ 2,585,868

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

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011 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>
\$ 35,000	\$ 12,887	\$ -	\$ 6,512	\$ 6,375	\$ 5,000
390,000	309,625	34,511	9,568	334,568	7,119
35,000	34,020	-	1,030	32,990	1,146
45,000	12,988	-	10,392	2,596	2,596
<u>\$ 505,000</u>	<u>\$ 369,520</u>	<u>\$ 34,511</u>	<u>\$ 27,502</u>	<u>\$ 376,529</u>	<u>\$ 15,861</u>

- \$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 became delinquent and in June 2011, 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, 2011 and one final payment of all outstanding liabilities on January 14, 2015. Interest accrues on unpaid balances at a rate of 5% per annum.
- \$45,000 note receivable in 60 consecutive principal and interest payments of \$829 commencing August 18, 2007 and one final payment of all outstanding liabilities on July 18, 2012. Interest accrues on unpaid balances at a rate of 4% per annum.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 3,585,937	\$ -
Utility billings	-	1,960,536
Allowance for uncollectible	(3,272,650)	(287,009)
Garbage	914,105	-
Franchise fees	82,674	-
Other	1,113,718	23,813
	<hr/>	<hr/>
Total	\$ 2,423,784	\$ 1,697,340
	<hr/> <hr/>	<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	\$ 24,656,683	\$ 24,656,683
CDBG loan program	2,585,868	2,585,868
Grants	27,674	27,674
TIF repayment agreement	17,692	17,692
BDC loan late fees	29,402	29,402
	<hr/>	<hr/>
Total	\$ 27,317,319	\$ 27,317,319
	<hr/> <hr/>	<hr/> <hr/>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2011 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	\$ 9,922,102	\$ 213,045	\$ 133,000	\$ 10,002,147
CIP	<u>3,090,376</u>	<u>2,107,971</u>	<u>2,774,501</u>	<u>2,423,846</u>
Total capital assets not being depreciated	<u>13,012,478</u>	<u>2,321,016</u>	<u>2,907,501</u>	<u>12,425,993</u>
Capital assets being depreciated				
Vehicles	6,243,752	588,903	402,473	6,430,182
Equipment	2,117,624	84,445	-	2,202,069
Land improvements	5,899,130	2,774,501	1,091,878	7,581,753
Buildings	14,678,913	219,425	141,116	14,757,222
Infrastructure	<u>54,059,825</u>	<u>82,952</u>	<u>5,400</u>	<u>54,137,377</u>
Total capital assets being depreciated	<u>82,999,244</u>	<u>3,750,226</u>	<u>1,640,867</u>	<u>85,108,603</u>
Less accumulated depreciation for				
Vehicles	3,790,015	438,539	401,208	3,827,346
Equipment	1,203,816	185,774	-	1,389,590
Land improvements	2,887,662	238,585	915,923	2,210,324
Buildings	3,592,433	340,611	117,511	3,815,533
Infrastructure	<u>27,439,100</u>	<u>2,296,905</u>	<u>5,400</u>	<u>29,730,605</u>
Total accumulated depreciation	<u>38,913,026</u>	<u>3,500,414</u>	<u>1,440,042</u>	<u>40,973,398</u>
Total capital assets being depreciated, net	<u>44,086,218</u>	<u>249,812</u>	<u>200,825</u>	<u>44,135,205</u>
Total government activities	<u>\$ 57,098,696</u>	<u>\$ 2,570,828</u>	<u>\$ 3,108,326</u>	<u>\$ 56,561,198</u>

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

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 50,748
Public safety	654,026
Public works	2,573,587
Culture and recreation	<u>222,053</u>
Total Government Activities	<u>\$ 3,500,414</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 24,600	\$ -	\$ -	\$ 24,600
Total capital assets not being depreciated	24,600	-	-	24,600
Capital assets being depreciated				
Vehicles	147,333	47,767	-	195,100
Land improvements	251,291	-	-	251,291
Buildings	10,799,883	-	-	10,799,883
Equipment	137,343	-	-	137,343
Infrastructure	111,413,362	227,166	-	111,640,528
Total capital assets being depreciated	-	274,933	-	-
	122,749,212	274,933	-	123,024,145
Less accumulated depreciation for				
Vehicles	107,474	12,531	-	120,005
Land improvements	213,705	10,739	-	224,444
Buildings	653,785	216,718	-	870,503
Equipment	6,867	13,734	-	20,601
Infrastructure	78,960,357	3,729,817	-	82,690,174
Total accumulated depreciation	79,942,188	3,983,539	-	83,925,727
Total capital assets being depreciated, net	42,807,024	(3,708,606)	-	39,098,418
Total business-type activities	\$ 42,831,624	\$ (3,708,606)	\$ -	\$ 39,123,018

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	\$ 3,766,470
Parking Garage	217,069
Total Business-type Activities	\$ 3,983,539

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

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	\$ 686,706	Exp. reimbursement
General Fund	Police seizure	22,589	Exp. reimbursement
General Fund	NSP	55,053	Exp. reimbursement
General Fund	South Berwyn TIF	94,228	Exp. reimbursement
General Fund	Water & Sewer Fund	81,802	Exp. reimbursement
General Fund	2007 Bond	582,015	Exp. reimbursement
General Fund	Library	144,247	Exp. reimbursement
General Fund	MFT	11,083	Exp. reimbursement
Debt Service	General Fund	843,725	Tax collections
<u>NonMajor Governmental Funds</u>			
Grants Fund	General Fund	154,820	Revenue collections
Roosevelt TIF	General Fund	99,752	Revenue collections
Ogden Ave. TIF	General Fund	8,631	Revenue collections
Cermak TIF	General Fund	82,148	Revenue collections
Infrastructure Bond	General Fund	<u>18,727</u>	Cash held
Total Governmental Funds		2,885,526	
Parking Garage	General Fund	150,578	Permit revenues
Internal Service Fund	General Fund	3,184,476	Authorized transfer
Water & Sewer Fund	Debt Service	<u>2,002,047</u>	Bond proceeds held
Total		<u>\$ 8,222,627</u>	

All interfund balances are expected to be repaid during 2012.

Due To/From Fiduciary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Police Pension	General Fund	530,052	Tax collections
Fire Pension	General Fund	<u>531,594</u>	Tax collections
Total		<u>\$ 1,061,646</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 2012.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 200,000	Reimbursement of salaries
General Fund	2007 Bond	689,328	Reimbursement for capital items
General Fund	Police seizure	114,431	Revenues offset against liabilities
General Fund	MFT	200,000	Reimbursement of salaries
General Fund	Debt service	<u>3,100,000</u>	Excess revenues from bond refunding
Total General Fund		<u>4,303,759</u>	
Debt Service Fund	Roosevelt Road TIF	289,708	Debt service
Debt Service Fund	Ogden Avenue TIF	473,283	Debt service
Debt Service Fund	South Berwyn TIF	<u>401,824</u>	Debt service
Total Debt Service Fund		<u>1,164,815</u>	
 Total		 <u>\$ 5,468,574</u>	

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2011 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	\$ 92,338,716	\$ 5,335,256	\$ 3,365,000	\$ 94,308,972	\$ 3,430,000
Installment notes payable	1,202,493	-	155,161	1,047,332	155,161
Mortgage notes payable	4,000,000	-	-	4,000,000	1,000,000
Unamortized premiums (discounts)	1,975,112	(53,184)	270,557	1,651,371	-
Unamortized Loss on refunding	(940,705)	-	(261,944)	(678,761)	-
	<u>98,575,616</u>	<u>5,282,072</u>	<u>3,528,774</u>	<u>100,328,914</u>	<u>4,585,161</u>
Total bonds and notes payable					
Other liabilities					
Capital leases	550,854	230,288	204,632	576,510	206,570
Claims payable	4,010,353	3,104,598	2,274,034	4,840,917	1,516,655
Net pension obligation	2,168,232	2,181,904	-	4,350,136	-
Net OPEB obligation	785,074	386,623	-	1,171,697	-
IMRF early retirement liability	791,877	-	98,961	692,916	-
Grant refunds	114,431	-	114,431	-	-
Compensated absences	3,228,779	947,941	740,406	3,436,314	716,919
	<u>11,649,600</u>	<u>6,851,354</u>	<u>3,432,464</u>	<u>15,068,490</u>	<u>2,440,144</u>
Total other liabilities					
Total governmental long-term obligations	<u>\$ 110,225,216</u>	<u>\$ 12,133,426</u>	<u>\$ 6,961,238</u>	<u>\$ 115,397,404</u>	<u>\$ 7,025,305</u>
<u>Business-Type Activities</u>					
General obligation debt	\$ 873,395	\$ 2,073,695	\$ 667	\$ 2,946,423	\$ -
Net pension obligation	13,700	8,679	-	22,379	-
Compensated absences	50,870	21,789	8,861	63,798	14,078
	<u>937,965</u>	<u>2,104,163</u>	<u>9,528</u>	<u>3,032,600</u>	<u>14,078</u>
Total business-type long term obligations	<u>\$ 937,965</u>	<u>\$ 2,104,163</u>	<u>\$ 9,528</u>	<u>\$ 3,032,600</u>	<u>\$ 14,078</u>

General Obligation Bonds: The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds. All general obligation debt is backed by the full faith and credit of the City. 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, 2011

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 12/31/2011</u>
<u>Governmental Activities</u>					
General obligation debt					
Corporate purpose	06/15/01	3.20-4.60%	12/01/11	\$ 3,890,000	\$ -
	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	9,000,000
	10/27/11	4.50%	12/01/31	5,230,000	5,230,000
Capital appreciation bonds	04/03/02	3.00-5.25%	12/01/16	1,335,140	1,773,972
Refunding bonds	03/04/04	2.00-5.00%	12/01/14	19,710,000	7,470,000
Taxable bonds	04/03/02	3.20-5.10%	12/01/20	940,000	560,000
	08/15/07	5.62-5.71%	12/01/22	21,395,000	21,395,000
Total governmental activities general obligation debt					<u>\$ 94,308,972</u>
<u>Business-type Activities</u>					
General obligation debt					
Corporate purpose	10/28/10	2.00-5.00%	12/01/29	850,000	\$ 850,000
	10/27/2011	4.50%	12/1/2031	2,095,000	2,095,000
Total business-type activities general obligation debt					<u>\$ 2,945,000</u>

The City reviews federal arbitrage requirements annually and has determined that no liability for rebatable arbitrage exists at December 31, 2011.

