

City of Berwyn, Illinois



A Century of Progress with Pride

Comprehensive Annual Financial Report

For the Year Ended December 31, 2012

CITY OF BERWYN, ILLINOIS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2012

Prepared by: Finance Department

CITY OF BERWYN, ILLINOIS
 Berwyn, Illinois
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 December 31, 2012

CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1-5
GFOA Certificate of Achievement.....	6
Organizational Chart.....	7
List of Elected and Appointed Officials.....	8

FINANCIAL SECTION

Independent Auditors' Report.....	9-11
Management's Discussion and Analysis	12-27
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	28
Statement of Activities	29
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	30
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	32
Reconciliation of the Governmental Funds Statements of Revenues Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	33
Proprietary Funds	
Statement of Net Position	34
Statement of Revenues, Expenses, and Changes in Net Position.....	35
Statement of Cash Flows.....	36
Fiduciary Funds	
Statement of Fiduciary Net Position Pension Trust Funds	37
Statement of Changes in Fiduciary Net Position Pension Trust Funds.....	38
Notes to Financial Statements	39-77

(Continued)

CITY OF BERWYN, ILLINOIS

Berwyn, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2012

CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund	78
Schedule of Funding Progress	
Illinois Municipal Retirement Fund	79
IMRF - Sheriffs' Law Enforcement Personnel.....	80
Police Pension Fund	81
Firefighters' Pension Fund	82
Other Postemployment Benefits	83
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	84
IMRF - Sheriffs' Law Enforcement Personnel.....	85
Police Pension Fund	86
Firefighters' Pension Fund	87
Other Postemployment Benefits	88
Notes to Required Supplementary Information	89 - 90

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds

Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	91
General Fund	
Schedule of Revenues - Budget and Actual	92 - 94
Schedule of Expenditures - Budget and Actual	95 - 100

Nonmajor Governmental Funds

Combining Balance Sheet	101 - 102
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(Continued)

CITY OF BERWYN, ILLINOIS

Berwyn, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2012

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)

Nonmajor Governmental Funds (Continued)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	103 - 104
--	-----------

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Library Fund	105
Motor Fuel Tax Fund	106
South Berwyn Corridor TIF Fund	107
Roosevelt Road TIF Fund	108
Ogden Avenue TIF Fund	109
Cermak Road TIF Fund	110
Foreign Fire Insurance Fund	111
CDBG Fund	112

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Capital Bond Fund	113

Fiduciary Funds

Pension Trust Funds

Combining Statement of Net Position	114
Combining Statement of Changes in Net Position	115

STATISTICAL SECTION

Net Position by Components	116
Changes in Net Position	117 - 118
Fund Balances of Government Funds	119
Changes in Fund Balances of Governmental Funds	120
General Governmental Tax Revenues by Source	121
Assessed Value and Estimated Actual Value of Taxable Property	122
Property Tax Rates - Direct and Overlapping Governments	123
Principal Property Taxpayers	124
Property Tax Levies and Collections	125
Ratios of Outstanding Debt by Type	126
Ratios of General Bonded Debt Outstanding	127

(Continued)

CITY OF BERWYN, ILLINOIS

Berwyn, Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2012

CONTENTS

STATISTICAL SECTION (continued)

Direct and Overlapping Governmental Activities Debt	128
Schedule of Legal Debt Margin	129
Demographic and Economic Information	130
Principal Employers	131
Full-Time Equivalent City Government Employees by Function	132
Operating Indicators by Function.....	133
Capital Asset Statistics by Function	134

INTRODUCTORY SECTION



A Century of Progress with Pride

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

May 24, 2013

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 (June 30, 2013) 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, 2012.

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

Sikich LLP has issued an unqualified (“clean”) opinion on the City of Berwyn’s financial statements for the year ended December 31, 2012. 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 2012 with an amount received of \$1.05 million. However, the increase in real estate transfer tax revenue from 2011 to 2012 was 14% which is reason for optimism that this revenue stream is slowly climbing back.

In 2009, the City, like most municipalities in the state and nation, was negatively impacted by the economic recession. While revenues began to recover in 2010 and 2011, the City seemed to turn a corner in 2012 as revenue levels for some major revenue streams rebounded close to 2008 levels. For example, sales tax revenues increased 7% from 2011 and were actually 3% higher than 2008 levels. Additionally, income tax revenue increased by 13% over 2011 and was within \$10,000 of 2008 levels. As those revenues appear to have rebounded, municipal utility tax dropped by 11% from last year, and is 21% below 2008 levels.

The City benefitted from an increase in municipal gasoline taxes which were raised from \$0.01 per gallon to \$0.03 per gallon. The increase in gasoline taxes lead to a 101% increase in revenues over the prior year and 64% over 2008 levels. In addition to increasing gasoline taxes in 2012, the City also began to benefit from video gaming taxes and related licensing revenues. Such taxes and licenses are estimated to bring an additional \$195,000 in revenues to the general fund.

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 \$1.4 million during 2012 as property purchased for new developments started to be turned into viable commercial properties which opened for business in 2012.

The City has also continued its plan to restructure long term debt. Due to excellent fiscal management, while other municipalities were being downgraded, the City maintained an A-rating. Standard & Poor's revised the City's outlook in 2012 from an A- positive bond rating to A- with a stable outlook. The stability in rating 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 15% in 2010 for the fifth year in a row and only the fifth 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 fund balance by \$2.3 million in 2012 in the general fund. Since 2008, the fund balance in the general fund has increased by \$6.65 million. 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 unassigned fund balance of 16% of the following year's budget, the motor fuel tax fund maintain an unassigned fund balance of 15% of the following year's expected capital projects budget, and the water and sewer fund maintain unassigned 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.

The general fund is currently out of compliance with the policy. However, the City built upon the progress achieved in 2010 and 2011 by increasing unassigned fund balance by \$1.9 million to finish the year at \$6.0 million. A number of revenue enhancements enacted in 2012 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 recovering economy.

The internal service fund (which accounts for the City's liability, workers compensation and other insurance costs) also has had a deficit net position balance since the end of 2004. The City made it a goal to eliminate the deficit during the year and was able to fund the internal service fund to a level that created a surplus by December 31, 2012, of a positive \$1.7 million. This was achieved as the City continued to improve claims management so as to reduce costs and increase 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 2012, actual charges to other funds and departments were increased by \$1.2 million in accordance with the policy.

Major Initiatives

In 2012, the City of Berwyn continued to capitalize on many growing trends within the region. As the City recovers from one of the most severe recessions in a generation, 2012 brought back some life to the battered housing market. Home transfers were up nearly 25% in 2012 compared to the previous year. This resurgence in the housing market may very well prove to be the most important development of the past year. Berwyn has always prided itself on its quality housing stock and the residential tax base continues to be the backbone of the City.

To further encourage a reduction in the number of foreclosed properties across Berwyn the City has utilized several successful programs. First off, the City continued to acquire, rehab and divest vacant and foreclosed homes using the Neighborhood Stabilization Program, a Federally funded program through the Department of Housing and Urban Development (HUD). Another program that has been extremely effective in addressing the foreclosure problem has been Berwyn's inclusion into the Illinois Housing Development Authority (IHDA) Building Blocks Pilot Program. This program offers many home buyers \$10,000 towards the purchase of a vacant home in Berwyn. Through the utilization of new and innovative programs such as these, Berwyn's future will continue to brighten.

As refreshing as it is to see the housing market enter the early stages of a recovery, Berwyn is excited to continue to build upon the economic development renaissance that has taken hold city-wide over the past several years. 2012 was a historic year for the City of Berwyn due to the record breaking grand opening of forty-five different businesses. As well as the small, independent businesses, these grand openings included a new Meijer grocery store as well as a plethora of restaurants such as Five Guys and Chipotle to name a few.

The strength of Berwyn's economic prowess has been noticed by outside agencies as well. In 2012 the International Economic Development Council (IEDC) awarded Berwyn the Redevelopment Project of the Year award for the redevelopment of the northeast corner of Harlem Avenue and Cermak Road. For that same project, the Council of Development Finance Agencies (CDFA) named Berwyn as the winner of the 2012 Excellence in Tax Increment Finance Award. Finally, Berwyn's economic climate has been noticed by the Chicagoland Realtors Association as evidenced by seven Berwyn businesses earning the prestigious Good Neighbor Award.

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, 2011. 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.

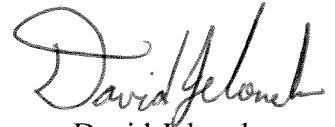
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



David Jelonek
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, 2011

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.



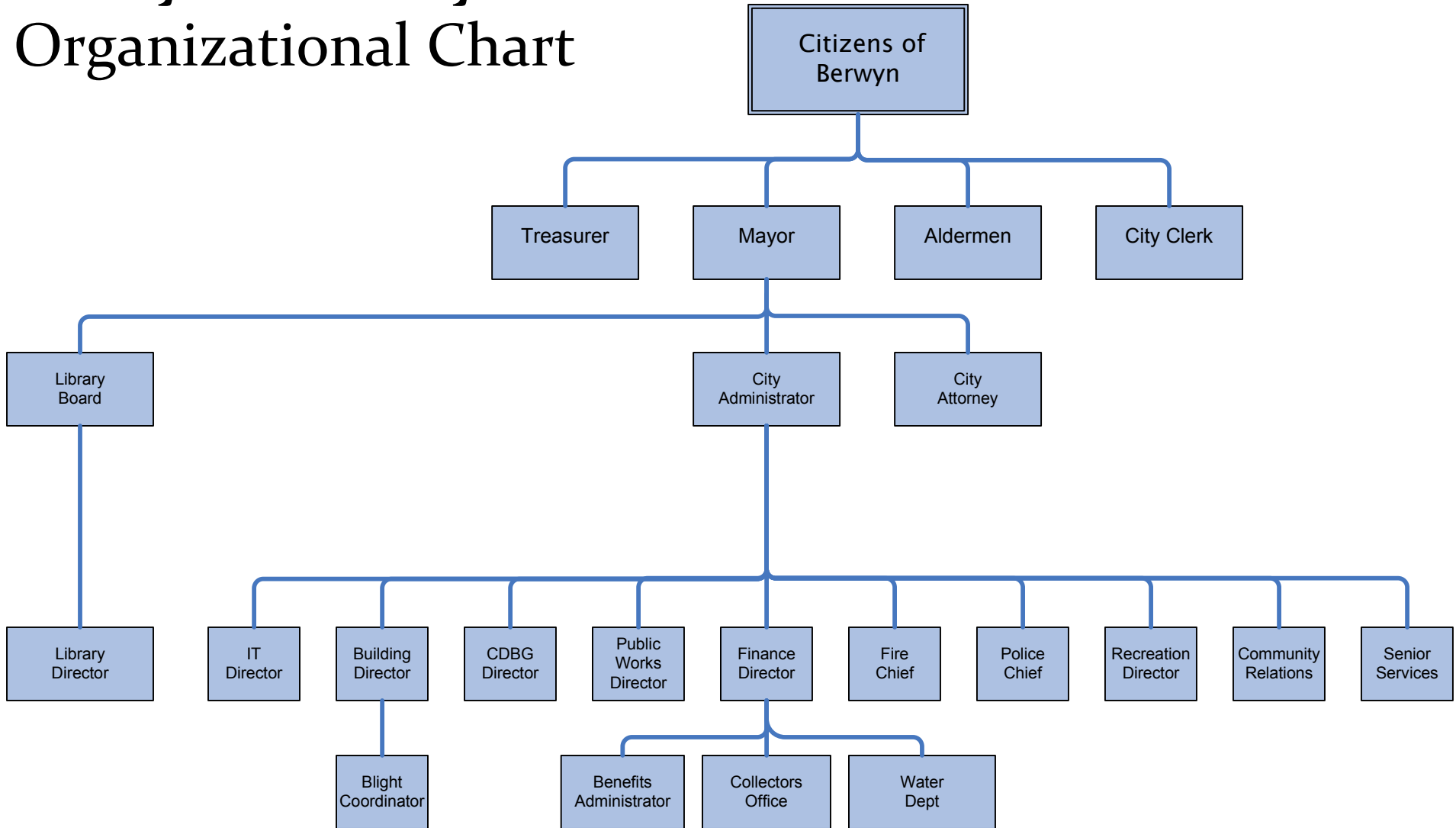
Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

City of Berwyn Organizational Chart



**City of Berwyn
List of Elected and Appointed Officials
December 31, 2012**

Elected Officials

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

Appointed Officials

Anthony Bertuca	City Attorney
Tammy Clausen	Director, Library Services
Cynthia Montavon	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
David Jelonek	Director, Finance

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Berwyn, Illinois (the City) as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 of the City of Berwyn, which represents 100% of the assets, net position and revenues of the discretely presented component unit. 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 amount included for the Berwyn Development Corporation of the City of Berwyn, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2012 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Opinions

In our opinion, based on our audit and the report of the 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended December 31, 2012. Statement No. 63 added new classifications on the statements of position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No. 63.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 27 and 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has 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 information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "S. K. U. P.", is positioned to the right of the main text block.