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, 2011 was \$1,047,332. Principal payments made in 2011 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, 2012. 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 with the exception of a \$1,000,000 payment made subsequent to year-end. 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, 2011

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>
2012	\$ 3,020,000	\$ 4,608,043	\$ -	\$ 127,364
2013	3,195,000	4,439,466	-	119,588
2014	3,360,000	4,282,882	-	119,588
2015	3,560,000	4,108,777	-	119,588
2016	3,715,000	3,960,292	100,000	119,588
2017-2021	21,620,000	16,893,404	850,000	533,562
2022-2026	27,850,000	10,634,940	1,075,000	335,374
2027-2031	26,215,000	3,643,638	920,000	102,000
Totals	<u>\$ 92,535,000</u>	<u>\$ 52,571,442</u>	<u>\$ 2,945,000</u>	<u>\$ 1,576,652</u>

The annual requirements to amortize to maturity capital appreciation bonds outstanding as of December 31, 2011 are as follows:

	Interest	
	<u>Principal</u>	<u>Accretion</u>
2012	\$ 410,000	\$ 90,889
2013	410,000	75,421
2014	415,000	58,577
2015	410,000	40,203
2016	415,000	20,938
Totals	<u>\$ 2,060,000</u>	<u>\$ 286,028</u>

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

	Governmental Activities Installment Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,155,161	\$ 144,349
2013	834,987	211,546
2014	876,917	160,307
2015	921,433	106,480
2016	968,695	49,908
2017-2020	290,139	16,385
Totals	<u>\$ 5,047,332</u>	<u>\$ 688,975</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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 \$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, 2011 was \$29,442. Principal payments made in 2011 totaled \$30,664. 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, 2011 was \$60,944. Principal payments made in 2011 totaled \$39,211. 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, 2011 was \$40,525. Principal payments made in 2011 totaled \$31,060. 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, 2011 was \$261,448. Principal payments made in 2011 totaled \$57,560. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$230,288 lease financing agreement in February 2011 for the purchase of two ambulances which are included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.38%. The total amount outstanding under the agreement at December 31, 2011 was \$184,151. Principal payments made in 2011 totaled \$46,137. 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	\$1,175,139	\$347,146	\$827,994

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

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, 2011, are as follows:

	Governmental Activities General Obligation Debt	
	Governmental Activities Capital Leases Payable	
	Principal	Interest Accretion
2012	\$ 206,570	\$ 22,728
2013	138,029	15,042
2014	113,708	9,922
2015	118,203	4,866
Totals	\$ 576,510	\$ 52,558

Net Pension Obligation and Net OPEB Obligation:

The net pension obligation and net OPEB obligation are based on actuarial valuations as detailed in Note 3J and Note 3I, respectively. The net pension obligation has typically been liquidated by property taxes levied in the general fund. The net OPEB obligation has typically been liquidated with general fund revenues.

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 27, 2011, the City issued \$7,325,000 in tax-exempt bonds with an average interest rate of 4.41% a portion of which was used to currently refund a portion of the bonds listed below:

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Series</u>	<u>Principal Refunded</u>	<u>Interest Refunded</u>	<u>Total</u>
2001	\$ 110,000	\$ 2,530	\$ 112,530
2002A	260,502	149,498	410,000
2002B	50,000	14,850	64,850
2004	2,645,000	239,650	2,884,650
2007A	-	704,125	704,125
2008	-	180,136	180,136
2009	-	262,094	262,094
2010	<u>150,000</u>	<u>231,615</u>	<u>381,615</u>
Total	<u>\$ 3,215,502</u>	<u>\$ 1,784,498</u>	<u>\$ 5,000,000</u>

The cash flow requirements on the refunded bonds prior to the refunding was \$5,000,000 in 2011. The cash flow requirements on the portion of the 2011 tax exempt bonds used to refund the bonds are \$9,959,228 from 2012 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 2011 bond issue were used to finance capital projects.

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, 2011, \$2,966,257 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 2011 was \$261,944 which is reported in the governmental activities.

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

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, 2011, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2011 was \$973,084.

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, 2011 was \$4,840,917 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>
2010	\$ 4,086,815	\$ 2,367,749	\$ (2,444,211)	\$ 4,010,353
2011	4,010,353	3,104,598	(2,274,034)	4,840,917

(Continued)

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 statements 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 2011, 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, 2011 is \$2,366,065. Of this balance, \$1,047,332 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 a portion of property that it had previously acquired in the Ogden Avenue TIF to a developer for \$1,000,000 in order to bring a used car dealership to the City. Additionally, all of the sale proceeds were used to pay down the principal associated with the mortgage note used to purchase all of the property where the portion referenced previously was located.

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 from January 1, 2009, through December 31, 2011, 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.

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Eligibility for these benefits as of December 31, 2011 was as follows:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	34
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	199
Nonvested	<u>134</u>
Total	<u><u>367</u></u>

Actuarial Assumptions and Methods:

Actuarial valuation date	December 31, 2011
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%

Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation (asset) for the year ended December 31, 2011 was as follows:

Annual required contributions	\$ 735,569
Interest on net OPEB obligation	39,254
Adjustment to annual required contribution	<u>(26,169)</u>
Annual OPEB cost	748,654
Contributions made	<u>362,031</u>
Increase in net OPEB obligation	386,623
Net OPEB obligation beginning of year	<u>785,074</u>
Net OPEB obligation end of year	<u><u>\$ 1,171,697</u></u>

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Trend Information

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

		<u>2009</u>		<u>2010</u>		<u>2011</u>
Annual OPEB cost	\$	117,688	\$	118,122	\$	748,654
Actual contribution		91,677		91,677		362,031
Percentage of annual OPEB cost contributed		77.90%		77.60%		48.40%
Net OPEB obligation		758,629		785,074		1,171,697

Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2011 (the date of the most recent actuarial valuation) was as follows:

Actuarial accrued liability	\$	4,267,414
Actuarial value of assets		-
Unfunded actuarial accrued liability (UAL)		4,267,414
Funded ratio		0.00%
Covered payroll		25,236,000
UAAL as a percentage of covered payroll		16.9%

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.

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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, 2011 was 12.13% of covered payroll. The employer annual required contribution rate for calendar year 2011 was 13.20%.

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, 2011 was 13.24% of covered payroll. The employer annual required contribution rate for calendar year 2011 was 13.24%.

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	66
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	
Vested	64
Nonvested	<u>44</u>
Total	<u><u>174</u></u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases every year thereafter.

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 hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3.00% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 January 1, 2011, by the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. For the year ended December 31, 2010, the City's contribution was 28.17% of covered payroll.

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, 2010, 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	43
Nonvested	<u>23</u>
Total	<u><u>132</u></u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly 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 hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.50% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum cap increases each year thereafter.

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 hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, 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. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

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 January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2010 the City's contribution was 47.33% 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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2009	December 31, 2009	December 31, 2010	December 31, 2010
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	30 Years, Closed	30 Years, Closed
Significant actuarial assumptions				
(a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded	7.00% Compounded	7.00% Compounded
(b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.50%* Compounded Annually	5.50%* 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, 2011

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, 2011 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>IMRF</u>	<u>IMRF SLEP</u>
Annual required contributions	\$ 3,523,001	\$ 2,684,363	\$ 1,061,316	\$ 16,594
Interest on net pension obligation	69,217	73,443	10,514	281
Adjustment to annual required contribution	<u>(51,687)</u>	<u>791,415</u>	<u>(7,516)</u>	<u>(201)</u>
Annual pension cost	3,540,531	3,549,221	1,064,314	16,674
Contributions made	<u>2,443,805</u>	<u>2,544,473</u>	<u>975,285</u>	<u>16,594</u>
Increase (decrease) in net pension obligation	1,096,726	1,004,748	89,029	80
Net pension obligation beginning of year	<u>988,816</u>	<u>1,049,179</u>	<u>140,190</u>	<u>3,747</u>
Net pension obligation end of year	<u>\$ 2,085,542</u>	<u>\$ 2,053,927</u>	<u>\$ 229,219</u>	<u>\$ 3,827</u>

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

	<u>Fiscal Year</u>	<u>Illinois Municipal Retirement Fund</u>	<u>Sheriff's Law Enforcement Personnel</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual pension cost (APC)	2009	\$ 731,777	\$ 7,059	\$ 2,200,202	\$ 2,424,122
	2010	961,513	15,929	2,673,668	2,856,034
	2011	1,064,314	16,674	3,540,531	3,549,221
Actual contribution	2009	\$ 731,777	\$ 7,059	\$ 1,956,851	\$ 2,024,816
	2010	821,323	12,182	2,447,616	2,532,240
	2011	975,285	16,594	2,443,805	2,544,473
Percentage of APC contributed	2009	100.00%	100.00%	88.94%	83.53%
	2010	85.42%	76.48%	91.55%	88.70%
	2011	91.64%	99.52%	69.02%	71.69%
NPO (Asset)	2009	\$ -	\$ -	\$ 762,764	\$ 725,385
	2010	140,190	3,747	988,816	1,049,179
	2011	229,219	3,827	2,085,542	2,053,927

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	72.18%	271.86%	45.20%	32.6%
Actuarial Accrued Liability	\$20,099,071	\$48,775	\$83,327,365	\$59,934,286
Actuarial Value of Assets	\$14,507,128	\$132,600	\$37,667,859	\$19,533,664
Unfunded Actuarial Accrued Liability	\$5,591,943	(\$83,825)	\$45,659,506	\$40,400,622
Covered Payroll	\$8,040,270	\$125,330	\$8,688,623	\$4,694,684
Ratio of the UAAL to Covered Payroll	70%	None	526%	861%

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 1.97% of the City's payroll to the IMRF system. This liability accrues interest at varying annual rates, 7.5% for 2011. The outstanding balance of \$692,916 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 2011 were as follows:

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

(Continued)

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, 2011 amounted to \$16,539. During the year, the BDC retired \$8,960 of property and recorded a net loss of \$2,432 thereon. The BDC expended \$5,538 for asset purchases in 2011.

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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	\$ 1,361,113	\$ 1,361,113	Custodial credit risk
Total	<u>\$ 1,361,113</u>	<u>\$ 1,361,113</u>	

The BDC does not have an investment policy.

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

As of December 31, 2011, \$1,111,113 of the BDC's demand deposits were uninsured and uncollateralized.

Notes Receivable: There are currently nine 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, 2011 of \$1,047,332. Notes receivable have a gross value of \$2,708,933 at December 31, 2011. 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	\$ 784	Monthly	\$ 109,699
Prime + 1%	9/30/2018	38,790 + Int.	Quarterly	1,047,334
Prime - 0.5%	8/11/2017	2,730	Monthly	174,577
Prime - 0.5%	10/26/2015	3,035	Monthly	130,546
Prime	4/24/2019	3,236	Monthly	237,920
Prime + 1%	10/26/2016	1,517	Monthly	105,166
Prime + 2%	7/16/2015	2,985	Monthly	381,965
Prime + 2%	2/11/2016	2,365	Monthly	298,911
Prime + 2%	3/11/2016	1,744	Monthly	<u>222,815</u>
Total				<u>\$ 2,708,933</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt - Notes Payable: During 2011, 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, 2011 is \$2,366,065. 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>
2012	\$ 791,166
2013	393,725
2014	<u>1,181,174</u>
Totals	<u>\$ 2,366,065</u>

Lease Commitments: The BDC rents office space under a lease, which expires September, 2013. Total rent paid during 2011 was \$12,000. Terms of the lease are effective September 1, 2008. In addition, the BDC leases a copier and telephone equipment under a non-cancelable operating lease with expiration dates in 2013 and 2011, respectively. Total lease expense in 2011 was \$20,133. Future minimum annual rental and lease payments are:

2012	\$ 31,200
2013	<u>27,200</u>
Totals	<u>\$ 58,400</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 \$10,540 in 2011.

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 16,122,956	\$ 16,122,956	\$ 16,199,635	\$ 76,679
Other taxes	15,735,500	15,735,500	15,178,261	(557,239)
Licenses and permits	2,644,420	2,644,420	3,005,807	361,387
Charges for services	5,807,498	5,807,498	5,668,389	(139,109)
Fines and forfeitures	4,400,000	4,400,000	4,885,759	485,759
Intergovernmental	95,000	95,000	100,738	5,738
Investment income	30,000	30,000	38,165	8,165
Miscellaneous	1,322,000	1,472,000	1,762,191	290,191
Total Revenues	<u>46,157,374</u>	<u>46,307,374</u>	<u>46,838,945</u>	<u>531,571</u>
EXPENDITURES				
Current				
General government	4,053,092	4,326,548	4,302,988	23,560
Public safety	33,825,436	33,135,084	33,620,406	(485,322)
Public works	4,650,685	5,164,403	5,110,807	53,596
Economic development	157,071	157,071	65,641	91,430
Culture and recreation	1,604,925	1,658,103	1,831,091	(172,988)
Health and sanitation	4,065,075	4,065,075	4,086,307	(21,232)
Debt service				
Interest and fiscal charges	22,500	22,500	2,375	20,125
Total Expenditures	<u>48,378,784</u>	<u>48,528,784</u>	<u>49,019,615</u>	<u>(490,831)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,221,410)</u>	<u>(2,221,410)</u>	<u>(2,180,670)</u>	<u>40,740</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on capital lease	-	-	230,288	230,288
Sale of capital assets	5,000	5,000	222,500	217,500
Transfers in	2,270,000	2,270,000	4,303,759	2,033,759
Transfers (out)	(205,000)	(205,000)	-	205,000
Total Other Financing Sources (Uses)	<u>2,070,000</u>	<u>2,070,000</u>	<u>4,756,547</u>	<u>2,686,547</u>
NET CHANGE IN FUND BALANCE	<u>\$ (151,410)</u>	<u>\$ (151,410)</u>	2,575,877	<u>\$ 2,727,287</u>
FUND BALANCE, JANUARY 1 (As Restated)			1,920,665	
FUND BALANCE, DECEMBER 31			<u>\$ 4,496,542</u>	

See independent auditors' report.

CITY OF BERWYN, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 December 31, 2011

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2006	\$ 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%
2011	14,507,128	20,099,071	72.18%	5,591,943	8,040,270	69.55%

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
 IMRF- SHERIFFS' LAW ENFORCEMENT PERSONNEL
 December 31, 2011

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)
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%
2011	132,600	48,775	271.86%	(83,825)	125,330	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, 2011

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)
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%
2011	37,667,859	83,327,365	45.20%	45,659,506	8,688,623	525.51%

* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009, 2010 and 2011
 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, 2011

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)
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%
2011	19,533,664	59,934,286	32.59%	40,400,622	4,694,684	860.56%

* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009, 2010 and 2011
 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, 2011

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%
2011	-	4,267,414	0.00%	4,267,414	25,236,221	16.91%

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, 2011

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2011	975,285	1,061,316	91.89%

CITY OF BERWYN

SCHEDULE OF EMPLOYER CONTRIBUTIONS
IMRF - SHEFFI'S LAW ENFORCEMENT PERSONNEL
December 31, 2011

<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%
2011	16,594	16,594	100.00%

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, 2011

Fiscal Year*	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
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
2011	2,443,805	3,523,001	69.37%	2,085,542

* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009, 2010 and 2011
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, 2011

Fiscal Year*	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
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
2011	2,544,473	2,684,363	94.79%	2,053,927

* - Actuarial evaluations were conducted for the years beginning 2005, 2007, 2008, 2009, 2010 and 2011
 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, 2011

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
2011	362,030	735,569	49.22%	1,171,697

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, 2011

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	
City Administrator	\$ 4,302
Legal	84,431
Statutory & Administrative	28,745
Police	654,030
Fire & Police Commission	3,400
Fleet	44,076
Recreation	188,364
Health and Sanitation	21,232
Library	40,923
Motor Fuel Tax	243,072
Foreign Fire Insurance	4,566

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2011

NOTE 3 - SUPPLEMENTAL BUDGET APPROPRIATIONS

Supplemental budget appropriations during the year were as follows:

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Public Works - Street	\$ 150,000
Debt Service	132,000
Cermak Road TIF	<u>3,924,500</u>
 Total	 <u>\$ 4,206,500</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - debt service	\$ 4,744,643	\$ 4,744,643	\$ 4,865,244	\$ 120,601
Investment income	<u>3,000</u>	<u>3,000</u>	<u>5,133</u>	<u>2,133</u>
 Total Revenues	 <u>4,747,643</u>	 <u>4,747,643</u>	 <u>4,870,377</u>	 <u>122,734</u>
EXPENDITURES				
Debt Service				
Principal	3,365,000	3,365,000	3,365,000	-
Interest and fiscal charges	4,549,441	4,549,441	4,508,014	41,427
Bond issuance costs	<u>47,000</u>	<u>179,000</u>	<u>170,760</u>	<u>8,240</u>
Total Expenditures	<u>7,961,441</u>	<u>8,093,441</u>	<u>8,043,774</u>	<u>49,667</u>
 Excess (deficiency) of revenues over expenditures	 <u>(3,213,798)</u>	 <u>(3,345,798)</u>	 <u>(3,173,397)</u>	 <u>40,401</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	3,000,000	3,000,000	5,230,000	2,230,000
Discount on issuance of long term debt	-	-	(53,184)	(53,184)
Transfers in - Roosevelt Road TIF	289,708	289,708	289,708	-
Transfers in - Ogden Avenue TIF	473,283	473,283	473,283	-
Transfers in - South Berwyn TIF	401,824	401,824	401,824	-
Transfer (out)	<u>(1,000,000)</u>	<u>(3,100,000)</u>	<u>(3,100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>3,164,815</u>	<u>1,064,815</u>	<u>3,241,631</u>	<u>2,176,816</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (48,983)</u>	 <u>\$ (2,280,983)</u>	 68,234	 <u>\$ 2,217,217</u>
 FUND BALANCE, JANUARY 1			 <u>432,650</u>	
 FUND BALANCE, DECEMBER 31			 <u>\$ 500,884</u>	

See independent auditors' report.

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
PROPERTY TAXES				
Property taxes - general	\$ 16,122,956	\$ 16,122,956	\$ 16,199,635	\$ 76,679
OTHER TAXES				
Personal property replacement	200,000	200,000	211,903	11,903
State income	5,100,000	5,100,000	5,214,365	114,365
State sales	2,726,500	2,726,500	2,606,543	(119,957)
Home rule sales	1,991,500	1,991,500	1,923,750	(67,750)
Municipal utility	4,400,000	4,400,000	4,018,344	(381,656)
Liquor	155,000	155,000	143,149	(11,851)
Real estate transfer	1,000,000	1,000,000	915,913	(84,087)
Gas	140,000	140,000	126,056	(13,944)
Parking lot	2,500	2,500	4,592	2,092
Video	20,000	20,000	13,646	(6,354)
Total Other Taxes	<u>15,735,500</u>	<u>15,735,500</u>	<u>15,178,261</u>	<u>(557,239)</u>
LICENSES AND PERMITS				
Vehicle				
Recreation vehicle	3,000	3,000	1,535	(1,465)
Motorcycle	7,000	7,000	12,488	5,488
Trucks	145,000	145,000	148,640	3,640
Passenger vehicles	1,063,520	1,063,520	1,135,719	72,199
Licenses				
Business	326,425	326,425	316,939	(9,486)
Liquor	204,400	204,400	188,118	(16,282)
Pet	14,000	14,000	7,185	(6,815)
Permits				
Commuter parking	161,000	161,000	123,048	(37,952)
Electrical	45,000	45,000	58,425	13,425
Municipal parking	5,075	5,075	44,842	39,767
Building	75,000	75,000	148,730	73,730
Certificate of compliance	50,000	50,000	61,345	11,345
Local improvement	430,000	430,000	559,201	129,201
Service charge and escrow default	60,000	60,000	143,837	83,837
Electrical sign inspection	55,000	55,000	55,755	755
Total Licenses and Permits	<u>2,644,420</u>	<u>2,644,420</u>	<u>3,005,807</u>	<u>361,387</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Public safety				
Police reports	\$ 20,000	\$ 20,000	\$ 21,995	\$ 1,995
Paramedic service collections	750,000	750,000	576,625	(173,375)
False alarms	16,000	16,000	3,350	(12,650)
Miscellaneous charges for services	2,100	2,100	10,624	8,524
CPR training revenue	2,000	2,000	(125)	(2,125)
Sanitation				
Garbage fees	4,377,898	4,377,898	4,295,663	(82,235)
Recycling rebate	80,000	80,000	83,882	3,882
Recreation				
Athletics	100,000	100,000	114,173	14,173
Adult programs	55,000	55,000	31,927	(23,073)
Children's programs	160,000	160,000	200,332	40,332
Pool	85,000	85,000	76,619	(8,381)
Concession stand	20,000	20,000	13,829	(6,171)
Rental	-	-	5,140	5,140
Senior services				
Senior breakfast	2,500	2,500	5,885	3,385
Other fees for services	15,000	15,000	22,162	7,162
Other				
Commuter parking meters	50,000	50,000	45,768	(4,232)
Sale of gas	60,000	60,000	111,553	51,553
Sidewalk construction	-	-	40,186	40,186
Miscellaneous charges for services	12,000	12,000	8,801	(3,199)
Total Charges For Services	5,807,498	5,807,498	5,668,389	(139,109)
FINES AND FORFEITURES				
Late penalties	125,000	125,000	127,169	2,169
Towing fees	25,000	25,000	15,370	(9,630)
Impound vehicles	1,100,000	1,100,000	1,074,975	(25,025)
Booting	35,000	35,000	32,445	(2,555)
Cannabis tickets	25,000	25,000	34,225	9,225
Court fines	125,000	125,000	167,062	42,062
Violation fines	2,100,000	2,100,000	1,979,995	(120,005)
After the fact fines	20,000	20,000	10,590	(9,410)
Compliance tickets	-	-	5,950	5,950
Local ordinance fines	620,000	620,000	563,435	(56,565)
Red Speed photo enforcement	200,000	200,000	838,923	638,923
Adjudication court fines	25,000	25,000	35,620	10,620
Total Fines and Forfeitures	4,400,000	4,400,000	4,885,759	485,759

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

(concluded)