Naperville, Illinois
May 24, 2013

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS



A Century of Progress with Pride

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

Management's Discussion and Analysis

As management of the City of Berwyn, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Berwyn for the fiscal year ended December 31, 2012.

Financial Highlights

At the end of the current fiscal year, fund balance for the General Fund, the main operating fund of the City, was \$6,799,371, an increase of \$2,302,829, or 51% over the prior year 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 \$22,919,291, a decrease of \$436,465 in comparison with the prior year. Due to the termination of the Cermak TIF, the TIF funds decreased by over \$3.7 million which represents spending of assets accumulated in prior years for major projects and evidence of the City's focus on commercial development and spending on capital items which will benefit the City in future years.

In 2012, the City's total net position decreased by \$7,769,875. Two primary factors have contributed to this decrease. First, economic development costs paid for with TIF funds accumulated over prior periods have continued as the City focuses on developing its business districts and increasing its commercial tax base. Second, governmental and business-type assets are depreciated based upon annual usage of long-term assets such as infrastructure. Such expenditures are not funded by the City's current rate structure and therefore revenues do not offset this expense at the government-wide level.

The assets of the City of Berwyn (primary government only) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,195,108. The City has deficit unrestricted net position of \$16,182,107 at year end. A restatement of beginning net position in the amount of \$1,720,917 in governmental activities and \$91,627 in business-type activities was due to implementation of *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result of bond issuance costs that were previously amortized were eliminated in the current year and offset against net position.

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 28 and 29 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 Position presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator regarding the financial position of the City.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net position 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 utilities 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 30 and 32 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, sewer, and garbage 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 Utilities 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 34 - 36 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 37 and 38 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 39 - 77 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 78 – 90 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 91 - 115 of this report.

Government-wide Financial Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City of Berwyn's net position 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 position 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 2011 and 2012 Statement of Net Position for both governmental and business-type activities:

City of Berwyn Net Position

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 61,232,916	\$ 62,220,400	\$ 7,830,272	\$ 7,336,619	\$ 69,063,188	\$ 69,557,019
Capital assets	<u>55,730,432</u>	<u>56,561,198</u>	<u>36,657,351</u>	<u>39,123,018</u>	<u>92,387,783</u>	<u>95,684,216</u>
Total assets	116,963,348	118,781,598	44,487,623	46,459,637	161,450,971	165,241,235
Total deferred outflows of resources	<u>451,616</u>	<u>678,761</u>	<u>-</u>	<u>-</u>	<u>451,616</u>	<u>678,761</u>
Current liabilities	7,212,820	8,623,944	2,372,481	753,077	9,585,301	9,377,021
Long-term liabilities	<u>120,640,052</u>	<u>116,076,165</u>	<u>3,048,304</u>	<u>3,032,600</u>	<u>123,688,356</u>	<u>119,108,765</u>
Total liabilities	127,852,872	124,700,109	5,420,785	3,785,677	133,273,657	128,485,786
Total deferred inflows of resources	<u>25,433,822</u>	<u>24,656,683</u>	<u>-</u>	<u>-</u>	<u>25,433,822</u>	<u>24,656,683</u>
Invested in capital assets net of related debt	(29,717,373)	(25,148,350)	35,878,284	38,876,966	6,160,911	13,728,616
Restricted	13,216,304	14,690,665	-	698,324	13,216,304	15,388,989
Unrestricted	<u>(19,370,661)</u>	<u>(19,438,748)</u>	<u>3,188,554</u>	<u>3,098,670</u>	<u>(16,182,107)</u>	<u>(16,340,078)</u>
Total net position	<u>\$ (35,871,730)</u>	<u>\$ (29,896,433)</u>	<u>\$ 39,066,838</u>	<u>\$ 42,673,960</u>	<u>\$ 3,195,108</u>	<u>\$ 12,777,527</u>

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

Governmental activities

The City's governmental activities current assets decreased from 2011 by approximately \$1.0 million. The most significant change was a \$1.4 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 2012.

Current liabilities decreased \$1.4 million from 2011. Several factors accounted for this increase including: a decrease in accounts payable of \$700,000 and a decrease in the amount due to fiduciary funds of \$1.0 million representing receipts of pension associated property taxes prior to the end of the current year as opposed to the delays in property tax receipts in the prior year.

Long-term liabilities increased by about \$4.6 million. This was primarily the result of a net \$3 million of bonds issued and a \$2.9 million increase in the net pension obligation.

The decrease in restricted net assets is primarily in funds restricted for economic development which dropped \$3.7 million as TIF resources were deployed on commercial development projects.

Business-type activities

The increase in current assets is mainly due to increases in cash and accounts receivable over the prior year exceeding the amount due to other funds from the Utilities Fund. The decrease in capital assets is a result of depreciation for the year. The increase in current liabilities is the result of higher accounts payable balances than in the prior year. The slight increase in long-term liabilities is primarily due to increases in compensated absences balances over the prior year.

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 operation results:

City of Berwyn Changes in Net Position

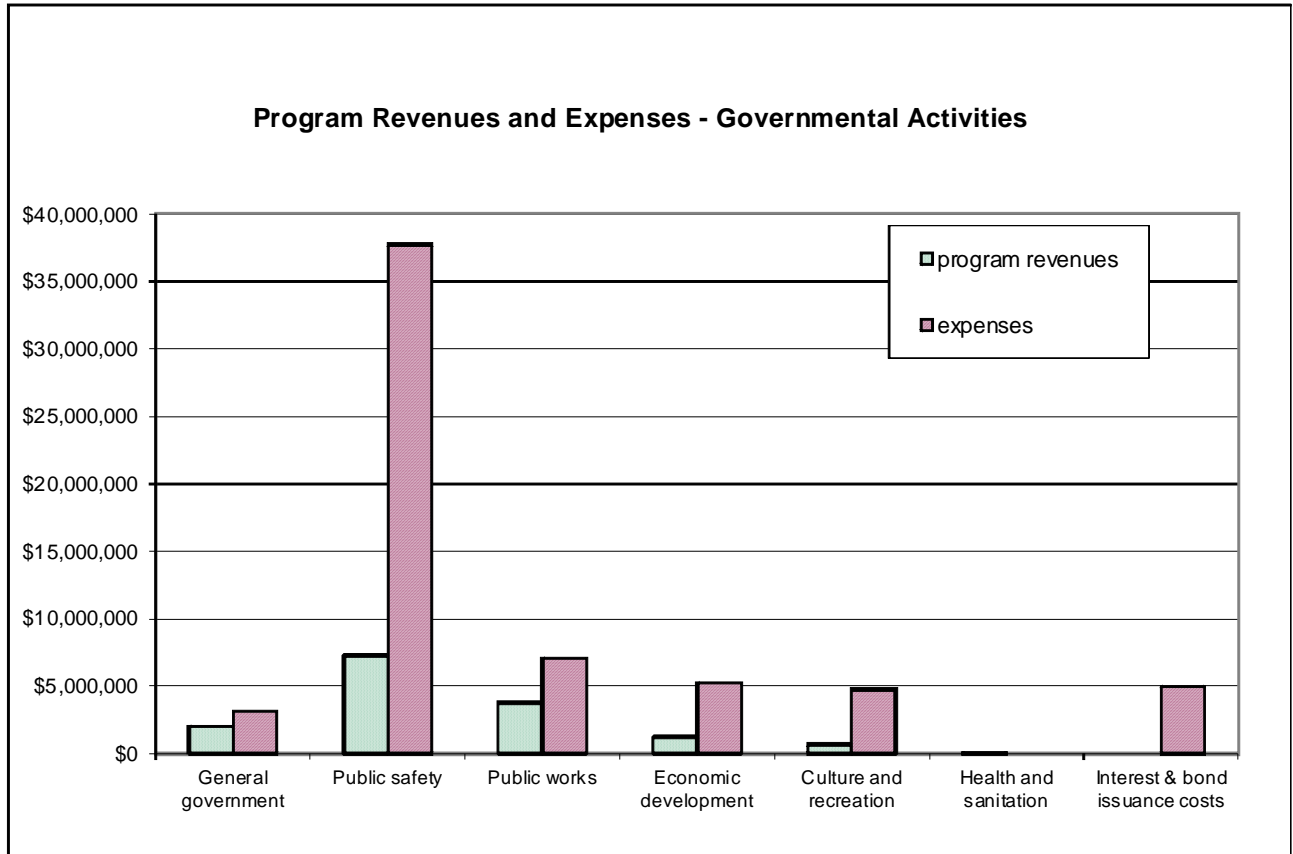
	Governmental activities		Business-type activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,881,172	\$ 14,691,452	\$ 12,908,084	\$ 6,454,438	\$ 23,789,256	\$ 21,145,890
Operating grants & contributions	3,636,003	4,684,682	-	-	3,636,003	4,684,682
Capital grants & contributions	660,589	1,641,462	-	-	660,589	1,641,462
General revenues						
Property taxes	27,265,941	28,372,384	-	-	27,265,941	28,372,384
Other taxes	16,446,568	15,514,131	-	-	16,446,568	15,514,131
Other revenues	<u>316,261</u>	<u>386,130</u>	<u>5,867</u>	<u>10,312</u>	<u>322,128</u>	<u>396,442</u>
Total revenues	59,206,534	65,290,241	12,913,951	6,464,750	72,120,485	71,754,991
Expenses:						
General government	3,143,434	4,474,679	-	-	3,143,434	4,474,679
Public safety	37,717,578	36,778,991	-	-	37,717,578	36,778,991
Public works	7,127,063	8,622,452	-	-	7,127,063	8,622,452
Health and sanitation	-	4,086,307	-	-	-	4,086,307
Culture and recreation	4,786,867	5,065,032	-	-	4,786,867	5,065,032
Economic development	5,295,179	11,210,313	-	-	5,295,179	11,210,313
Interest on long-term debt	4,989,927	4,891,883	-	-	4,989,927	4,891,883
Utilities	-	-	16,557,127	11,432,263	16,557,127	11,432,263
Parking garage	-	-	273,185	275,896	273,185	275,896
Total expenses	<u>63,060,048</u>	<u>75,129,657</u>	<u>16,830,312</u>	<u>11,708,159</u>	<u>79,890,360</u>	<u>86,837,816</u>
Change in Net Assets Before Transfers	<u>(3,853,514)</u>	<u>(9,839,416)</u>	<u>(3,916,361)</u>	<u>(5,243,409)</u>	<u>(7,769,875)</u>	<u>(15,082,825)</u>
Transfers	<u>(400,866)</u>	<u>(227,166)</u>	<u>400,866</u>	<u>227,166</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(4,254,380)</u>	<u>(10,066,582)</u>	<u>(3,515,495)</u>	<u>(5,016,243)</u>	<u>(7,769,875)</u>	<u>(15,082,825)</u>
Net position Jan 1 (restated)	<u>(31,617,350)</u>	<u>(19,829,851)</u>	<u>42,582,333</u>	<u>47,690,203</u>	<u>10,964,983</u>	<u>27,860,352</u>
Net position Dec 31	<u>\$ (35,871,730)</u>	<u>\$ (29,896,433)</u>	<u>\$ 39,066,838</u>	<u>\$ 42,673,960</u>	<u>\$ 3,195,108</u>	<u>\$ 12,777,527</u>