	Original Budget	Final Budget	Actual	Variance with Final Budget
INTERGOVERNMENTAL				
Highway maintenance	\$ 95,000	\$ 95,000	\$ 100,738	\$ 5,738
Total Intergovernmental	<u>95,000</u>	<u>95,000</u>	<u>100,738</u>	<u>5,738</u>
INVESTMENT INCOME				
	<u>30,000</u>	<u>30,000</u>	<u>38,165</u>	<u>8,165</u>
OTHER REVENUES				
Franchises	395,000	395,000	335,870	(59,130)
Cell tower rental	80,000	80,000	96,606	16,606
Interdepartmental charges - water	596,000	596,000	648,173	52,173
Reimbursements	114,000	114,000	209,932	95,932
Grants	58,000	208,000	383,461	175,461
Contributions & sponsorships	16,000	16,000	14,131	(1,869)
Other	63,000	63,000	74,018	11,018
Total Other Revenues	<u>1,322,000</u>	<u>1,472,000</u>	<u>1,762,191</u>	<u>290,191</u>
TOTAL REVENUES	<u>\$ 46,157,374</u>	<u>\$ 46,307,374</u>	<u>\$ 46,838,945</u>	<u>\$ 531,571</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Mayor's Office				
Salaries and benefits	\$ 144,061	\$ 144,061	\$ 111,699	\$ 32,362
Internal service fund charges	3,661	3,661	4,391	(730)
Administrative expenditures	7,500	7,500	7,031	469
Supplies	1,600	1,600	2,233	(633)
Postage and printing	700	700	689	11
Repairs and maintenance	500	500	-	500
Other general	2,100	2,100	3,676	(1,576)
Copier maintenance	2,800	2,800	2,704	96
Total Mayor's Office	<u>162,922</u>	<u>162,922</u>	<u>132,423</u>	<u>30,499</u>
City Administrator's Office				
Salaries and benefits	202,168	202,168	210,402	\$ (8,234)
Internal service fund charges	3,661	3,661	5,591	(1,930)
Training, dues and publications	5,953	5,953	4,243	1,710
Supplies	1,600	1,600	1,419	181
Postage and printing	700	700	68	632
Repairs and maintenance	500	500	-	500
Professional services	60,000	60,000	60,000	-
Other general	6,300	6,300	5,396	904
Copier maintenance	2,800	2,800	865	1,935
Total City Administrator's Office	<u>283,682</u>	<u>283,682</u>	<u>287,984</u>	<u>(4,302)</u>
City Clerk's Office				
Salaries and benefits	182,612	182,612	181,555	1,057
Internal service fund charges	8,678	8,678	5,992	2,686
Codification	8,000	8,000	5,346	2,654
Record retention	3,000	3,000	623	2,377
Other general	11,200	11,200	7,023	4,177
Copier maintenance	6,000	6,000	6,058	(58)
Total City Clerk's Office	<u>219,490</u>	<u>219,490</u>	<u>206,597</u>	<u>12,893</u>
Treasurer's Office				
Salaries and benefits	21,749	22,149	22,643	(494)
Internal service fund charges	523	783	783	-
Supplies	-	-	393	(393)
Postage, printing and publications	4,000	4,000	3,089	911
Total Treasurer's Office	<u>26,272</u>	<u>26,932</u>	<u>26,908</u>	<u>24</u>
City Council				
Salaries and benefits	137,864	170,088	169,765	323
Internal service fund charges	6,021	6,021	4,719	1,302
Ward expenditures	36,000	36,000	27,233	8,767
Other general	500	500	115	385
Total City Council	<u>180,385</u>	<u>212,609</u>	<u>201,832</u>	<u>10,777</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)				
Legal Department				
Salaries and benefits	\$ 220,928	\$ 236,500	\$ 242,247	(5,747)
Internal service fund charges	32,257	32,257	23,953	8,304
Adjudication program	35,000	35,000	25,637	9,363
Other general	2,100	2,100	2,805	(705)
Supplies	1,600	1,600	462	1,138
Copier maintenance	2,800	2,800	865	1,935
Professional services	400,000	625,000	723,719	(98,719)
Total Legal Department	<u>694,685</u>	<u>935,257</u>	<u>1,019,688</u>	<u>(84,431)</u>
Finance Department				
Salaries and benefits	\$ 1,029,607	\$ 1,029,607	\$ 949,126	\$ 80,481
Internal service fund charges	44,061	44,061	38,137	5,924
Vehicle registration service	30,000	30,000	40,099	(10,099)
Other general	40,000	40,000	53,623	(13,623)
Postage, printing and publications	23,000	23,000	24,338	(1,338)
Telephone	40,250	40,250	69,528	(29,278)
Supplies	5,250	5,250	6,218	(968)
Training, dues and publications	5,000	5,000	3,836	1,164
Professional services	250,000	250,000	234,231	15,769
Repairs & maintenance	-	-	1,178	(1,178)
Copier maintenance	11,000	11,000	6,350	4,650
Total Finance Department	<u>1,478,168</u>	<u>1,478,168</u>	<u>1,426,664</u>	<u>51,504</u>
Information Technology Department				
Salaries and benefits	470,419	470,419	473,889	(3,470)
Internal service fund charges	21,049	21,049	21,526	(477)
Network infrastructure	180,000	180,000	166,968	13,032
Hardware purchases	60,000	60,000	61,725	(1,725)
Hardware maintenance	30,000	30,000	24,999	5,001
Software purchases	30,000	30,000	25,323	4,677
Software maintenance	30,000	30,000	17,322	12,678
Other general	40,000	40,000	30,303	9,697
Professional services	20,000	20,000	24,072	(4,072)
Total Information Technology Department	<u>881,468</u>	<u>881,468</u>	<u>846,127</u>	<u>35,341</u>
Statutory & Administrative				
Auditing expenditures	85,000	85,000	68,011	16,989
Bad debt expense	-	-	32,396	(32,396)
Other	7,500	7,500	18,866	(11,366)
City wide software applications	33,520	33,520	35,492	(1,972)
Total Statutory	<u>126,020</u>	<u>126,020</u>	<u>154,765</u>	<u>(28,745)</u>
Total General Government	<u>4,053,092</u>	<u>4,326,548</u>	<u>4,302,988</u>	<u>23,560</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Fire Department				
Salaries and benefits	\$ 9,060,539	\$ 8,618,127	\$ 8,519,320	\$ 98,807
Pension expenditures	2,534,586	2,534,586	2,544,675	(10,089)
Internal service fund charges	620,207	521,892	521,892	-
Collection service fees	65,000	65,000	69,935	(4,935)
Other general	110,500	110,500	54,473	56,027
Supplies	20,000	20,000	7,844	12,156
Telephone	9,900	9,900	8,061	1,839
Utilities	65,000	65,000	79,668	(14,668)
Training, dues, and education	85,000	85,000	39,787	45,213
Repairs and maintenance	200,000	200,000	139,281	60,719
Copier maintenance	6,600	6,600	3,996	2,604
Equipment purchases/capital outlay	274,000	274,000	388,371	(114,371)
Equipment lease	171,600	171,600	165,923	5,677
Turnout gear	50,000	50,000	16,871	33,129
Total Fire Department	<u>13,272,932</u>	<u>12,732,205</u>	<u>12,560,097</u>	<u>172,108</u>
Police Department				
Salaries and benefits	15,158,205	15,143,654	15,788,360	(644,706)
Pension expenditures	2,428,758	2,428,758	2,443,805	(15,047)
Internal service fund charges	1,462,509	1,368,435	1,368,435	-
Other general	162,000	117,000	71,768	45,232
Postage, printing, and publications	25,000	25,000	33,742	(8,742)
Telephone	101,500	101,500	82,842	18,658
Utilities	245,000	245,000	278,037	(33,037)
Training, dues, and education	85,000	85,000	48,404	36,596
Supplies	59,600	59,600	42,587	17,013
Repairs and maintenance	251,700	251,700	330,714	(79,014)
Professional services	6,000	6,000	-	6,000
Red Speed photo enforcement	135,000	135,000	322,178	(187,178)
Equipment purchases/capital outlay	380,000	380,000	191,373	188,627
Copier maintenance	23,000	23,000	21,432	1,568
Total Police Department	<u>20,523,272</u>	<u>20,369,647</u>	<u>21,023,677</u>	<u>(654,030)</u>
Fire and Police Commission				
Salaries and benefits	17,232	17,232	17,262	(30)
Other general	12,000	16,000	19,370	(3,370)
Total Fire and Police Commission	<u>29,232</u>	<u>33,232</u>	<u>36,632</u>	<u>(3,400)</u>
Total Public Safety	<u>33,825,436</u>	<u>33,135,084</u>	<u>33,620,406</u>	<u>(485,322)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS				
Building Department				
Salaries and benefits	\$ 684,047	\$ 684,047	\$ 656,012	\$ 28,035
Internal service fund charges	131,864	34,500	34,485	15
Other general	40,000	40,000	35,501	4,499
Postage, printing and publications	8,000	8,000	4,278	3,722
Utilities	26,000	28,500	28,224	276
Telephone	4,000	4,000	4,508	(508)
Training, dues and publications	3,000	3,000	1,327	1,673
Supplies	3,500	3,500	8,069	(4,569)
Professional services	235,000	300,000	302,607	(2,607)
Repairs and maintenance	55,000	115,000	126,083	(11,083)
Copier maintenance	4,700	4,700	3,557	1,143
Total Building Department	<u>1,195,111</u>	<u>1,225,247</u>	<u>1,204,651</u>	<u>20,596</u>
Street Department				
Salaries and benefits	1,961,385	1,986,385	1,956,923	29,462
Internal service fund charges	319,320	319,320	280,202	39,118
Other general	6,500	6,500	19,958	(13,458)
Telephone	3,000	3,000	2,768	232
Utilities	20,000	20,000	18,023	1,977
External gas and oil	125,000	170,000	157,083	12,917
Supplies	97,000	97,000	105,777	(8,777)
Equipment lease	65,000	65,000	63,410	1,590
Equipment purchases/capital outlay	117,000	117,000	44,095	72,905
Repairs and maintenance	135,000	135,000	246,071	(111,071)
Copier maintenance	3,000	3,000	807	2,193
Community programs	-	-	21,179	(21,179)
Professional services	110,000	485,000	413,833	71,167
Total Street Department	<u>2,962,205</u>	<u>3,407,205</u>	<u>3,330,129</u>	<u>77,076</u>
Fleet Department				
Salaries and benefits	310,869	310,869	316,965	(6,096)
Postage, printing and publications	1,000	1,000	228	772
Internal service fund charges	-	38,582	77,700	(39,118)
Supplies	10,500	10,500	41,466	(30,966)
Other general	9,000	9,000	483	8,517
Professional services	12,000	12,000	23,966	(11,966)
Vehicle gas & oil	-	-	6,240	(6,240)
Equipment purchases/capital outlay	10,000	10,000	-	10,000
Repairs and maintenance	140,000	140,000	108,979	31,021
Total Fleet Department	<u>493,369</u>	<u>531,951</u>	<u>576,027</u>	<u>(44,076)</u>
Total Public Works	<u>4,650,685</u>	<u>5,164,403</u>	<u>5,110,807</u>	<u>53,596</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
ECONOMIC DEVELOPMENT				
Zoning Boards of Appeals				
Salaries and benefits	\$ 13,571	\$ 13,571	\$ 12,146	\$ 1,425
Other general	2,500	2,500	1,395	1,105
Total Zoning Boards of Appeals	<u>16,071</u>	<u>16,071</u>	<u>13,541</u>	<u>2,530</u>
Committees and Planning Department				
West Central Municipal Conference	20,000	20,000	19,532	468
Historic Preservation Commission	5,000	5,000	145	4,855
Utility tax rebate	80,000	80,000	29,531	50,469
North Berwyn Park District	20,000	20,000	-	20,000
National Night Out	6,000	6,000	-	6,000
Other general	10,000	10,000	2,892	7,108
Total Committees and Planning Department	<u>141,000</u>	<u>141,000</u>	<u>52,100</u>	<u>88,755</u>
Total Economic Development	<u>157,071</u>	<u>157,071</u>	<u>65,641</u>	<u>91,285</u>
CULTURE AND RECREATION				
Recreation Department				
Salaries and benefits	904,030	904,030	861,324	42,706
Internal service fund charges	54,004	107,182	107,182	-
Special events	35,000	35,000	31,761	3,239
Concession stand	-	-	22,511	(22,511)
Other general	10,000	10,000	60,873	(50,873)
Postage, printing, and publications	6,000	6,000	4,148	1,852
Telephone	6,000	6,000	6,675	(675)
Utilities	65,000	65,000	48,118	16,882
Supplies	120,000	120,000	73,645	46,355
Repairs and maintenance	100,000	100,000	131,755	(31,755)
Equipment purchases/capital outlay	40,000	40,000	235,050	(195,050)
Copier maintenance	6,000	6,000	4,534	1,466
Total Recreation Department	<u>1,346,034</u>	<u>1,399,212</u>	<u>1,587,576</u>	<u>(188,364)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CULTURE AND RECREATION (CONT.)				
Community Relations Department				
Salaries and benefits	\$ 5,386	\$ 5,386	\$ 6,089	\$ (703)
Other general	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Community Relations Department	<u>6,886</u>	<u>6,886</u>	<u>6,089</u>	<u>797</u>
 Senior Services Department				
Salaries and benefits	\$ 182,938	\$ 182,938	\$ 152,864	\$ 30,074
Special events - senior breakfast	6,000	6,000	5,066	934
Vehicle gas & oil	-	-	17,870	(17,870)
Telephone	1,000	1,000	82	918
Supplies	600	600	233	367
Postage & printing	500	500	3,128	(2,628)
Professional services	17,000	17,000	3,483	13,517
Repairs & maintenance	26,000	26,000	42,191	(16,191)
Equipment lease	6,000	6,000	5,600	400
Copier maintenance	-	-	807	(807)
Internal service fund charges	6,967	6,967	6,102	865
Other general	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Culture and Recreation	<u>252,005</u>	<u>252,005</u>	<u>237,426</u>	<u>14,579</u>
 Total Culture and Recreation	<u>1,604,925</u>	<u>1,658,103</u>	<u>1,831,091</u>	<u>(172,988)</u>
 HEALTH AND SANITATION				
Garbage - professional services	<u>4,065,075</u>	<u>4,065,075</u>	<u>4,086,307</u>	<u>(21,232)</u>
 DEBT SERVICE				
Line of Credit				
Interest and fiscal charges	<u>22,500</u>	<u>22,500</u>	<u>2,375</u>	<u>20,125</u>
Total Debt Service	<u>22,500</u>	<u>22,500</u>	<u>2,375</u>	<u>20,125</u>
 TOTAL GENERAL FUND EXPENDITURES	<u>\$ 48,378,784</u>	<u>\$ 48,528,784</u>	<u>\$ 49,019,615</u>	<u>\$ (490,976)</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.

Cermak Road TIF is used to accumulate tax increment generated by the Cermak Roak TIF district which was created on July 14, 1987. Funds can only be used for redevelopment costs within the geographical boundaries of the district.

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

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

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

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

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

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

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, 2011

	Special Revenue							Grants
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
ASSETS								
Cash and investments	\$ 1	\$ 195,205	\$ 536,086	\$ 635,627	\$ 1,054,837	\$ 946,389	\$ 1,808,525	\$ 100
Restricted cash	-	-	-	-	1,152,696	-	-	-
Receivables								
Property taxes	-	2,937,377	-	16,088	4,845	26,710	38,870	-
Notes	-	-	-	-	-	-	-	-
Interest	32	97	52	487	1,405	798	1,018	-
Accounts	69,280	98	-	-	17,692	-	-	183,547
Land held for resale	3,000,494	-	-	84,032	-	4,008,036	3,070,561	-
Due from other funds	-	-	-	-	99,752	8,631	82,148	154,820
Due from other governments	-	-	233,762	-	-	-	-	-
TOTAL ASSETS	\$ 3,069,807	\$ 3,132,777	\$ 769,900	\$ 736,234	\$ 2,331,227	\$ 4,990,564	\$ 5,001,122	\$ 338,467
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 53,136	\$ 37,582	\$ 428,056	\$ 9,261	\$ 446,927	\$ 1,334	\$ 149,502	\$ 270,393
Accrued payroll	-	114,318	-	-	-	-	-	-
Deferred revenue	-	2,891,312	-	-	17,692	-	-	27,674
Due to other funds	55,053	144,247	11,083	94,228	-	-	-	-
TOTAL LIABILITIES	108,189	3,187,459	439,139	103,489	464,619	1,334	149,502	298,067
FUND BALANCES								
Restricted								
Federal and state seizure awards	-	-	-	-	-	-	-	-
Restrictions by state statute	-	-	330,761	-	-	-	-	-
Capital projects funded by TIF districts	-	-	-	632,745	1,866,608	4,989,230	4,851,620	-
Grant expenditures	2,961,618	-	-	-	-	-	-	40,400
Committed								
Capital projects funded by bonds	-	-	-	-	-	-	-	-
Unassigned	-	(54,682)	-	-	-	-	-	-
TOTAL FUND BALANCES	2,961,618	(54,682)	330,761	632,745	1,866,608	4,989,230	4,851,620	40,400
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,069,807	\$ 3,132,777	\$ 769,900	\$ 736,234	\$ 2,331,227	\$ 4,990,564	\$ 5,001,122	\$ 338,467

(Continued)

CITY OF BERWYN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2011

	Special Revenue				Capital Projects		Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	2007 Bond	Infrastructure Bond	
ASSETS							
Cash and investments	\$ 600,562	\$ 674,314	\$ 56,668	\$ 66,609	\$ 2,408,136	\$ -	\$ 8,983,059
Restricted cash	-	-	-	-	-	-	1,152,696
Receivables							
Property taxes	-	-	-	-	-	-	3,023,890
Notes	-	-	-	2,585,868	-	-	2,585,868
Interest	116	371	21	-	198	-	4,595
Accounts	-	70,358	-	-	-	-	340,975
Land held for resale	-	-	-	-	-	-	10,163,123
Due from other funds	-	-	-	-	-	18,727	364,078
Due from other governments	-	-	-	331,018	-	-	564,780
TOTAL ASSETS	<u>\$ 600,678</u>	<u>\$ 745,043</u>	<u>\$ 56,689</u>	<u>\$ 2,983,495</u>	<u>\$ 2,408,334</u>	<u>\$ 18,727</u>	<u>\$ 27,183,064</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 6,834	\$ -	\$ -	\$ 47,029	\$ 112,152	\$ -	\$ 1,562,206
Accrued payroll	-	-	-	29,743	-	-	144,061
Deferred revenue	-	-	-	2,585,868	-	-	5,522,546
Due to other funds	22,589	-	-	686,706	582,015	-	1,595,921
TOTAL LIABILITIES	<u>29,423</u>	<u>-</u>	<u>-</u>	<u>3,349,346</u>	<u>694,167</u>	<u>-</u>	<u>8,824,734</u>
FUND BALANCES							
Restricted							
Federal and state seizure awards	571,255	-	-	-	-	-	571,255
Restrictions by state statute	-	745,043	56,689	-	-	-	1,132,493
Capital projects funded by TIF districts	-	-	-	-	-	-	12,340,203
Grant expenditures	-	-	-	-	-	-	3,002,018
Committed							
Capital projects funded by bonds	-	-	-	-	1,714,167	18,727	1,732,894
Unassigned	-	-	-	(365,851)	-	-	(420,533)
TOTAL FUND BALANCES	<u>571,255</u>	<u>745,043</u>	<u>56,689</u>	<u>(365,851)</u>	<u>1,714,167</u>	<u>18,727</u>	<u>18,358,330</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 600,678</u>	<u>\$ 745,043</u>	<u>\$ 56,689</u>	<u>\$ 2,983,495</u>	<u>\$ 2,408,334</u>	<u>\$ 18,727</u>	<u>\$ 27,183,064</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Special Revenue							Grants
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
REVENUES								
Property taxes	\$ -	\$ 2,903,785	\$ -	\$ 927,384	\$ 677,180	\$ 979,681	\$ 1,819,475	\$ -
Other taxes	-	-	-	-	-	-	-	-
Fines and forfeitures	-	46,294	-	-	-	-	-	-
Intergovernmental	713,914	55,404	1,687,868	2,000	-	-	14,542	531,177
Investment income	32	784	308	5,319	14,415	7,528	7,884	-
Miscellaneous	-	29,552	-	-	1,500	-	-	4,983
Total Revenues	713,946	3,035,819	1,688,176	934,703	693,095	987,209	1,841,901	536,160
EXPENDITURES								
Current								
Public safety	-	-	-	-	-	-	-	74,621
Public works	-	-	1,368,072	-	-	-	-	287,929
Economic development	236,722	-	-	680,211	2,204,717	480,652	5,594,866	-
Culture and recreation	-	3,050,909	-	-	-	-	-	138,555
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	155,161	-	-	-	-
Interest and fiscal charges	-	-	-	68,659	-	81,111	-	-
Total Expenditures	236,722	3,050,909	1,368,072	904,031	2,204,717	561,763	5,594,866	501,105
Excess (deficiency) of revenues over (under) expenditures	477,224	(15,090)	320,104	30,672	(1,511,622)	425,446	(3,752,965)	35,055
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers (out)	-	-	(200,000)	(401,824)	(289,708)	(473,283)	-	-
Total Other Financing Sources (Uses)	-	-	(200,000)	(401,824)	(289,708)	(473,283)	-	-
NET CHANGE IN FUND BALANCES	477,224	(15,090)	120,104	(371,152)	(1,801,330)	(47,837)	(3,752,965)	35,055
FUND BALANCES (DEFICIT), JANUARY 1	2,484,394	(39,592)	210,657	1,003,897	3,667,938	5,037,067	8,604,585	5,345
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 2,961,618	\$ (54,682)	\$ 330,761	\$ 632,745	\$ 1,866,608	\$ 4,989,230	\$ 4,851,620	\$ 40,400

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	Special Revenue				Capital Projects		Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	2007 Bond	Infrastructure Bond	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,307,505
Other taxes	-	-	36,685	-	-	-	36,685
Fines and forfeitures	-	-	-	-	-	-	46,294
Intergovernmental	828,069	439,454	-	1,607,332	-	-	5,879,760
Investment income	1,390	5,398	114	-	1,814	-	44,986
Miscellaneous	7,125	-	-	25	-	-	43,185
Total Revenues	<u>836,584</u>	<u>444,852</u>	<u>36,799</u>	<u>1,607,357</u>	<u>1,814</u>	<u>-</u>	<u>13,358,415</u>
EXPENDITURES							
Current							
Public safety	307,243	142,129	22,566	-	-	-	546,559
Public works	-	-	-	-	-	-	1,656,001
Economic development	-	-	-	1,938,316	-	-	11,135,484
Culture and recreation	-	-	-	-	-	-	3,189,464
Capital outlay	-	-	-	-	1,380,811	-	1,380,811
Debt service							
Principal	-	-	-	-	-	-	155,161
Interest and fiscal charges	-	-	-	-	-	-	149,770
Total Expenditures	<u>307,243</u>	<u>142,129</u>	<u>22,566</u>	<u>1,938,316</u>	<u>1,380,811</u>	<u>-</u>	<u>18,213,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>529,341</u>	<u>302,723</u>	<u>14,233</u>	<u>(330,959)</u>	<u>(1,378,997)</u>	<u>-</u>	<u>(4,854,835)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	17,219	-	-	-	-	-	17,219
Transfers (out)	(114,431)	(200,000)	-	-	(689,328)	-	(2,368,574)
Total Other Financing Sources (Uses)	<u>(97,212)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>(689,328)</u>	<u>-</u>	<u>(2,351,355)</u>
NET CHANGE IN FUND BALANCES	432,129	102,723	14,233	(330,959)	(2,068,325)	-	(7,206,190)
FUND BALANCES (DEFICIT), JANUARY 1	<u>139,126</u>	<u>642,320</u>	<u>42,456</u>	<u>(34,892)</u>	<u>3,782,492</u>	<u>18,727</u>	<u>25,564,520</u>
FUND BALANCES (DEFICIT), DECEMBER 31	<u>\$ 571,255</u>	<u>\$ 745,043</u>	<u>\$ 56,689</u>	<u>\$ (365,851)</u>	<u>\$ 1,714,167</u>	<u>\$ 18,727</u>	<u>\$ 18,358,330</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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - library	\$ 2,891,312	\$ 2,903,785	\$ 12,473
Charges for services - rental revenue	500	-	(500)
Fines and forfeitures			
Book fines	42,000	34,531	(7,469)
Copier fees - maintenance fund	15,000	11,763	(3,237)
Intergovernmental revenue - Per Capita Grant	50,000	55,404	5,404
Investment income	1,000	784	(216)
Miscellaneous revenues			
Donations - building fund	15,000	26,714	11,714
Other miscellaneous revenue	-	2,838	2,838
Total Revenues	<u>3,014,812</u>	<u>3,035,819</u>	<u>21,007</u>
EXPENDITURES			
Culture and Recreation			
Salaries and benefits	2,324,729	2,318,501	6,228
Internal service fund charges	85,310	83,713	1,597
Books	149,910	173,779	(23,869)
Periodicals	22,600	21,702	898
Audio visual	44,600	47,125	(2,525)
Computer system	56,000	50,806	5,194
Dues and subscriptions	11,000	8,891	2,109
Computer support databases	36,000	7,108	28,892
Programs adult/children	17,800	32,245	(14,445)
Reciprocal borrowing	5,700	3,233	2,467
Promotions	16,000	20,052	(4,052)
Director expense	350	414	(64)
Board expense	350	301	49
Other general	-	1,507	(1,507)
Postage, printing, and publications	6,000	3,382	2,618
Telephone	12,000	13,742	(1,742)
Utilities	14,300	13,331	969
Supplies	72,837	125,997	(53,160)
Repairs and maintenance	129,500	122,256	7,244
Capital improvement	5,000	2,824	2,176
Total Expenditures	<u>3,009,986</u>	<u>3,050,909</u>	<u>(40,923)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,826</u>	<u>(15,090)</u>	<u>\$ (19,916)</u>
FUND BALANCE, JANUARY 1		<u>(39,592)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ (54,682)</u>	