Significant Changes in the Statement of Activities

Government activities

The City's governmental activities net position was restated due to the adoption of *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities* by a total of \$1,720,917 to (\$31,617,350) since bond issuance costs are no longer amortized over the number of years to repay the bond per the statement. Additionally, the City's net position decreased about \$4.3 million compared to a \$10.1 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 2011 to 2012:

	Governmental activities			
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Program revenues:				
Charges for services	\$ 10,881,172	\$ 14,691,452	\$ (3,810,280)	-26%
Operating grants & contributions	3,636,003	4,684,682	(1,048,679)	-22%
Capital grants & contributions	660,589	1,641,462	(980,873)	-60%
General revenues				
Property taxes	27,265,941	28,372,384	(1,106,443)	-4%
Other taxes	16,446,568	15,514,131	932,437	6%
Other revenues	<u>316,261</u>	<u>386,130</u>	<u>(69,869)</u>	<u>-18%</u>
Total revenues	<u>\$ 59,206,534</u>	<u>\$ 65,290,241</u>	<u>\$ (6,083,707)</u>	<u>-9%</u>

Significant changes:

The City's charges for services decreased from \$14.7 million to \$10.9 million in 2012. Charges for services are primarily made up of vehicle stickers, building and compliance permits, interdepartmental charges, court and violation fines, and ambulance fees. In 2012, garbage related revenues and expense were no longer accounted for in the General fund. Instead, garbage related activity is now accounted for in the Utilities Fund, a Business-Type activity. In the prior year, garbage revenues were \$4.3 million, which was the main reason for the decrease in revenues between year. All other charges for services increased by approximately \$1.6 million and were due to increases in red light photo enforcement fines of \$1.1 million, sidewalk construction cost sharing of \$120,000, and interdepartmental charges of \$460,000.

Capital grants and contributions decreased \$1.0 million in 2012. 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. In 2012, the City only received \$115,000 in NSP funds. 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.

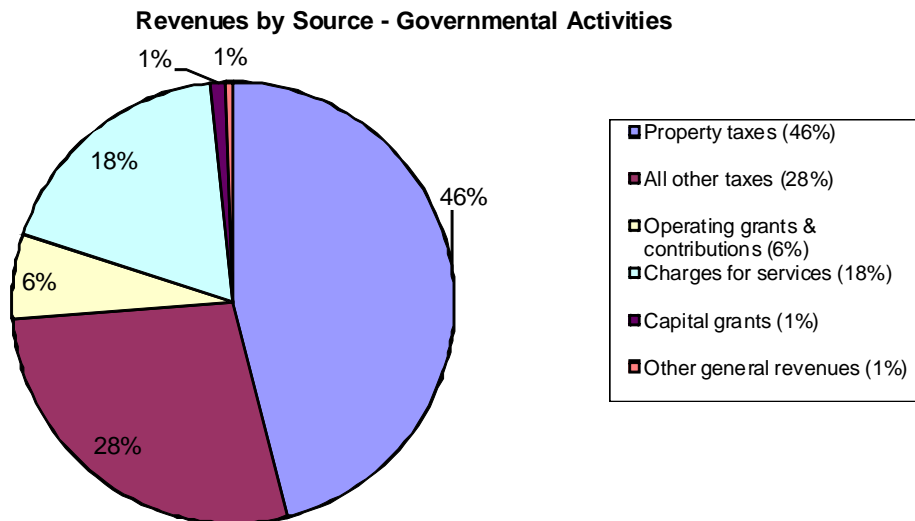
The City's property taxes revenues decreased in 2011 by \$1.1 million. A major portion of this is due to the closure of the Cermak Road TIF that ended during fiscal year 2011. Since incremental revenues were no longer being received in that fund beginning in tax year 2011, property tax revenue decreased in that particular fund from \$1,819,475, to \$1,765.

After an increase of \$401,000 in other taxes in 2011, other taxes have increased again in 2012 by \$932,000. This is primarily due to an increase in sales tax revenues of \$180,000 as the City begins to see the impact of commercial development that has taken place during 2011 and 2012. Additionally, increases in income tax revenues of \$700,000 and real estate transfer taxes of \$130,000 were a result of improving economic conditions.

Other revenues, the most significant of which is investment income, continued to decline in 2012. Investment income dropped \$19,000 due to the low interest rate environment. The City received \$150,000 additional miscellaneous revenues in 2012. This is mainly due to an \$80,000 increase in credit card rebate revenues that the City receives through paying certain bills via credit card.

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 2011 when property taxes accounted for 43%, all other taxes accounted for 24%, capital grants were 3%, operating grants were 7%, and charges for services were 22%.

Governmental activities - Expenses

The table below shows the change in expenses from 2011 to 2012:

Changes in Governmental Activities Expenses

	Governmental activities		Change	% Chg
	<u>2012</u>	<u>2011</u>		
Expenses:				
General government	\$ 3,143,434	\$ 4,474,679	\$ (1,331,245)	-30%
Public safety	37,717,578	36,778,991	938,587	3%
Public works	7,127,063	8,622,452	(1,495,389)	-17%
Economic development	5,295,179	11,210,313	(5,915,134)	-53%
Culture and recreation	4,786,867	5,065,032	(278,165)	-5%
Health and sanitation	-	4,086,307	(4,086,307)	-100%
Interest on long-term debt	4,989,927	4,891,883	98,044	2%
Total expenses	<u>\$ 63,060,048</u>	<u>\$ 75,129,657</u>	<u>\$ (12,069,609)</u>	<u>-16%</u>

Significant changes:

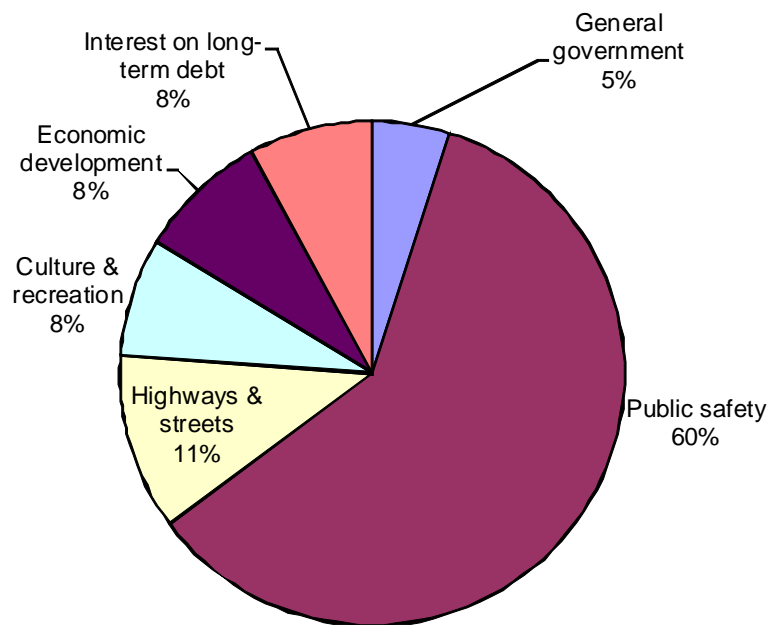
Overall, expenses decreased by 16% or \$12.1 million with much of the decrease related to economic development and the movement of garbage related expenditures to the newly formed Utilities Fund.

General government expenditures decreased by 30% mainly due to the Utilities Fund covering a larger amount of administrative expenditures than the prior year. Economic development expenses decreased by 53% as a result of the reduction of development activity taking place in the TIF districts in comparison to the prior year. Expenditures in the Cermak TIF were down by \$4.6 million from last year. This is due to the TIF no longer receiving incremental tax revenues in 2012 leading to a decrease in expenditures. TIF Expenditures during the year were used predominantly for streetscape improvements. The movement of garbage expenditures from the General Fund to the Utilities Fund led to a decrease of \$4.1 million.

Composition of expenses:

As in the prior year, the City’s largest area of expense continues to be public safety, accounting for 60% of governmental expenses. The expense composition changed from 2011 when public safety accounted for 49%, highways and streets accounted for 11%, sanitation accounted for 5%, interest on long-term debt for 7% and economic development accounted for 15% of total City expenses. Again the change in percentages was primarily affected by the large increase in economic development as several major development projects had come to fruition in 2011. Additionally, public safety increased as a result of the City addressing manpower shortages during 2012.

Governmental Activities - Expense Composition



Business-type activities

	Business-type activities			
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Program revenues:				
Charges for services	\$ 12,908,084	\$ 6,454,438	\$ 6,453,646	100%
Expenses:				
Utilities	\$ 16,557,127	\$ 11,432,263	\$ 5,124,864	45%
Parking garage	273,185	275,896	(2,711)	-1%
Total Expenses	\$ 16,830,312	\$ 11,708,159	\$ 5,122,153	44%

Significant changes:

Business-type activities represent the City's water, sewer, and garbage utilities and the parking garage. The utility's primary source of revenue is user fees for water and sewer usage and garbage fees. 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 \$3.6 million, business-type activities decreased the City's net position by \$3.7 million before transfers.

Charges for services mainly increased due to the recognition of garbage fees in the Utilities Fund after they had been recognized in the General Fund in prior years. Garbage fees were \$4.5 million in 2012. Water usage charges increased by \$1.3 million due to higher user rates passed along to residents as the City of Chicago raised the sales price the City of Berwyn pays in order to supply water to the community.

Expenses within the water utility increased in 2012 due to several factors. The most significant of these are the charges of garbage related expenditures which equaled \$4.2 million. Additionally, the cost of water the City of Chicago charges increased by \$800,000 over the prior year.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As in 2011, the only major funds for the City were the General and Debt Service Funds. All other governmental funds are recognized as nonmajor governmental funds.

Significant changes – Fund balances

	Fund		
	General Fund	Debt Service	Nonmajor Governmental Funds
Revenues	\$ 47,687,373	\$ 1,965,011	\$ 9,484,955
Expenditures	46,346,752	8,267,731	13,160,338
Other Financing Sources (Uses) net	962,208	6,323,165	915,644
Net change in fund balance	2,302,829	20,445	(2,759,739)
Fund balance, beginning	4,496,542	500,884	18,358,330
Fund balance, ending	<u>\$ 6,799,371</u>	<u>\$ 521,329</u>	<u>\$ 15,598,591</u>

General Fund revenues increased by \$0.8 million or 2% from 2011 to 2012. The largest increase was in property taxes which went up \$3.9 million due to the abatement of taxes from the Debt Service Fund to the General Fund and the recapture of equalized assessed valuation from the closed Cermak TIF. State sales tax revenues increased \$180,000 and state income tax increased \$700,000. Fines and forfeitures increased \$734,000.

General Fund expenditures decreased almost \$2.7 million or 5% from the prior year. The main reason for the decrease was the recognition of garbage expenditures in the Utilities Fund in 2012 as opposed to the General Fund as was the case in 2011. This eliminated \$4.1 million of expenditures from the General Fund in 2012. Conversely, Public Safety costs increased \$2.2 million. This was a result of adding employees to replace retirements and address vacancies that caused the police department to operate below appropriate staffing levels in the previous year. Additionally, Internal Service Fund charges increased greatly based upon the number of claims in 2011 that drove the funding needs paid in 2012.

After an increase of \$2.6 million in 2011, General Fund fund balance increased by over \$2.3 million in 2012. The increase was a result of excess revenues over expenditures by \$1.3 million and net transfers from other funds of \$900,000. Transfer amounts included \$473,000 from the Motor Fuel Tax 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 \$200,000 in 2012. Lastly, \$685,000 was transferred from the Capital Bond Fund as 2007 Bond proceeds funded capital outlay expenditures paid out of the General Fund. Conversely, the General Fund transferred \$95,000 to the Library Fund to reimburse the library for tax collections that were a result of the recapturing of EAV from the closed Cermak TIF. An additional \$368,000 was transferred to the CDBG Fund to cover expenditures not reimbursable by the Federal grant.

Revenues in the Debt Service Fund declined in 2012 by nearly \$2.9 million as the City abated property taxes and shifted them to the General Fund. Principal expenditures increased by \$650,000 compared to 2011 while interest expenditures increased by only \$100,000. In 2012, the City continued its refunding plan by refunding a number of debt payments due in 2012. Fund balance in the Debt Service Fund increased by about \$20,000 to \$521,000.

With the classifications of major and nonmajor funds not changing from 2011, the comparison between years features like funds. Expenditures decreased by nearly \$5.0 million; this is mainly due to the decrease in TIF expenditures by nearly \$5.7 million. Revenues decreased \$1.9 million mainly because of decreased property taxes from the closed Cermak TIF. Additionally, due to Federal cuts, NSP grant revenues decreased by nearly \$600,000 and CDBG revenues decreased by nearly \$500,000.

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 position of the Utilities Fund (formerly the Water & Sewer Fund) at the end of the current fiscal year amounted to \$2,950,527. The total decrease in net assets of \$3.8 million was a result of operating activities which generated a loss of \$3.7 million and interest expense of approximately \$100,000. 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 \$149,000. Expenses excluding depreciation amounted to about \$48,000. After depreciation of about \$225,000, the fund lost almost \$124,000 for the year. Net assets at year end were \$10.2 million.

The City's Internal Service Fund mainly represents costs for the City's worker'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 2012, the fund's expenses decreased from \$3.7 million to \$1.2 million, following an increase of more than 42% or \$1.1 million from 2010 to 2011. The decrease was a result of a decreased number of claims and the claims that were paid were less severe than the prior year. The majority of revenue came from charges to other funds and departments based on 115% of the prior year's expenses. Therefore, the increase in 2012 revenues can be attributed to the increase in claims expenses in 2011 that needed to be funded. Net position increased during 2012 resulting in a balance on December 31, 2012 of \$1.7 million.

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 year's 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 once during 2012. The primary purpose for the amendment was to reallocate budget dollars across departments and increase funding sources and related expenditures, where necessary. This is an annual practice and no net increase in the general fund budgeted excess of revenues over expenditures resulted from the amendment.

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

	General Fund			
	Final Budget	Actual	Variance	% Var.
Revenues				
Property taxes	\$ 19,893,364	\$ 20,050,023	\$ 156,659	1%
Other taxes	15,861,000	16,094,001	233,001	1%
Charges for services	1,407,250	1,777,713	370,463	26%
Fines and fees	5,162,850	5,620,250	457,400	9%
Licenses and permits	2,808,900	2,885,225	76,325	3%
Intergovernmental	98,000	103,820	5,820	6%
Investment income	25,000	45,073	20,073	80%
Miscellaneous	682,000	1,111,268	429,268	63%
Total Revenues	\$ 45,938,364	\$ 47,687,373	\$ 1,749,009	4%
Expenditures				
Current				
General government	\$ 3,404,057	\$ 3,170,604	\$ 233,453	7%
Public safety	35,743,551	35,782,419	(38,868)	0%
Highways and streets	5,348,375	5,456,820	(108,445)	-2%
Economic development	243,071	238,549	4,522	2%
Culture and recreation	1,826,980	1,698,360	128,620	7%
Debt Service	5,000	-	5,000	100%
Total expenditures	\$ 46,571,034	\$ 46,346,752	\$ 224,282	0%

Significant changes from budget

Revenues

Total revenues exceeded budget during the 2012 fiscal year. Other taxes were 1% more than budgeted. The largest positive variances were in state income tax in the amount of \$565,000 over budget and real estate transfer taxes in the amount of \$148,000 over budget. In terms of negative variances, the municipal utility tax which was almost \$405,000 less than budgeted and state sales tax which was almost \$77,000 less than budgeted.

Charges for services were more than budget primarily due to paramedic service collections being \$122,000 higher than expected, recreation children's programs being higher than expected by \$86,000, and gas sales revenue exceeded budget by \$73,000. Sidewalk construction revenues were not budgeted for, but yielded an additional \$121,000 in revenues.

Fines and fees were over budget primarily due to revenues from red light photo enforcement of \$548,000 more than budgeted due to a full year of revenues as opposed to the prior partial year.

Finally, miscellaneous revenues were over budget due, in part, to grant revenues that exceeded budget by \$163,000 and reimbursements to City departments exceeding budget by \$145,000.

Expenditures

Overall, General Fund expenditures were \$224,000 under budget. The most significant variance was in highways and streets where repairs and maintenance exceeded budget by nearly \$429,000.

Capital Asset and Debt Administration

Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2012 with comparative figures for 2011.

City of Berwyn Capital Assets (net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 10,002,147	\$ 10,002,147	\$ 24,600	\$ 24,600	\$ 10,026,747	\$ 10,026,747
CIP	2,101,038	2,423,846	87,633	-	2,188,671	2,423,846
Buildings	11,207,430	10,941,689	10,107,973	9,929,380	21,315,403	20,871,069
Equipment	1,175,042	812,479	103,008	116,742	1,278,050	929,221
Land improvements	6,032,234	5,371,429	8,949	26,847	6,041,183	5,398,276
Vehicles	3,102,142	2,602,836	80,207	75,095	3,182,349	2,677,931
Infrastructure	22,110,399	24,406,772	26,244,981	28,950,354	48,355,380	53,357,126
Total	<u>\$ 55,730,432</u>	<u>\$ 56,561,198</u>	<u>\$ 36,657,351</u>	<u>\$ 39,123,018</u>	<u>\$ 92,387,783</u>	<u>\$ 95,684,216</u>

A number of governmental activities capital projects were under way by the end of 2012. Costs were incurred during 2012 and are included in construction in progress at year end for Pocket Park (\$71,500), the Roosevelt Road streetscape (\$950,000), Ogden TIF alley replacements (\$303,000), Cermak Road TIF street lighting (\$745,000) and a fire vehicle (\$31,000). These projects were financed by various sources such as the TIFs, the Capital Bond Fund and grants. The City's new fire truck, general ledger system, emergency generator, and library elevator renovations were completed during 2012 and are now being depreciated as usable assets.

At the end of 2012, construction in progress related to a backhoe in the amount of \$87,633 in the business-type activities.

Some of the other larger governmental activities additions included the purchase of six new police vehicles (\$222,000), radiant heaters (\$124,000), a ground storage reservoir (\$782,000), and the construction of a new parking lot at the 16th Street Fire Station (\$141,000). The lone large purchase for business-type activities was improvements related to sanitary and storm sewers (\$820,000).

Building costs of about \$401,000 were transferred to the Parking Garage Fund from the governmental funds.

These increases in capital assets were offset by depreciation charges of \$3.6 million for governmental activities and \$3.8 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>2012</u>	<u>2011</u>	<u>2011</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 99,469,861	\$ 94,308,972	\$ 2,946,288	\$ 2,946,423	\$ 102,416,149	\$ 97,255,395
Installment notes payable	930,963	1,047,332	-	-	930,963	1,047,332
Mortgage notes payable	2,596,551	4,000,000	-	-	2,596,551	4,000,000
Unamortized premiums	1,023,171	1,651,371	-	-	1,023,171	1,651,371
Unamortized loss on refunding	-	(678,761)	-	-	-	(678,761)
Capital Leases	367,195	576,510	-	-	367,195	576,510
Claims Payable	3,545,826	4,840,917	-	-	3,545,826	4,840,917
Net pension obligation	7,250,238	4,350,136	23,311	22,379	7,273,549	4,372,515
Net OPEB Obligation	1,052,856	1,171,697	-	-	1,052,856	1,171,697
IMRF early retirement liability	584,393	692,916	-	-	584,393	692,916
Compensated absences	3,818,998	3,436,314	78,704	63,798	3,897,702	3,500,112
Total	<u>\$ 120,640,052</u>	<u>\$ 115,397,404</u>	<u>\$ 3,048,303</u>	<u>\$ 3,032,600</u>	<u>\$ 123,688,355</u>	<u>\$ 118,430,004</u>

During 2012, the City was able to maintain its uninsured bond rating of A-, with a stable outlook. All of the City's outstanding debt is insured with an AAA rating.

During 2012, the City continued the restructuring of its outstanding general obligation debt which began in prior years. The City issued \$8,500,000 of General Obligation Bonds, Series 2012. \$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 additional property taxes in the General Fund by abating taxes in the Debt Service Fund. These additional funds in the General Fund allowed the City to continue building a solid fund balance. In addition, \$2.9 million of the bond issue was deposited into the Capital Bond Fund for capital projects.

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 2012 include: 1. no longer amortizing deferred loss on refunding per implementation of *GASB Statement No. 65*; 2. the decrease in claims payable by nearly \$1.3 million; 3. an increase in the actuarially determined net pension obligation of about \$2.9 million; 4. an decrease of \$119,000 in the actuarially determined net other post employment benefit (OPEB) obligation; 5. the decrease in IMRF early retirement liability of \$109,000 and 6. a net increase of about \$383,000 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 2013. Businesses, such as Meijer and JD Byrider opened in 2012 and are generating additional sales tax for the City. The new Harlem and Cermak TIF district which includes Cermak Plaza will continue to economically enhance the City and compliment the Berwyn Gateway Project that was completed in early 2012.

Additionally, approximately \$5.3 million of property taxes related to principal and interest payments due on the City's general obligation bonds during 2013 have been abated in anticipation of a current bond refunding which is to take place in the fall of 2013. This expected bond issue has been budgeted for in the Debt Service Fund for 2013.

The City also has a new revenue stream stemming from the new law allowing video gaming to take place in establishments throughout the City and the rest of the State. Between taxes and licensing fees associated with the machines, the City is expected to receive an additional \$195,000 in additional funding

from this new revenue source.