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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues - state allotment	\$ 1,420,000	\$ 1,610,518	\$ 190,518
Grant revenue	-	77,350	77,350
Sidewalk construction	20,000	-	(20,000)
Investment income	4,000	308	(3,692)
 Total Revenues	 <u>1,444,000</u>	 <u>1,688,176</u>	 <u>244,176</u>
EXPENDITURES			
Current			
Public Works			
Rock salt	300,000	194,008	105,992
Utilities	375,000	409,224	(34,224)
Professional services	65,000	33,149	31,851
Repairs and maintenance			
Street/sidewalk	110,000	447,727	(337,727)
Traffic control	240,000	283,964	(43,964)
Capital outlay			
Engineering	35,000	-	35,000
 Total Expenditures	 <u>1,125,000</u>	 <u>1,368,072</u>	 <u>(243,072)</u>
 Excess (deficiency) of revenues over expenditures	 <u>319,000</u>	 <u>320,104</u>	 <u>1,104</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(200,000)	(200,000)	-
 NET CHANGE IN FUND BALANCE	 <u>\$ 119,000</u>	 120,104	 <u>\$ 1,104</u>
 FUND BALANCE, JANUARY 1		 <u>210,657</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ 330,761</u>	

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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,231,143	\$ 927,384	\$ (303,759)
Intergovernmental revenue	-	2,000	2,000
Investment income	<u>5,319</u>	<u>5,319</u>	<u>-</u>
 Total Revenues	 <u>1,236,462</u>	 <u>934,703</u>	 <u>(301,759)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	1,173,500	449,110	724,390
TIF management services - BDC	231,000	231,101	(101)
Debt Service			
Principal	155,161	155,161	-
Interest - notes payable	<u>68,658</u>	<u>68,659</u>	<u>(1)</u>
 Total Expenditures	 <u>1,628,319</u>	 <u>904,031</u>	 <u>724,288</u>
 Excess (deficiency) of revenues over expenditures	 <u>(391,857)</u>	 <u>30,672</u>	 <u>422,529</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(401,824)</u>	<u>(401,824)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (793,681)</u>	 <u>(371,152)</u>	 <u>\$ 422,529</u>
 FUND BALANCE, JANUARY 1		 <u>1,003,897</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ 632,745</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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 721,780	\$ 677,180	\$ (44,600)
Miscellaneous	-	1,500	1,500
Investment income	<u>30,000</u>	<u>14,415</u>	<u>(15,585)</u>
Total Revenues	<u>751,780</u>	<u>693,095</u>	<u>(58,685)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	2,507,990	1,973,617	534,373
TIF management services - BDC	<u>231,100</u>	<u>231,100</u>	<u>-</u>
Total Expenditures	<u>2,739,090</u>	<u>2,204,717</u>	<u>534,373</u>
Excess (deficiency) of revenues over expenditures	<u>(1,987,310)</u>	<u>(1,511,622)</u>	<u>475,688</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(289,710)</u>	<u>(289,708)</u>	<u>2</u>
Total Other Financing Sources (Uses)	<u>(289,710)</u>	<u>(289,708)</u>	<u>2</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,277,020)</u>	<u>(1,801,330)</u>	<u>\$ 475,690</u>
FUND BALANCE, JANUARY 1		<u>3,667,938</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,866,608</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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,464,000	\$ 979,681	\$ (484,319)
Investment income	36,000	7,528	(28,472)
	<u>1,500,000</u>	<u>987,209</u>	<u>(512,791)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	1,997,500	249,550	1,747,950
TIF management services - BDC	231,101	231,102	(1)
Debt Service			
Interest and fiscal charges	-	81,111	(81,111)
	<u>2,228,601</u>	<u>561,763</u>	<u>1,747,949</u>
Excess (deficiency) of revenues over expenditures	<u>(728,601)</u>	<u>425,446</u>	<u>1,154,047</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(473,283)</u>	<u>(473,283)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,201,884)</u>	<u>(47,837)</u>	<u>\$ 1,154,047</u>
FUND BALANCE, JANUARY 1		<u>5,037,067</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 4,989,230</u>	

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - increment	\$ 2,170,000	\$ 2,170,000	\$ 1,819,475	\$ (350,525)
Intergovernmental	-	-	14,542	14,542
Investment income	<u>30,000</u>	<u>30,000</u>	<u>7,884</u>	<u>(22,116)</u>
 Total Revenues	 <u>2,200,000</u>	 <u>2,200,000</u>	 <u>1,841,901</u>	 <u>(358,099)</u>
EXPENDITURES				
Economic Development				
TIF expenditures	2,680,500	6,505,000	4,837,575	1,667,425
Main Street	130,000	230,000	217,791	12,209
TIF management services - BDC	<u>539,500</u>	<u>539,500</u>	<u>539,500</u>	<u>-</u>
Total Expenditures	<u>3,350,000</u>	<u>7,274,500</u>	<u>5,594,866</u>	<u>1,679,634</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ (1,150,000)</u>	 <u>\$ (5,074,500)</u>	 <u>(3,752,965)</u>	 <u>\$ 1,321,535</u>
 FUND BALANCE, JANUARY 1			 <u>8,604,585</u>	
 FUND BALANCE, DECEMBER 31			 <u>\$ 4,851,620</u>	

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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	\$ 34,152	\$ 36,685	\$ 2,533
Investment income	<u>-</u>	<u>114</u>	<u>(114)</u>
Total Revenues	<u>34,152</u>	<u>36,799</u>	<u>2,419</u>
EXPENDITURES			
Public Safety			
Supplies	2,000	4,134	(2,134)
Tools and equipment	5,000	11,758	(6,758)
Repairs & maintenance	-	4,232	(4,232)
Other general	10,000	109	9,891
Training, dues and publications	<u>1,000</u>	<u>2,333</u>	<u>(1,333)</u>
Total Expenditures	<u>18,000</u>	<u>22,566</u>	<u>(4,566)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 16,152</u>	14,233	<u>\$ (1,919)</u>
FUND BALANCE, JANUARY 1		<u>42,456</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 56,689</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, 2011

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 2,343,534	\$ 1,607,332	\$ (736,202)
Miscellaneous	<u>-</u>	<u>25</u>	<u>25</u>
 Total Revenues	 <u>2,343,534</u>	 <u>1,607,357</u>	 <u>(736,177)</u>
EXPENDITURES			
Economic Development			
Salaries and benefits	390,777	501,014	(110,237)
Internal service fund charges	98,240	94,668	3,572
Utilities	4,500	6,928	(2,428)
Copier maintenance	9,000	3,065	5,935
Telephone	3,000	3,412	(412)
Supplies	1,800	8,558	(6,758)
Postage and printing	8,000	2,893	5,107
Other general	25,000	12,104	12,896
Program	<u>1,803,081</u>	<u>1,305,674</u>	<u>497,407</u>
Total Expenditures	<u>2,343,398</u>	<u>1,938,316</u>	<u>405,082</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 136</u>	 <u>(330,959)</u>	 <u>\$ (331,095)</u>
 FUND BALANCE, JANUARY 1		 <u>(34,892)</u>	
 FUND BALANCE, DECEMBER 31		 <u>\$ (365,851)</u>	

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 1,814	\$ (3,186)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,814</u>	<u>(3,186)</u>
EXPENDITURES				
Capital outlay				
Parking garage	759,569	759,569	12,600	746,969
Streets	150,000	150,000	-	150,000
Signs	15,000	15,000	-	15,000
Dump trucks/public works vehicles	120,000	120,000	95,025	24,975
Police department evidence room	-	-	36,123	(36,123)
Generator	225,000	225,000	122,942	102,058
General ledger system	-	-	8,669	(8,669)
Library chiller	35,000	35,000	2,310	32,690
Library elevator	35,000	35,000	20,695	14,305
Library electrical	225,000	225,000	-	225,000
Public works building	-	-	19,405	(19,405)
Fire truck	800,000	800,000	798,955	1,045
Meter vault rehab	235,000	235,000	228,986	6,014
Removal of lust tank	150,000	150,000	-	150,000
Seizure vehicle purchases	-	-	17,219	(17,219)
Other	-	-	17,882	(17,882)
HVAC	35,000	35,000	-	35,000
Total Expenditures	<u>2,784,569</u>	<u>2,784,569</u>	<u>1,380,811</u>	<u>1,403,758</u>
Excess (deficiency) of revenues over expenditures	<u>(2,779,569)</u>	<u>(2,779,569)</u>	<u>(1,378,997)</u>	<u>1,400,572</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(830,000)</u>	<u>(830,000)</u>	<u>(689,328)</u>	<u>140,672</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,609,569)</u>	<u>\$ (3,609,569)</u>	<u>(2,068,325)</u>	<u>\$ 1,541,244</u>
FUND BALANCE, JANUARY 1			<u>3,782,492</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,714,167</u>	

FIDUCIARY FUNDS

CITY OF BERWYN, ILLINOIS

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

December 31, 2011

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ASSETS			
Cash and investments			
Cash and cash equivalents	\$ 45,313	\$ 76,183	\$ 121,496
Investments			
Certificates of deposit	-	608,362	608,362
U.S. Government and agency securities	9,044,386	7,432,146	16,476,532
Corporate bonds	8,554,956	670,319	9,225,275
Money market mutual funds	1,365,722	856,177	2,221,899
Equities	4,168,707	4,592,752	8,761,459
Equity mutual fund	12,759,223	3,805,758	16,564,981
Insurance contracts	7,584	76,657	84,241
State and local obligations	<u>1,899,787</u>	<u>988,355</u>	<u>2,888,142</u>
Total Cash and Investments	<u>37,845,678</u>	<u>19,106,709</u>	<u>56,952,387</u>
Receivables			
Accrued interest	173,548	58,210	231,758
Due from governmental funds	<u>530,052</u>	<u>531,594</u>	<u>1,061,646</u>
Total Receivables	<u>703,600</u>	<u>589,804</u>	<u>1,293,404</u>
Total Assets	<u>38,549,278</u>	<u>19,696,513</u>	<u>58,245,791</u>
LIABILITIES			
Accounts payable	<u>21,976</u>	<u>23,117</u>	<u>45,093</u>
Total Liabilities	<u>21,976</u>	<u>23,117</u>	<u>45,093</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 38,527,302</u>	<u>\$ 19,673,396</u>	<u>\$ 58,200,698</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2011

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ADDITIONS			
Contributions			
Employer	\$ 2,443,805	\$ 2,544,473	\$ 4,988,278
Participants	<u>894,178</u>	<u>582,045</u>	<u>1,476,223</u>
Total Contributions	<u>3,337,983</u>	<u>3,126,518</u>	<u>6,464,501</u>
Investment Income			
Net appreciation in fair value of investments	21,833	(171,062)	(149,229)
Interest earned	1,074,544	774,656	1,849,200
Less investment expenses	<u>(96,554)</u>	<u>(60,160)</u>	<u>(156,714)</u>
Total Investment Income	<u>999,823</u>	<u>543,434</u>	<u>1,543,257</u>
Total Additions	<u>4,337,806</u>	<u>3,669,952</u>	<u>8,007,758</u>
DEDUCTIONS			
Administrative	112,231	78,202	190,433
Pension benefits and refunds	<u>3,366,133</u>	<u>3,452,018</u>	<u>6,818,151</u>
Total Deductions	<u>3,478,364</u>	<u>3,530,220</u>	<u>7,008,584</u>
NET INCREASE	859,442	139,732	999,174
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - January 1	<u>37,667,860</u>	<u>19,533,664</u>	<u>57,201,524</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - December 31	<u>\$ 38,527,302</u>	<u>\$ 19,673,396</u>	<u>\$ 58,200,698</u>

STATISTICAL SECTION

This part of the City of Berwyn's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand the City's financial performance and well-being have changed over time.	114 - 118
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	119 - 123
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	124 - 127
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	128 - 129
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	130 - 132

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental Activities</u>								
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)	\$ (25,148,350)
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114	15,724,685	22,265,090	14,690,665
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>	<u>(19,438,748)</u>
Total Governmental Activities	\$ (42,057,244)	\$ (37,907,981)	\$ (35,180,508)	\$ (866,059)	\$ 723,401	\$ (19,265,644)	\$ (19,829,851)	\$ (29,896,433)
<u>Business-type Activities</u>								
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	\$ 38,876,966
Restricted	-	-	-	-	-	-	812,614	698,324
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>	<u>3,098,670</u>
Total Business-type Activities	\$ 57,177,362	\$ 54,238,937	\$ 51,123,403	\$ 46,818,486	\$ 42,935,195	\$ 51,865,122	\$ 47,690,203	\$ 42,673,960
<u>Primary Government</u>								
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	\$ 13,728,616
Restricted	13,427,436	10,591,506	14,154,458	13,268,265	13,191,114	15,724,685	23,077,704	15,388,989
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>	<u>(16,340,078)</u>
Total Primary Government	\$ 15,120,118	\$ 16,330,956	\$ 15,942,895	\$ 45,952,427	\$ 43,658,596	\$ 32,599,478	\$ 27,860,352	\$ 12,777,527

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 Eight Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses								
<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	\$ 4,474,679
Public safety	25,674,122	27,713,240	31,898,438	30,386,975	32,691,594	33,908,989	33,929,018	36,778,991
Public works	3,566,665	4,308,511	4,070,337	7,911,236	8,834,260	9,491,724	8,696,471	8,622,452
Economic development	2,381,472	4,113,882	5,553,608	4,822,636	4,422,771	7,524,769	5,934,648	11,210,313
Culture and recreation	3,596,705	3,939,759	3,821,004	4,378,740	4,482,379	4,422,112	4,604,469	5,065,032
Health and sanitation	3,375,652	3,639,509	2,532,495	3,793,645	3,979,436	4,004,624	4,265,730	4,086,307
Interest	3,287,663	3,491,041	3,230,567	3,810,963	4,605,725	4,644,552	4,588,249	4,891,883
Total Governmental Activities Expenses	<u>44,404,462</u>	<u>51,156,924</u>	<u>55,209,053</u>	<u>58,889,061</u>	<u>62,720,481</u>	<u>67,982,361</u>	<u>66,058,029</u>	<u>75,129,657</u>
<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	11,432,263
Parking garage	-	-	-	-	-	104,318	263,619	275,896
Total Business-type Activities Expenses	<u>8,306,455</u>	<u>7,933,640</u>	<u>8,390,828</u>	<u>9,406,507</u>	<u>9,219,236</u>	<u>9,779,641</u>	<u>11,018,609</u>	<u>11,708,159</u>
Total Primary Government Expenses	<u>\$ 52,710,917</u>	<u>\$ 59,090,564</u>	<u>\$ 63,599,881</u>	<u>\$ 68,295,568</u>	<u>\$ 71,939,717</u>	<u>\$ 77,762,002</u>	<u>\$ 77,076,638</u>	<u>\$ 86,837,816</u>
Program Revenues								
<u>Governmental Activities</u>								
Charges for Services								
General government	2,905,720	3,025,435	3,575,623	2,532,861	2,338,313	2,281,261	2,565,532	2,691,846
Public safety	3,160,021	3,179,570	3,695,343	4,699,882	5,285,205	4,288,119	4,153,792	5,028,338
Public works	116,274	99,669	61,022	1,076,749	1,273,465	1,492,820	1,819,449	1,902,463
Culture and recreation	362,426	394,658	400,349	510,459	785,325	487,998	520,709	562,091
Health and sanitation	2,861,161	2,871,575	2,968,711	3,940,827	4,284,901	4,396,284	4,526,870	4,506,714
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	4,684,682
Capital Grants and Contributions	-	-	2,277,698	1,275,193	1,185,936	2,906,195	4,178,890	1,641,462
Total Governmental Activities Program Revenues	<u>13,739,425</u>	<u>15,080,657</u>	<u>15,864,634</u>	<u>18,144,464</u>	<u>19,294,829</u>	<u>20,107,298</u>	<u>22,464,877</u>	<u>21,017,596</u>
<u>Business-type Activities</u>								
Charges for Services								
Water	5,455,034	\$ 4,907,882	\$ 5,075,488	\$ 4,958,994	\$ 5,285,856	\$ 5,801,624	\$ 6,585,935	\$ 6,319,419
Parking garage	-	-	-	-	-	-	119,871	135,019
Operating Grants and Contributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>5,455,034</u>	<u>4,907,882</u>	<u>5,075,488</u>	<u>4,958,994</u>	<u>5,285,856</u>	<u>5,801,624</u>	<u>6,705,806</u>	<u>6,454,438</u>
Total Primary Government Program Revenues	<u>\$ 19,194,459</u>	<u>\$ 19,988,539</u>	<u>\$ 20,940,122</u>	<u>\$ 23,103,458</u>	<u>\$ 24,580,685</u>	<u>\$ 25,908,922</u>	<u>\$ 29,170,683</u>	<u>\$ 27,472,034</u>
Net (Expense) Revenue								
Governmental Activities	\$ (30,665,037)	\$ (36,076,267)	\$ (39,344,419)	\$ (40,744,597)	\$ (43,425,652)	\$ (47,875,063)	\$ (43,593,152)	\$ (54,112,061)
Business-type Activities	<u>(2,851,421)</u>	<u>(3,025,758)</u>	<u>(3,315,340)</u>	<u>(4,447,513)</u>	<u>(3,933,380)</u>	<u>(3,978,017)</u>	<u>(4,312,803)</u>	<u>(5,253,721)</u>
Total Primary Government Net (Expense) Revenue	<u>\$ (33,516,458)</u>	<u>\$ (39,102,025)</u>	<u>\$ (42,659,759)</u>	<u>\$ (45,192,110)</u>	<u>\$ (47,359,032)</u>	<u>\$ (51,853,080)</u>	<u>\$ (47,905,955)</u>	<u>\$ (59,365,782)</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Assets								
<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	\$ 28,372,384
Sales	3,449,214	2,596,951	2,886,605	2,886,108	2,723,620	2,295,513	2,401,276	2,606,543
Home Rule Sales	1,854,171	1,894,374	1,957,207	2,011,687	2,000,041	1,688,743	1,834,332	1,923,750
Utility	3,487,508	4,234,714	3,979,120	4,178,301	4,548,527	4,050,262	4,124,813	4,018,344
Income	3,457,348	4,802,668	5,132,141	5,518,357	5,924,698	5,036,828	4,961,602	5,214,365
Real Estate Transfer	2,978,685	3,250,800	2,915,139	1,565,735	989,133	1,028,125	913,411	915,913
Other	552,848	776,270	757,008	1,066,871	1,064,663	967,893	877,660	835,216
Investment Earnings	138,414	170,347	442,830	1,019,673	863,193	330,184	216,629	88,309
Gain on sale of capital assets	-	-	-	-	-	-	-	222,500
Miscellaneous	120,810	133,582	182,793	63,518	227,446	198,975	56,177	75,321
Transfers	-	(87,333)	-	-	-	(12,879,994)	(137,342)	(227,166)
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>44,045,479</u>
<u>Business-type Activities</u>								
Investment Earnings	-	-	-	57,429	50,089	23,949	8,454	10,312
Miscellaneous	-	-	-	-	-	4,000	(7,912)	-
Transfers	-	87,333	-	-	-	12,879,994	137,342	227,166
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>	<u>237,478</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>	<u>\$ 44,282,957</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)	\$ (10,066,582)
Business-type Activities	(2,851,421)	(2,938,425)	(3,315,340)	(4,390,084)	(3,883,291)	8,929,926	(4,174,919)	(5,016,243)
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>	<u>\$ (15,082,825)</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>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>	<u>2011</u>
General Fund										
Reserved	\$ -	\$ 318,222	\$ 419,443	\$ 5,237,810	\$ 684,885	\$ 642,046	\$ 582,439	\$ 610,349	\$ 384,632	\$ -
Unreserved	5,169,605	2,652,658	8,171,865	1,268,110	3,404,867	69,626	(434,196)	(234,524)	1,596,284	-
Nonspendable	-	-	-	-	-	-	-	-	-	409,721
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	372
Unassigned	-	-	-	-	-	-	-	-	-	4,086,449
Total General Fund	\$ 5,169,605	\$ 2,970,880	\$ 8,591,308	\$ 6,505,920	\$ 4,089,752	\$ 711,672	\$ 148,243	\$ 375,825	\$ 1,980,916	\$ 4,496,542
All Other Governmental Funds										
Reserved	\$ 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	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	3,806,475	2,504,657	627,504	631,279	357,607	21,969,161	17,175,732	5,268,804	3,801,219	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	17,546,853
Committed	-	-	-	-	-	-	-	-	-	1,732,894
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	(420,533)
Total All Other Governmental Funds	\$ 13,149,877	\$ 11,785,368	\$ 14,079,068	\$ 14,165,209	\$ 14,429,817	\$ 37,463,080	\$ 36,629,353	\$ 21,171,982	\$ 25,936,919	\$ 18,859,214

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.