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 POSITION
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
ASSETS				
Cash and investments	\$ 13,866,034	\$ 4,078,723	\$ 17,944,757	\$ 983,152
Restricted cash	836,749	2,167,221	3,003,970	208,012
Receivables, net of allowance where applicable				
Property tax	25,535,325	-	25,535,325	-
Sales tax	735,294	-	735,294	-
Home rule sales tax	539,818	-	539,818	-
Income tax	1,835,933	-	1,835,933	-
Personal property replacement tax	31,114	-	31,114	-
Utility tax	555,047	-	555,047	-
Accounts	2,012,846	3,663,556	5,676,402	28,153
Interest	6,558	1,544	8,102	-
Prepaid expenses	501,047	-	501,047	9,816
Due (to) from other funds	2,080,772	(2,080,772)	-	-
Due from other governments	409,699	-	409,699	-
Notes receivable	3,523,557	-	3,523,557	2,372,278
Land held for resale	8,763,123	-	8,763,123	-
Capital assets, not being depreciated	12,103,185	112,233	12,215,418	-
Capital assets, being depreciated (net of accumulated depreciation)	43,627,247	36,545,118	80,172,365	27,250
Total Assets	<u>116,963,348</u>	<u>44,487,623</u>	<u>161,450,971</u>	<u>3,628,661</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	451,616	-	451,616	-
Total Deferred Outflows of Resources	<u>451,616</u>	<u>-</u>	<u>451,616</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,928,470	2,341,254	4,269,724	149,017
Accrued payroll	1,572,505	12,060	1,584,565	-
Accrued interest payable	415,208	9,965	425,173	-
Due to fiduciary funds	12,209	-	12,209	-
Unearned revenues	2,843,146	-	2,843,146	-
Security deposits	-	9,202	9,202	-
Other liabilities	441,282	-	441,282	210,124
Noncurrent liabilities				
Due within one year	5,732,839	13,790	5,746,629	578,365
Due in more than one year	114,907,213	3,034,514	117,941,727	1,444,891
Total Liabilities	<u>127,852,872</u>	<u>5,420,785</u>	<u>133,273,657</u>	<u>2,382,397</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	25,433,822	-	25,433,822	-
Total Deferred Inflows of Resources	<u>25,433,822</u>	<u>-</u>	<u>25,433,822</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(29,717,373)	35,878,284	6,160,911	27,250
Restricted for				
Public safety	1,611,696	-	1,611,696	-
Public works	718,401	-	718,401	-
Economic development	10,364,878	-	10,364,878	-
Debt service	521,329	-	521,329	-
Unrestricted (deficit)	<u>(19,370,661)</u>	<u>3,188,554</u>	<u>(16,182,107)</u>	<u>1,219,014</u>
TOTAL NET POSITION/(DEFICIT)	<u>\$ (35,871,730)</u>	<u>\$ 39,066,838</u>	<u>\$ 3,195,108</u>	<u>\$ 1,246,264</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Assets							Component Unit Berwyn Development Corporation
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental Activities								
General government	\$ 3,143,434	\$ 2,052,284	\$ -	\$ -	\$ (1,091,150)	\$ -	\$ (1,091,150)	\$ -
Public safety	37,717,578	6,162,058	833,182	282,486	(30,439,852)	-	(30,439,852)	-
Public works	7,127,063	1,986,271	1,559,747	262,852	(3,318,193)	-	(3,318,193)	-
Economic development	5,295,179	-	1,154,472	115,251	(4,025,456)	-	(4,025,456)	-
Culture and recreation	4,786,867	599,597	88,602	-	(4,098,668)	-	(4,098,668)	-
Health and sanitation	-	80,962	-	-	80,962	-	80,962	-
Interest & debt insurance costs	4,989,927	-	-	-	(4,989,927)	-	(4,989,927)	-
Total Governmental Activities	<u>63,060,048</u>	<u>10,881,172</u>	<u>3,636,003</u>	<u>660,589</u>	<u>(47,882,284)</u>	<u>-</u>	<u>(47,882,284)</u>	<u>-</u>
Business-Type Activities								
Utilities	16,557,127	12,758,778	-	-	-	(3,798,349)	(3,798,349)	-
Parking Garage	273,185	149,306	-	-	-	(123,879)	(123,879)	-
Total Business-type Activities	<u>16,830,312</u>	<u>12,908,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,922,228)</u>	<u>(3,922,228)</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 79,890,360</u>	<u>\$ 23,789,256</u>	<u>\$ 3,636,003</u>	<u>\$ 660,589</u>	<u>(47,882,284)</u>	<u>(3,922,228)</u>	<u>(51,804,512)</u>	<u>-</u>
COMPONENT UNIT								
Berwyn Development Corporation	\$ 1,240,474	\$ 1,303,218	\$ -	\$ -	-	-	-	62,744
General Revenues								
Taxes								
Property					27,265,941	-	27,265,941	-
Sales					2,782,794	-	2,782,794	-
Home rule sales					2,073,705	-	2,073,705	-
Replacement					204,750	-	204,750	-
Municipal utility					3,594,627	-	3,594,627	-
Real estate transfer					1,047,766	-	1,047,766	-
Other					828,079	-	828,079	-
Income taxes					5,914,847	-	5,914,847	-
Investment income					64,149	5,867	70,016	-
Gain on sale of capital assets					69,195	-	69,195	-
Miscellaneous					182,917	-	182,917	-
Transfers					(400,866)	400,866	-	-
Total General Revenues and Transfers					<u>43,627,904</u>	<u>406,733</u>	<u>44,034,637</u>	<u>-</u>
CHANGE IN NET POSITION					(4,254,380)	(3,515,495)	(7,769,875)	62,744
NET POSITION, JANUARY 1 (RESTATED)					<u>(31,617,350)</u>	<u>42,582,333</u>	<u>10,964,983</u>	<u>1,183,520</u>
NET POSITION (DEFICIT), DECEMBER 31					<u>\$ (35,871,730)</u>	<u>\$ 39,066,838</u>	<u>\$ 3,195,108</u>	<u>\$ 1,246,264</u>

CITY OF BERWYN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 5,643,497	\$ 2,126,326	\$ 5,996,211	\$ 13,766,034
Restricted cash	-	12	836,737	836,749
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	20,555,062	1,965,604	3,014,659	25,535,325
Sales taxes	735,294	-	-	735,294
Home rule sales tax	539,818	-	-	539,818
Income taxes	1,835,933	-	-	1,835,933
Personal property replacement tax	31,114	-	-	31,114
Utility tax	555,047	-	-	555,047
Accounts	1,504,031	-	508,815	2,012,846
Interest	4,423	679	1,456	6,558
Prepaid items	118,462	-	-	118,462
Due from other funds	5,051,448	1,296,852	2,976,983	9,325,283
Due from other governments	-	-	409,699	409,699
Notes receivable	728,167	-	2,795,390	3,523,557
Land held for resale	-	-	8,763,123	8,763,123
Total Assets	<u>\$ 37,302,296</u>	<u>\$ 5,389,473</u>	<u>\$ 25,303,073</u>	<u>\$ 67,994,842</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 828,934	\$ 200	\$ 1,099,336	\$ 1,928,470
Accrued payroll	2,379,507	-	49,753	2,429,260
Unearned revenues	29,336	-	2,813,810	2,843,146
Due to other funds	6,366,043	2,900,000	2,721,319	11,987,362
Due to fiduciary funds	12,209	-	-	12,209
Other liabilities	404,990	2,340	33,952	441,282
Total Liabilities	<u>10,021,019</u>	<u>2,902,540</u>	<u>6,718,170</u>	<u>19,641,729</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	20,481,906	1,965,604	2,986,312	25,433,822
Total Deferred Inflows of Resources	<u>20,481,906</u>	<u>1,965,604</u>	<u>2,986,312</u>	<u>25,433,822</u>
FUND BALANCES				
Nonspendable				
Notes receivable	728,167	-	-	728,167
Prepaid items	118,462	-	-	118,462
Restricted				
Public safety	-	-	1,611,696	1,611,696
Public works	-	-	718,401	718,401
Culture and recreation	-	-	36,865	36,865
Economic development	-	-	11,413,141	11,413,141
Debt service	-	521,329	-	521,329
Committed				
Capital projects funded by bonds	-	-	2,184,339	2,184,339
Assigned				
Fuel surcharge for gas pump repairs	749	-	-	749
Unassigned (deficit)	5,951,993	-	(365,851)	5,586,142
Total Fund Balances	<u>6,799,371</u>	<u>521,329</u>	<u>15,598,591</u>	<u>22,919,291</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 37,302,296</u>	<u>\$ 5,389,473</u>	<u>\$ 25,303,073</u>	<u>\$ 67,994,842</u>

CITY OF BERWYN, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
December 31, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 22,919,291
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	55,730,432
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premium on bonds	(1,023,171)
Loss on refunding	451,616
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(99,469,861)
Installment notes payable	(930,963)
Mortgage notes payable	(2,596,551)
Capital leases	(367,195)
IMRF early retirement liability	(584,393)
Long-term compensated absences	(2,962,243)
Net pension obligation	
Police pension	(3,614,891)
Fire pension	(3,415,694)
IMRF	(215,744)
IMRF SLEP	(3,909)
Net other postemployment benefits obligation	(1,052,856)
Accrued interest on bonds	(415,208)
The unrestricted net position (deficit) of the internal service funds are included in the governmental activities in the statement of net assets	<u>1,679,610</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (35,871,730)</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2012

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 20,050,023	\$ 1,963,260	\$ 5,252,658	\$ 27,265,941
Other taxes	16,094,001	-	528,977	16,622,978
Licenses and permits	2,885,225	-	-	2,885,225
Charges for services	1,777,713	-	5,359	1,783,072
Fines and forfeitures	5,620,250	-	48,624	5,668,874
Intergovernmental	103,820	-	3,604,096	3,707,916
Investment income	45,073	1,751	17,325	64,149
Miscellaneous	1,111,268	-	27,916	1,139,184
Total Revenues	<u>47,687,373</u>	<u>1,965,011</u>	<u>9,484,955</u>	<u>59,137,339</u>
EXPENDITURES				
Current				
General government	3,170,604	-	-	3,170,604
Public safety	35,782,419	-	533,660	36,316,079
Public works	5,456,820	-	992,763	6,449,583
Economic development	238,549	-	4,993,670	5,232,219
Culture and recreation	1,698,360	-	3,090,598	4,788,958
Capital outlay	-	-	1,921,092	1,921,092
Debt service				
Principal	-	3,430,000	1,519,818	4,949,818
Interest and fiscal charges	-	4,610,005	108,737	4,718,742
Bond issuance costs	-	227,726	-	227,726
Total Expenditures	<u>46,346,752</u>	<u>8,267,731</u>	<u>13,160,338</u>	<u>67,774,821</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,340,621</u>	<u>(6,302,720)</u>	<u>(3,675,383)</u>	<u>(8,637,482)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	8,500,000	-	8,500,000
Discount on issuance of long-term debt	-	(368,178)	-	(368,178)
Proceeds from sale of capital assets	67,745	-	1,450	69,195
Transfers in	1,357,745	1,091,343	3,363,282	5,812,370
Transfers (out)	(463,282)	(2,900,000)	(2,449,088)	(5,812,370)
Total Other Financing Sources (Uses)	<u>962,208</u>	<u>6,323,165</u>	<u>915,644</u>	<u>8,201,017</u>
NET CHANGE IN FUND BALANCES	2,302,829	20,445	(2,759,739)	(436,465)
FUND BALANCES, JANUARY 1	<u>4,496,542</u>	<u>500,884</u>	<u>18,358,330</u>	<u>23,355,756</u>
FUND BALANCES, DECEMBER 31	<u>\$ 6,799,371</u>	<u>\$ 521,329</u>	<u>\$ 15,598,591</u>	<u>\$ 22,919,291</u>

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (436,465)
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	2,826,450
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(8,500,000)
The accretion on capital appreciation bonds does not require the use of current financial resources and, therefore, is not reported in the governmental funds	(90,889)
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	
General obligation bonds	3,430,000
Installment notes	116,369
Mortgage notes	1,403,449
Capital leases	209,315
Changes in net pension assets/obligations are reported only in the statement of activities	
Police pension	(1,529,349)
Firefighters' pension	(1,361,767)
IMRF	(8,904)
IMRF SLEP	(82)
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements	118,841
Changes in long-term accrued compensated absences are reported only in the statement of activities	(242,848)
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	
Depreciation	(3,562,911)
Loss on disposal of capital assets	(94,305)
Change in accrued interest payable	14,553
Deferral of bond discount/premium	368,178
Amortization of accounting loss on refunding	(227,145)
Amortization of bond premium and discount	260,022
Change in IMRF liability	108,523
The change in net position of certain activities of internal service funds is reported with governmental activities	<u>2,944,585</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (4,254,380)</u>