In 2011, the City adopted GASB Statement No. 54

Data Source: Audited Financial Statements

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Property taxes	\$ 18,528,949	\$ 20,851,633	\$ 20,320,107	\$ 22,380,786	\$ 21,932,353	\$ 21,029,820	\$ 24,009,284	\$ 25,164,068	\$ 27,780,387	\$ 28,372,384
Other taxes	13,501,187	14,774,881	15,927,542	17,555,778	17,627,219	16,851,908	16,860,593	14,692,004	14,819,782	15,214,946
Licenses and permits	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	3,005,807
Intergovernmental	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	5,980,498
Fines and forfeitures	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	4,932,053
Charges for services	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	5,668,389
Contributions	-	-	-	-	-	-	-	-	900,000	-
Investment income	353,868	246,112	138,414	170,346	442,376	1,001,246	870,564	329,883	216,629	88,284
Miscellaneous	2,176,670	635,185	311,283	488,438	721,249	1,266,938	1,352,027	1,456,353	1,308,948	1,805,376
Total Revenues	47,477,689	50,656,257	50,246,298	55,321,149	56,049,830	57,241,107	60,722,452	61,741,682	65,585,299	65,067,737
Expenditures										
General government	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	4,302,988
Public safety	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	34,166,965
Highways and streets	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	6,766,808
Health & welfare	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	4,086,307
Culture and recreation	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	5,020,555
Economic development	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	11,201,125
Capital outlay	5,635,034	4,384,405	519,996	430,201	2,785,959	2,090,822	5,914,145	14,730,640	789,294	1,380,811
Debt service										
Principal	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	3,520,161
Interest	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	4,660,159
Other charges	-	-	427,932	69,800	53,835	767,099	379,643	381,331	291,127	170,760
Total Expenditures	56,483,890	55,033,113	54,573,677	67,633,040	69,729,329	75,142,966	65,666,835	79,981,436	71,628,824	75,276,639
Excess (deficiency) of revenues over (under) expenditures	(9,006,201)	(4,376,856)	(4,327,379)	(12,311,891)	(13,679,499)	(17,901,859)	(4,944,383)	(18,239,754)	(6,043,525)	(10,208,902)
Other Financing Sources (Uses)										
Transfers in	1,346,237	-	-	2,809,300	2,312,014	11,921,682	2,752,592	5,030,945	4,540,465	5,468,574
Transfers (out)	(346,237)	-	-	(2,896,633)	(2,312,014)	(11,921,682)	(2,752,592)	(6,280,945)	(5,540,465)	(5,468,574)
Debt issued	4,235,140	-	28,946,250	10,346,509	11,514,507	49,705,827	8,175,930	13,315,594	13,150,000	5,469,719
Premium (discount) on bonds issued	-	-	2,015,998	-	-	1,146,682	(64,086)	117,032	258,302	(53,184)
Transfer to bond escrow agent	-	-	(21,379,191)	-	-	(12,802,600)	(7,379,125)	(9,317,377)	-	-
Sale of capital assets	-	-	-	-	-	-	150,000	139,298	5,251	230,288
Total Other Financing Sources (Uses)	5,235,140	-	9,583,057	10,259,176	11,514,507	38,049,909	882,719	3,004,547	12,413,553	5,646,823
Net Change in Fund Balances	\$ (3,771,061)	\$ (4,376,856)	\$ 5,255,678	\$ (2,052,715)	\$ (2,164,992)	\$ 20,148,050	\$ (4,061,664)	\$ (15,235,207)	\$ 6,370,028	\$ (4,562,079)
Debt Service as a Percentage of										
Noncapital Expenditures	19.10%	19.88%	18.76%	31.32%	28.02%	27.32%	8.27%	9.83%	13.70%	11.37%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Income Tax</u>	<u>Sales Tax</u>	<u>Home Rule Sales Tax</u>	<u>Personal Prop. Replacement</u>	<u>Municipal Utility Tax</u>	<u>Liquor Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Gas Tax</u>	<u>Motor Fuel Tax</u>	<u>Other Taxes</u>
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
2011	28,372,384	5,214,365	2,606,543	1,923,750	211,903	4,018,344	143,149	915,913	126,056	1,610,518	18,238

Motor Fuel Tax is presented as Intergovernmental Revenue on page 30.

In 2010 and 2011, an additional \$234,574 was received each year 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: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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%
2010	-	-	-	-	1,189,028,282	2.63	3,567,084,846	33.333%

Data Source

Office of the County Clerk

Categorical information for the 2010 levy year is not yet available

Information for the 2011 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>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>
City Direct Rates										
General	0.53	0.46	0.49	0.47	0.41	0.31	0.84	0.94	1.29	1.34
Bond & Interest	2.05	1.65	1.67	1.64	1.14	1.15	0.81	0.55	0.54	0.53
City of Berwyn Library	0.25	0.20	0.21	0.21	0.17	0.18	0.31	0.28	0.28	0.32
Police Pension	0.36	0.28	0.29	0.29	0.24	0.28	0.24	0.22	0.22	0.21
Fire Pension	0.36	0.28	0.29	0.29	0.26	0.30	0.25	0.23	0.23	0.23
Total Direct Rate	3.54	2.87	2.95	2.90	2.22	2.22	2.45	2.22	2.56	2.63
Overlapping Rates										
Cook County	0.75	0.69	0.69	0.65	0.59	0.56	0.50	0.47	0.44	0.47
Metropolitan Water Rec.	0.40	0.37	0.36	0.35	0.32	0.28	0.26	0.25	0.26	0.27
School District #100	3.58	2.79	2.97	2.97	2.55	2.62	2.57	2.44	2.49	2.50
High School District #201	2.62	2.16	2.31	2.30	1.93	2.00	1.96	1.84	1.85	1.86
Berwyn Park District	0.39	0.27	0.31	0.32	0.27	0.32	0.32	0.30	0.31	0.31
Community College #527	0.55	0.45	0.47	0.47	0.40	0.42	0.41	0.39	0.39	0.39
Other	0.34	0.34	0.23	0.19	0.18	0.17	0.18	0.16	0.19	0.17

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2011			2002		
	<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	\$ 30,424,644	1	2.56%	\$ 23,791,575	1	3.73%
Andrew S. Bermant	10,816,153	2	0.91%	-	N/A	0.00%
Shurgard	3,988,119	3	0.34%	-	N/A	0.00%
Fairfax	2,457,517	4	0.21%	-	N/A	0.00%
Vranas & Assoc.	2,132,945	5	0.18%	-	N/A	0.00%
McDonald's Co.	1,896,754	6	0.16%	-	N/A	0.00%
SKS	1,893,731	7	0.16%	-	N/A	0.00%
Citizens Bank, Illinois	1,812,565	8	0.15%	1,911,304	4	0.30%
Harlem Life LLC	1,510,209	9	0.13%	-	N/A	0.00%
Reliable Management Inc.	1,462,322	10	0.12%	-	N/A	0.00%
Cermak Plaza Associates	-	N/A	0.00%	10,093,411	2	1.58%
Harris Bank CRE	-	N/A	0.00%	2,393,534	3	0.38%
CNC	-	N/A	0.00%	1,272,918	5	0.20%
Tom Koulouris	-	N/A	0.00%	1,064,093	6	0.17%
Arthur Scalfaro	-	N/A	0.00%	976,810	7	0.15%
Physician's Rec. JE	-	N/A	0.00%	944,967	8	0.15%
ABN AMRO Property Mgmt	-	N/A	0.00%	922,324	9	0.14%
Grand Court Development Corp.	-	N/A	0.00%	915,169	10	0.14%
	<u>\$ 58,394,959</u>		<u>4.91%</u>	<u>\$ 44,286,105</u>		<u>6.94%</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
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%	519,766	23,007,493	98.22%
2010	24,566,570	23,449,327	95.45%	-	23,449,327	95.45%

Data Source

Office of the County Clerk

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

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

Fiscal Year <u>Ended</u>	Governmental Activities			Business-Type Activities			Total Primary <u>Government</u>	Percentage of Personal <u>Income*</u>		Per <u>Capita*</u>
	General Obligation <u>Bonds **</u>	Installment & Mortgage Notes <u>Payable ****</u>	Capital <u>Leases</u>	General Obligation <u>Bonds</u>	Installment Notes <u>Payable</u>	Capital <u>Leases</u>		<u>Income*</u>	<u>Capita*</u>	
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	
2011	94,308,972	5,047,332	576,510	2,945,000	-	-	102,877,814	8.81%	1,816	

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 128 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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
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	93,212,111	432,650	92,779,461	2.60%	1,637.56
2011	97,255,395	500,884	96,754,511	N/A	1,707.72

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 120 for property value data.

CITY OF BERWYN, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2011

<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	\$ 94,308,972	100.00%	\$ 94,308,972
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	29,490,000	100.00%	29,490,000
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>5,641,844,814</u>		<u>87,804,236</u>
	<u>\$ 5,736,153,786</u>		<u>\$ 182,113,208</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, 2011

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	56,657	\$ 1,167,190,857	\$ 20,601	9.8%
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

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

2011			2002		
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	1,800	13.51%
Morton West High School *	1,000	7.51%	Berwyn South School	413	3.10%
Berwyn South School	456	3.42%	Morton West High School	408	3.06%
Berwyn North School	370	2.78%	City of Berwyn	370	2.78%
City of Berwyn	550	4.13%	Turano Baking Company	300	2.25%
Campagna-Turano Baking Co.	300	2.25%	Commercial National Bank of Berwyn	149	1.12%
Transloading Specialist, Inc.	50	0.38%	Rosin Optical Co., Inc.	125	0.94%
BP Amoco	90	0.68%	Ozinga Ready Mix	120	0.90%
Rosin Eyecare	85	0.64%	Amoco Oil Co.	90	0.68%
Physician's Record Company	35	0.26%	Central State Trucking	90	0.68%

Data Source

Phone canvas of employers, 2011 Illinois Service Directory and 2011 Illinois Manufacturer Directory
 2002 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

<u>Function/Program</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>	<u>2011</u>
General Government										
Administration	8	8	8	9	16	16	17	16	15	15
Finance	17	17	16	17	19	19	12	12	12	16
Community Development	11	10	11	17	16	16	16	16	18	17
Public Safety										
Police										
Officers	91	89	92	92	98	101	101	104	106	107
Civilians	49	52	57	44	53	56	25	56	34	38
Fire										
Firefighters and officers	65	65	66	66	66	66	66	68	66	78
Civilians	2	2	2	2	2	2	2	1	1	1
Public Works	52	52	53	55	48	48	48	44	38	36
Culture & Recreation	58	56	59	52	58	59	59	58	44	41

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS
OPERATING INDICATORS
Last Ten Fiscal Years

<u>Function/Program</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>	<u>2011</u>
Public Safety										
Police										
Physical arrests	1,347	2,158	1,670	2,276	2,795	2,002	2,054	2,815	3,971	2,237
Parking violations	59,387	74,390	100,228	78,231	65,277	66,442	67,941	67,941	41,641	44,569
Traffic tickets issued	N/A	2,359	3,045	2,118	9,043	1,101	1,193	11,020	20,762	19,057
Fire										
Emergency responses	5,816	5,984	6,726	8,956	8,566	9,539	9,308	8,413	6,557	6,624
Fires extinguished	195	207	220	211	190	333	114	139	199	146
Public Works										
Streeting resurfacing (miles)	0.0	0.0	1.1	0.4	1.3	0.0	0.0	2.0	0.0	0.0
Pothole repairs	1,164	1,108	1,235	1,329	1,465	1,515	1,576	1,692	2,769	3,500
Water										
New connections	2	-	8	-	3	2	3	1	14	13
Water main breaks	248	311	142	154	251	322	317	233	168	142
Average daily consumption	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	5.13 MGD
Peak daily consumption	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	6.67 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	N/A	N/A	37	52	47	58	78	74
Fire										
Fire stations	3	3	3	3	3	3	2	3	3	3
Fire engines	4	4	4	4	4	4	4	4	4	4
Public Works										
Arterial streets (miles)	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Residential streets (miles)	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Streetlights	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Traffic signals (intersections)	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Fire hydrants	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053
Storage capacity (gallons)	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
Wastewater										
Sanitary sewers (miles)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Storm sewers (miles)	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0

Data Source

Various city departments