CITY OF BERWYN, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2012

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Totals	
CURRENT ASSETS				
Cash and investments	\$ 4,078,723	\$ -	\$ 4,078,723	\$ 100,000
Restricted cash	2,167,221	-	2,167,221	-
Receivables				
Accounts (net of allowance)	3,663,556	-	3,663,556	-
Interest	1,544	-	1,544	-
Prepaid expenses	-	-	-	382,585
Due from other funds	-	249,357	249,357	4,742,851
Total Current Assets	9,911,044	249,357	10,160,401	5,225,436
NONCURRENT ASSETS				
Capital assets				
Capital assets, not being depreciated	112,233	-	112,233	-
Capital assets, net of accumulated depreciation	26,591,027	9,954,091	36,545,118	-
Net Capital Assets	26,703,260	9,954,091	36,657,351	-
Total Noncurrent Assets	26,703,260	9,954,091	36,657,351	-
Total Assets	36,614,304	10,203,448	46,817,752	5,225,436
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,339,126	2,128	2,341,254	-
Claims payable	-	-	-	705,766
Accrued payroll	12,060	-	12,060	-
Security deposits	-	9,202	9,202	-
Accrued interest payable	9,965	-	9,965	-
Compensated absences	13,790	-	13,790	-
Due to other funds	2,330,129	-	2,330,129	-
Total Current Liabilities	4,705,070	11,330	4,716,400	705,766
LONG-TERM LIABILITIES				
Claims payable	-	-	-	2,840,060
Bonds payable	2,946,288	-	2,946,288	-
Net pension obligation	23,311	-	23,311	-
Compensated absences payable	64,915	-	64,915	-
Total Long-Term Liabilities	3,034,514	-	3,034,514	2,840,060
Total Liabilities	7,739,584	11,330	7,750,914	3,545,826
NET ASSETS				
Invested in capital assets	25,924,193	9,954,091	35,878,284	-
Unrestricted (deficit)	2,950,527	238,027	3,188,554	1,679,610
Total Net Position (Deficit)	\$ 28,874,720	\$ 10,192,118	\$ 39,066,838	\$ 1,679,610

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type			Governmental Activities
	Utilities	Parking Garage	Totals	Internal Service
OPERATING REVENUES				
Charges for services				
Billings	\$ 11,762,422	\$ -	\$ 11,762,422	\$ -
Penalties	969,573	-	969,573	-
Meter sales	26,783	-	26,783	-
Internal service charges	-	-	-	4,172,090
Other revenue	-	149,306	149,306	1,351
	<u>12,758,778</u>	<u>149,306</u>	<u>12,908,084</u>	<u>4,173,441</u>
Total Operating Revenues				
OPERATING EXPENSES				
Salaries and benefits	1,402,347	-	1,402,347	-
Internal service fund charge	320,081	7,717	327,798	-
Cost of water	4,637,288	-	4,637,288	-
Contractual services	4,448,230	15,085	4,463,315	-
Utilities and cost of water	141,971	20,832	162,803	-
Repairs and maintenance	458,022	3,485	461,507	-
Postage, printing and publications	63,323	-	63,323	-
Commodities and supplies	222,548	980	223,528	-
Interdepartmental charges	1,111,547	-	1,111,547	-
Other general	10,236	-	10,236	-
Bad debt expense	19,589	-	19,589	-
Equipment lease	26,181	-	26,181	-
Claims expense	-	-	-	1,228,856
Depreciation	3,579,349	225,086	3,804,435	-
	<u>16,440,712</u>	<u>273,185</u>	<u>16,713,897</u>	<u>1,228,856</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(3,681,934)</u>	<u>(123,879)</u>	<u>(3,805,813)</u>	<u>2,944,585</u>
NONOPERATING INCOME (EXPENSE)				
Investment income	5,867	-	5,867	-
Interest expense	(116,415)	-	(116,415)	-
Total Nonoperating Income (Expense)	<u>(110,548)</u>	<u>-</u>	<u>(110,548)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	(3,792,482)	(123,879)	(3,916,361)	2,944,585
CAPITAL CONTRIBUTIONS				
	<u>-</u>	<u>400,866</u>	<u>400,866</u>	<u>-</u>
CHANGE IN NET POSITION	(3,792,482)	276,987	(3,515,495)	2,944,585
NET POSITION (DEFICIT), JANUARY 1 (As Restated)	<u>32,667,202</u>	<u>9,915,131</u>	<u>42,582,333</u>	<u>(1,264,975)</u>
NET POSITION (DEFICIT), DECEMBER 31	<u>\$ 28,874,720</u>	<u>\$ 10,192,118</u>	<u>\$ 39,066,838</u>	<u>\$ 1,679,610</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 10,792,562	\$ 158,508	\$ 10,951,070	\$ -
Payments to employees	(1,440,912)	-	(1,440,912)	-
Payments to suppliers	(8,315,245)	(48,837)	(8,364,082)	(2,615,066)
Payments for interfund services used	(1,431,628)	(7,717)	(1,439,345)	-
Payments from other funds	-	-	-	4,173,441
Net cash from operating activities	<u>(395,223)</u>	<u>101,954</u>	<u>(293,269)</u>	<u>1,558,375</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Reduction (increase) of interfund receivable	2,002,047	(98,779)	1,903,268	(1,558,375)
Increase in interfund payable	2,248,327	-	2,248,327	-
Transfer from (to) other funds	-	-	-	-
Net cash from noncapital financing activities	<u>4,250,374</u>	<u>(98,779)</u>	<u>4,151,595</u>	<u>(1,558,375)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on capital debt	(155,632)	-	(155,632)	-
Purchase of capital assets	(934,727)	(3,175)	(937,902)	-
Net cash from capital and related financing activities	<u>(1,090,359)</u>	<u>(3,175)</u>	<u>(1,093,534)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	4,847	-	4,847	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,769,639	-	2,769,639	-
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>3,476,305</u>	<u>-</u>	<u>3,476,305</u>	<u>100,000</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,245,944</u>	<u>\$ -</u>	<u>\$ 6,245,944</u>	<u>\$ 100,000</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (3,681,934)	\$ (123,879)	\$ (3,805,813)	\$ 2,944,585
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	3,579,349	225,086	3,804,435	-
Bad debt expense	19,589	-	19,589	-
Changes in assets and liabilities				
Accounts receivable	(1,966,216)	-	(1,966,216)	-
Prepaid expense	-	-	-	(91,119)
Accounts payable	1,682,943	(8,455)	1,674,488	-
Accrued payroll and compensated absences	(38,565)	-	(38,565)	-
Deposits	-	9,202	9,202	-
Net pension obligation	9,611	-	9,611	-
Claims payable	-	-	-	(1,295,091)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (395,223)</u>	<u>\$ 101,954</u>	<u>\$ (293,269)</u>	<u>\$ 1,558,375</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ -	\$ 400,866	\$ 400,866	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
December 31, 2012

ASSETS

Cash and investments	
Cash and cash equivalents	\$ 30,272
Investments	
U.S. Government and agency securities	27,520,315
Money market mutual funds	1,670,107
Equities	11,021,371
Equity mutual funds	21,599,614
Insurance contracts	<u>94,280</u>
 Total Cash and Investments	 <u>61,935,959</u>

Receivables	
Accrued interest	224,059
Other receivables	6,273
Due from governmental funds	<u>12,209</u>
 Total Receivables	 <u>242,541</u>

Prepays	<u>2,300</u>
 Total Assets	 <u>62,180,800</u>

LIABILITIES

Accounts payable	<u>44,553</u>
 Total Liabilities	 <u>44,553</u>

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

\$ 62,136,247

CITY OF BERWYN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

For the Year Ended December 31, 2012

ADDITIONS

Contributions	
Employer	\$ 4,990,040
Participants	1,416,914
Total Contributions	<u>6,406,954</u>
Investment income	
Net appreciation in fair value of investments	3,659,503
Interest earned	1,873,055
Less investment expenses	<u>(140,051)</u>
Total Investment Income	<u>5,392,507</u>
Total Additions	<u>11,799,461</u>

DEDUCTIONS

Administrative	177,251
Pension benefits and refunds	<u>7,686,660</u>
Total Deductions	<u>7,863,911</u>

NET INCREASE 3,935,550

NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - January 1 58,200,697

**NET POSITION HELD IN TRUST FOR
PENSION BENEFITS - December 31** \$ 62,136,247

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, 2012

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 restricted or committed 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 position 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 have 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, not accounted for in another fund.

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

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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following proprietary funds:

The Utilities Fund (formerly known as the Water and Sewer Fund), an enterprise fund, is used to account for water, sewer, and garbage services provided 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, 2012, 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 \$455,336, 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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenues arise when a potential revenue does not meet both the “measurable” and “available” or “earned” criteria for recognition in the current period. Unavailable/unearned 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 unavailable/unearned 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 position.

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, 2012 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of December 31, 2012.

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 restricted 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, 2012

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

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported. The governmental funds and activities report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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, 2012, the City reported \$856,755 within its General Fund and \$13,790 within its Utilities Fund related to sick leave purchased back in 2012. The balances are recorded as a portion of the noncurrent liabilities – due within one year balances on the Statement of Net Position for both governmental and business-type activities.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. Losses on refunding are reported as deferred outflows.

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.

Fund Balances/Net Position: In compliance with 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 includes 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, and has the ability to vote to establish, modify, or rescind a fund balance commitment. As of December 31, 2012, the City has committed fund balance for capital projects funded with 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, 2012, 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.

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

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Utilities fund shall 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 position is 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.

The City implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, during the fiscal year. Per this statement, bond issuance costs capitalized in prior years are no longer to be amortized over the life of the bond. Instead, such costs should be recorded as an operating cost in the government-wide statements and any prior amounts are to be restated against net position. Implementation resulted in a restatement of net position in the governmental activities by \$1,720,917 to (\$31,617,350) from (\$29,896,433). Similarly, in the business-type activities, net position was restated by (\$91,627) to \$42,582,333 from \$42,673,960.

Restricted Cash: Property taxes levied for the purpose of making debt service payments on the 2008-2012 bond issues are required by bond covenants to be directly deposited in an escrow account. The balance of that escrow account at December 31, 2012 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:

6/1/2013	\$	12
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In addition, unspent bond proceeds in the amount of \$2,167,221 to be used for a capital project in the Utilities Fund are classified as restricted cash on the Statement of Net Position. Unspent bond proceeds in the amount of \$836,737 to be used for a capital project in the Roosevelt Road TIF Fund are classified as restricted cash on the Statement of Net Position as well.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances: The CDBG Fund had a deficit fund balance at December 31, 2012 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, 2012

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	\$ 18,474,945	\$ 19,095,033	Custodial credit deposits
Illinois Funds	2,043,676	2,040,997	Credit and interest rate
Certificates of deposit	969,997	969,997	Custodial credit deposits
U.S. Treasury	8,913,763	8,913,763	Custodial credit investments and interest rate risks
U.S. agencies	2,580,213	2,580,213	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance Company Contracts	94,280	94,280	Credit and interest rate
Corporate bonds	12,580,213	12,580,213	Custodial credit and interest rate
Equities	8,257,902	8,257,902	Custodial credit and interest rate
Equity mutual funds	24,363,083	24,363,083	Credit and interest rate
State and local obligations	2,936,507	2,936,507	Custodial credit and interest rate
Money market mutual funds	<u>1,670,107</u>	<u>1,670,107</u>	Credit and interest rate
	<u>\$ 82,884,686</u>	<u>\$ 83,502,095</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 17,944,757		
Restricted cash	3,003,970		
Per Statement of Net Position -			
Fiduciary funds			
Pension Trust Funds	<u>61,935,959</u>		
 Total Cash and Investments	 <u>\$ 82,884,686</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, corporate bonds, mutual funds and equity securities.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 Securities and Exchange Commission (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, 2012, 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: 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, 2012, 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)

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, 2012, 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 Federal Deposit Insurance Corporation (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 Securities Investor Protection Corporation (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, 2012, the Police Pension Fund held \$792,465 in cash accounts listed as cash and cash equivalents and money market funds, which is approximately 1.91% of Pension Fund Cash and Investments.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2012, 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. Treasury	\$ 5,723,523	\$ -	\$ 1,844,719	\$ 2,420,685	\$ 1,458,119
U.S. agencies	1,663,555	410,868	1,104,564	4,677	143,446
Corporate bonds	9,458,350	398,919	3,363,380	4,884,807	811,244
State and local	<u>1,941,613</u>	<u>-</u>	<u>-</u>	<u>1,113,154</u>	<u>828,459</u>
Total	<u>\$18,787,041</u>	<u>\$ 809,787</u>	<u>\$ 6,312,663</u>	<u>\$ 8,423,323</u>	<u>\$ 3,241,268</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. In August 2011, U.S Treasury and government agency security ratings were downgraded by Standard & Poor's rating agency to AA+. Unrated investments individually are under \$205,000 and total \$951,752. Corporate bonds must be rated as investment grade.

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 the US Treasury, 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 the US Treasury lines of credit and increasingly stringent federal regulation. At December 31, 2012, 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>
American Funds Washington Mutual Fund	\$ 4,731,119	11.40%
Allianz Small Cap Value Fund	2,931,736	7.06%
Harbor Int'l Institutional Shares Fund	2,896,745	6.98%
Lazard Emerging Markets Equity Fund	2,649,194	6.38%
Vanguard Developed Market Index Fund	2,626,815	6.33%

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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:

American Funds Washington Mutual Fund	\$ 4,731,119
Allianz Small Cap Value Fund	2,931,736
Harbor Int'l Institutional Shares Fund	2,896,745
Lazard Emerging Markets Equity Fund	2,649,194
Vanguard Developed Market Index Fund	2,626,815
ING Real Estate Mutual Fund	1,018,757
iShares Gold Trust EFT Fund	159,536
Hartford/ Putnam Capital Manager Insurance Contract	8,532

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: In the case of deposits, this is the risk that in the event of a bank failure, the Fire Pension Fund's deposits may not be returned to it. At December 31, 2012, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Fire 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 Fire 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 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, 2012

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, 2012, the Fire Pension Fund held \$907,914 in cash accounts listed as cash and cash equivalents and money market funds, which is approximately 4.45% of Pension Fund Cash and Investments.

As of December 31, 2012, 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. Treasury	\$ 3,190,240	\$ -	\$ 440,606	\$ 2,292,112	\$ 457,522
U.S. agencies	916,658	-	740,917	45,095	130,646
Corporate bonds	3,121,863	-	1,277,259	1,481,921	362,683
Certificates of deposit	509,619	146,072	363,547	-	-
State and local obligations	994,894	-	-	57,783	937,111
Total	\$ 8,733,274	\$ 146,072	\$ 2,822,329	\$ 3,876,911	\$ 1,887,962

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. 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. In August 2011, U.S Treasury and government agency security ratings were downgraded by Standard & Poor's rating agency to AA+. Unrated investments total less than \$141,000. Corporate bonds must be rated investment grade.

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 the US Treasury, 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 the US Treasury lines of credit and increasingly stringent federal regulation. At December 31, 2012, 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, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Investment</u>	<u>Invested</u>	<u>Total Portfolio</u>
iShares Core S&P 500 ETF Fund	\$ 2,562,779	12.55%
Harding Loevner Emerging Market Portfolio Fund	1,974,319	9.67%
Harbor Int'l Institutional Shares Fund	1,935,171	9.48%

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:

iShares Core S&P 500 ETF Fund	\$ 2,562,779
Harding Loevner Emerging Market Portfolio Fund	1,974,319
Harbor Int'l Institutional Shares Fund	1,935,171
Aston/Fairpointe Optimum Mid Cap Fund	344,700
Madison Mosaic Mid Cap Fund	331,522
Vanguard REIT Index ETF Fund	200,690
Prudential Discovery Insurance Contract	85,748

B. Receivables

Property Taxes: Property taxes for 2012 attach as an enforceable lien on January 1, 2012 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, 2013 and October 1, 2013 and are payable in two installments, on or about April 1, 2013 and November 1, 2013. The County collects such taxes and remits them periodically.

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

<u>Original Loan</u>	<u>Interest Rates</u>	<u>Beginning Balance</u>	<u>Loans Made</u>	<u>Repayments</u>	<u>Loan Write-Offs</u>	<u>Ending Balance</u>
CDBG Rehab Loans	<u>0%</u>	<u>\$ 2,585,868</u>	<u>\$ 209,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,795,390</u>

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

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012 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	\$ 6,375	\$ -	\$ 6,375	\$ -	\$ -
390,000	334,568	-	821	333,747	7,502
255,000	-	255,000	-	255,000	255,000
107,710	-	107,710	-	107,710	4,093
35,000	32,990	-	1,280	31,710	1,209
45,000	2,596	-	2,596	-	-
<u>\$ 867,710</u>	<u>\$ 376,529</u>	<u>\$ 362,710</u>	<u>\$ 11,072</u>	<u>\$ 728,167</u>	<u>\$ 267,804</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. Note was repaid in advance as the final payment of all outstanding liabilities was received during 2012.
- \$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 renegotiated 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.
- \$255,000 note receivable in 12 consecutive payments of \$638 commencing April 13, 2012 and one final payment of all outstanding liabilities on May 1, 2013. Interest accrues on unpaid balances at a rate of 3% per annum.
- \$107,710 note receivable in 212 consecutive principal and interest payments commencing August 1, 2012 and one final payment of all outstanding liabilities on August 1, 2029. Interest accrues on unpaid balances at a rate of 5.25% per annum.
- \$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, 2012

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	\$ 4,073,855	\$ -
Utility billings	-	4,194,845
Allowance for uncollectible	(3,504,721)	(577,009)
Franchise fees	88,954	-
Other	<u>1,354,758</u>	<u>45,720</u>
Total	<u>\$ 2,012,846</u>	<u>\$ 3,663,556</u>

Unavailable/Unearned Revenue: Governmental funds report unavailable 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 unavailable 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 unavailable revenue and unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Amount</u>
<u>Unavailable:</u>	
Subsequent year's tax levy	\$ <u>25,433,822</u>
<u>Unearned:</u>	
CDBG loan program	2,795,390
Grants	6,228
TIF repayment agreement	12,192
BDC loan late fees	<u>29,336</u>
Total Unearned Revenue	<u>2,843,146</u>
Total	<u>\$ 28,276,968</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2012 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	\$ 10,002,147	\$ -	\$ -	\$ 10,002,147
CIP	<u>2,423,846</u>	<u>1,905,766</u>	<u>2,228,574</u>	<u>2,101,038</u>
Total Capital Assets Not Being Depreciated	<u>12,425,993</u>	<u>1,905,766</u>	<u>2,228,574</u>	<u>12,103,185</u>
Capital assets being depreciated				
Vehicles	6,430,182	1,077,409	776,793	6,730,798
Equipment	2,202,069	524,592	21,750	2,704,911
Land improvements	7,581,753	922,514	-	8,504,267
Buildings	14,757,222	624,743	32,777	15,349,188
Infrastructure	<u>54,137,377</u>	<u>-</u>	<u>-</u>	<u>54,137,377</u>
Total Capital Assets Being Depreciated	<u>85,108,603</u>	<u>3,149,258</u>	<u>831,320</u>	<u>87,426,541</u>
Less accumulated depreciation for				
Vehicles	3,827,346	483,798	682,488	3,628,656
Equipment	1,389,590	162,029	21,750	1,529,869
Land improvements	2,210,324	261,709	-	2,472,033
Buildings	3,815,533	359,002	32,777	4,141,758
Infrastructure	<u>29,730,605</u>	<u>2,296,373</u>	<u>-</u>	<u>32,026,978</u>
Total Accumulated Depreciation	<u>40,973,398</u>	<u>3,562,911</u>	<u>737,015</u>	<u>43,799,294</u>
Total Capital Assets Being Depreciated, Net	<u>44,135,205</u>	<u>(413,653)</u>	<u>94,305</u>	<u>43,627,247</u>
Total Government Activities	<u>\$ 56,561,198</u>	<u>\$ 1,492,113</u>	<u>\$ 2,322,879</u>	<u>\$ 55,730,432</u>

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

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 77,293
Public safety	660,219
Public works	2,650,610
Culture and recreation	<u>174,789</u>
Total Government Activities	<u>\$ 3,562,911</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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
CIP	<u>-</u>	<u>87,633</u>	<u>-</u>	<u>87,633</u>
Total Capital Assets Not Being Depreciated	<u>24,600</u>	<u>87,633</u>	<u>-</u>	<u>112,233</u>
Capital assets being depreciated				
Vehicles	195,100	27,568	-	222,668
Land improvements	251,291	-	-	251,291
Buildings	10,799,883	404,041	-	11,203,924
Equipment	137,343	-	-	137,343
Infrastructure	<u>111,640,528</u>	<u>819,526</u>	<u>-</u>	<u>112,460,054</u>
Total Capital Assets Being Depreciated	<u>123,024,145</u>	<u>1,251,135</u>	<u>-</u>	<u>124,275,280</u>
Less accumulated depreciation for				
Vehicles	120,005	22,456	-	142,461
Land improvements	224,444	17,898	-	242,342
Buildings	870,503	225,448	-	1,095,951
Equipment	20,601	13,734	-	34,335
Infrastructure	<u>82,690,174</u>	<u>3,524,899</u>	<u>-</u>	<u>86,215,073</u>
Total Accumulated Depreciation	<u>83,925,727</u>	<u>3,804,435</u>	<u>-</u>	<u>87,730,162</u>
Total Capital Assets Being Depreciated, Net	<u>39,098,418</u>	<u>(2,553,300)</u>	<u>-</u>	<u>36,545,118</u>
 Total Business-Type Activities	 <u>\$ 39,123,018</u>	 <u>\$ (2,465,667)</u>	 <u>\$ -</u>	 <u>\$ 36,657,351</u>

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

<u>Function</u>	<u>Amount</u>
Business-Type Activities	
Utilities	\$ 3,579,349
Parking garage	<u>225,086</u>
 Total Business-Type Activities	 <u>\$ 3,804,435</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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	\$ 540,841	Exp. reimbursement
General Fund	Police seizure	15,726	Exp. reimbursement
General Fund	NSP	141,779	Exp. reimbursement
General Fund	Roosevelt TIF	23,494	Exp. reimbursement
General Fund	Ogden Ave. TIF	6,268	Exp. reimbursement
General Fund	Utilities Fund	2,330,129	Exp. reimbursement
General Fund	Capital Bond	1,539,759	Exp. reimbursement
General Fund	Library	109,983	Exp. reimbursement
General Fund	MFT	343,469	Exp. reimbursement
Debt Service	General Fund	1,296,852	Tax collections
<u>NonMajor Governmental Funds</u>			
Grants Fund	General Fund	46,781	Revenue collections
South Berwyn TIF	General Fund	8,812	Revenue collections
Cermak TIF	General Fund	2,663	Revenue collections
Infrastructure Bond	General Fund	18,727	Cash held
Capital Bond Fund	Debt Service	<u>2,900,000</u>	Bond proceeds
Total Governmental Funds		9,325,284	
Parking Garage	General Fund	249,357	Permit revenues
Internal Service Fund	General Fund	<u>4,742,851</u>	Authorized transfer
Total		<u>\$14,317,492</u>	

All interfund balances are expected to be repaid during 2013.

Due To/From Fiduciary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Police Pension	General Fund	6,482	Tax collections
Fire Pension	General Fund	<u>5,727</u>	Tax collections
Total		<u>\$ 12,209</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 2013.

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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	Capital Bond Fund	684,745	Reimbursement for capital items
General Fund	MFT	473,000	Reimbursement of salaries
Total General Fund		<u>1,357,745</u>	
Debt Service Fund	Roosevelt Road TIF	279,519	Debt service
Debt Service Fund	Ogden Avenue TIF	410,000	Debt service
Debt Service Fund	South Berwyn TIF	401,824	Debt service
Total Debt Service Fund		<u>1,091,343</u>	
<u>NonMajor Governmental Funds</u>			
Library Fund	General Fund	95,000	Property Taxes
CDBG Fund	General Fund	368,282	Reimbursement of program expenditures
Capital Bond Fund	Debt Service Fund	2,900,000	Bond Proceeds
Total NonMajor Governmental Funds		<u>3,363,282</u>	
Total		<u>\$ 5,812,370</u>	

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds and notes payable					
General obligation debt	\$ 94,308,972	\$ 8,590,889	\$ 3,430,000	\$ 99,469,861	\$ 3,605,000
Installment notes payable	1,047,332	-	116,369	930,963	193,951
Mortgage notes payable	4,000,000	-	1,403,449	2,596,551	236,643
Unamortized premiums (discounts)	<u>1,651,371</u>	<u>(368,178)</u>	<u>260,022</u>	<u>1,023,171</u>	<u>-</u>
 Total Bonds and Notes Payable	 101,007,675	 8,222,711	 5,209,840	 104,020,546	 4,035,594
 Other liabilities					
Capital leases	576,510	-	209,315	367,195	134,724
Claims payable	4,840,917	1,196,839	2,491,930	3,545,826	705,766
Net pension obligation	4,350,136	2,900,102	-	7,250,238	-
Net OPEB obligation	1,171,697	-	118,841	1,052,856	-
IMRF early retirement liability	692,916	-	108,523	584,393	-
Compensated absences	<u>3,436,314</u>	<u>1,312,728</u>	<u>930,044</u>	<u>3,818,998</u>	<u>856,755</u>
 Total Other Liabilities	 <u>15,068,490</u>	 <u>5,409,669</u>	 <u>3,858,653</u>	 <u>16,619,506</u>	 <u>1,697,245</u>
 Total Governmental Long-Term Obligations	 <u>\$ 116,076,165</u>	 <u>\$ 13,632,380</u>	 <u>\$ 9,068,493</u>	 <u>\$ 120,640,052</u>	 <u>\$ 5,732,839</u>
 <u>Business-Type Activities</u>					
General obligation debt	\$ 2,946,423	\$ -	\$ 135	\$ 2,946,288	\$ -
Net pension obligation	22,379	932	-	23,311	-
Compensated absences	<u>63,798</u>	<u>48,612</u>	<u>33,705</u>	<u>78,705</u>	<u>13,790</u>
 Total Business-Type Long Term Obligations	 <u>\$ 3,032,600</u>	 <u>\$ 49,544</u>	 <u>\$ 33,840</u>	 <u>\$ 3,048,304</u>	 <u>\$ 13,790</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 utility revenues.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 12/31/2012</u>
<u>Governmental Activities</u>					
General obligation debt					
Corporate purpose	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	8,850,000
	10/27/11	4.50%	12/01/31	5,230,000	5,230,000
	11/20/12	3.25-3.38%	12/01/32	8,500,000	8,500,000
Capital appreciation bonds	04/03/02	3.00-5.25%	12/01/16	1,335,140	1,454,861
Refunding bonds	03/04/04	2.00-5.00%	12/01/14	19,710,000	4,650,000
Taxable bonds	04/03/02	3.20-5.10%	12/01/20	940,000	510,000
	08/15/07	5.62-5.71%	12/01/22	21,395,000	21,395,000
Total Governmental Activities General Obligation Debt					<u>\$ 99,469,861</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, 2012.

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, 2012 was \$930,963. Principal payments made in 2012 totaled \$116,369. 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, 2013. 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. The total amount outstanding under the agreement at December 31, 2012 was \$2,596,551. Principal payments made in 2012 totaled \$1,403,449. 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, 2012

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>
2013	\$ 3,195,000	\$ 4,725,543	\$ -	\$ 119,588
2014	3,360,000	4,560,477	-	119,588
2015	3,560,000	4,386,372	-	119,588
2016	3,715,000	4,237,887	100,000	119,588
2017	3,880,000	4,073,617	125,000	116,588
2018-2022	22,790,000	17,125,112	1,000,000	502,500
2023-2027	29,225,000	10,654,435	1,050,000	291,625
2028-2032	<u>28,290,000</u>	<u>3,628,634</u>	<u>670,000</u>	<u>60,223</u>
Totals	<u>\$ 98,015,000</u>	<u>\$ 53,392,077</u>	<u>\$ 2,945,000</u>	<u>\$ 1,449,288</u>

The annual requirements to amortize to maturity capital appreciation bonds outstanding as of December 31, 2012 are as follows:

	Interest	
	<u>Principal</u>	<u>Accretion</u>
2013	\$ 410,000	\$ 75,421
2014	415,000	58,577
2015	410,000	40,203
2016	415,000	20,938
Totals	<u>\$ 1,650,000</u>	<u>\$ 195,139</u>

Increases to general obligation debt in 2012, include the current year interest accretion for capital appreciation bonds of \$90,889.

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

	Governmental Activities Installment Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 430,593	\$ 114,461
2014	396,647	86,344
2015	401,589	72,092
2016	406,530	57,842
2017	411,778	43,284
2018-2022	<u>1,480,377</u>	<u>74,986</u>
Totals	<u>\$ 3,527,514</u>	<u>\$ 449,009</u>

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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, 2012 was \$0. Principal payments made in 2012 totaled \$29,442. 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, 2012 was \$20,334. Principal payments made in 2012 totaled \$40,611. 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, 2012 was \$5,516. Principal payments made in 2012 totaled \$35,009. 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, 2012 was \$200,922. Principal payments made in 2012 totaled \$60,524. 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, 2012 was \$140,423. Principal payments made in 2012 totaled \$43,729. 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	\$491,187	\$683,952

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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, 2012, are as follows:

	Governmental Activities General Obligation Debt	
	Governmental Activities Capital Leases Payable	
	Principal	Interest Accretion
2013	\$ 135,285	\$ 15,016
2014	113,708	9,922
2015	118,202	4,866
Totals	\$ 367,195	\$ 29,804

Net Pension Obligation and Net OPEB Obligation:

The net pension obligation and net Other Post-Employment Benefits (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.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Advance and Current Refundings:

Current Year Refunding of Debt

On November 20, 2012, the City issued \$8,500,000 in tax-exempt bonds with an average interest rate of 3.27% a portion of which was used to currently refund a portion of the bonds listed below:

<u>Series</u>	<u>Principal Refunded</u>	<u>Interest Refunded</u>	<u>Total</u>
2002A	\$ 338,480	\$ 71,520	\$ 410,000
2004	2,820,000	186,750	3,006,750
2007A	-	704,125	704,125
2008	-	180,136	180,136
2009 (Oct)	-	122,669	122,669
2009 (Dec)	-	139,425	139,425
2010	-	381,484	381,484
2011	-	55,411	55,411
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,158,480</u>	<u>\$ 1,841,520</u>	<u>\$ 5,000,000</u>

The cash flow requirements on the refunded bonds prior to the refunding was \$5,000,000 in 2012. The cash flow requirements on the portion of the 2012 tax exempt bonds used to refund the bonds are \$8,193,341 from 2013 through 2032. 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 2012 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, 2012, \$1,495,379 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 2012 was \$227,145 which is reported in the governmental activities. The balance of the unamortized loss at December 31, 2012, was \$451,616, which is reported as a deferred outflow on the Statement of Net Position.

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2012 was \$908,572.

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, 2012 was \$3,545,826 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>
2011	\$ 4,010,353	\$ 3,104,598	\$ (2,274,034)	\$ 4,840,917
2012	4,840,917	1,196,839	(2,491,930)	3,545,826

(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 2012, BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance drawn under this credit line as of December 31, 2012 is \$2,023,256. Of this balance, \$930,963 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. 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, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Eligibility for these benefits as of December 31, 2012 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, 2012 was as follows:

Annual required contributions	\$ 210,017
Interest on net OPEB obligation	58,585
Adjustment to annual required contribution	<u>(39,057)</u>
Annual OPEB cost	229,545
Contributions made	<u>348,386</u>
Increase in net OPEB obligation	(118,841)
Net OPEB obligation beginning of year	<u>1,171,697</u>
Net OPEB obligation end of year	<u><u>\$ 1,052,856</u></u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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>2010</u>		<u>2011</u>		<u>2012</u>
Annual OPEB cost	\$	118,122	\$	748,654	\$	229,545
Actual contribution		91,677		362,031		348,386
Percentage of annual OPEB cost contributed		77.60%		48.40%		151.80%
Net OPEB obligation		785,074		1,171,697		1,052,856

Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2012 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		26,437,000
UAAL as a percentage of covered payroll		16.1%

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.

I. 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, 2012

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, 2012 was 13.13% of covered payroll. The employer annual required contribution rate for calendar year 2012 was 13.19%.

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, 2012 was 9.87% of covered payroll. The employer annual required contribution rate for calendar year 2012 was 9.87%.

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, 2011, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	
Vested	57
Nonvested	<u>40</u>
Total	<u>168</u>

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

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, 2012, by the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 100% funded. For the year ended December 31, 2011, the City's contribution was 31.59% 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, 2011, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	40
Nonvested	<u>38</u>
Total	<u><u>150</u></u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 100% funded by the year 2040. For the year ended December 31, 2011 the City's contribution was 43.19% 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, 2012

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, 2010	December 31, 2010	December 31, 2011	December 31, 2011
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	29 Years, Closed	29 Years, Closed
Significant actuarial assumptions				
(a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded	6.75% Compounded Annually	6.50% Compounded Annually
(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, 2012

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, 2012 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>IMRF</u>	<u>IMRF SLEP</u>
Annual required contributions	\$ 3,937,274	\$ 3,868,992	\$ 1,084,607	\$ 12,413
Interest on net pension obligation	140,774	133,505	17,191	287
Adjustment to annual required contribution	<u>(108,035)</u>	<u>(91,354)</u>	<u>(12,289)</u>	<u>(205)</u>
Annual pension cost	3,970,013	3,911,143	1,089,509	12,495
Contributions made	<u>2,440,664</u>	<u>2,549,376</u>	<u>1,079,673</u>	<u>12,413</u>
Increase (decrease) in net pension obligation	1,529,349	1,361,767	9,836	82
Net pension obligation beginning of year	<u>2,085,542</u>	<u>2,053,927</u>	<u>229,219</u>	<u>3,827</u>
Net pension obligation end of year	<u>\$ 3,614,891</u>	<u>\$ 3,415,694</u>	<u>\$ 239,055</u>	<u>\$ 3,909</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)	2010	\$ 961,513	\$ 15,929	\$ 2,673,668	\$ 2,856,034
	2011	1,064,314	16,674	3,540,531	3,549,221
	2012	1,089,509	12,495	3,970,013	3,911,143
Actual contribution	2010	\$ 821,323	\$ 12,182	\$ 2,447,616	\$ 2,532,240
	2011	975,285	16,594	2,443,805	2,544,473
	2012	1,079,673	12,413	2,440,664	2,549,376
Percentage of APC contributed	2010	85.42%	76.48%	91.55%	88.70%
	2011	91.64%	99.52%	69.02%	71.69%
	2012	99.10%	99.34%	61.48%	65.18%
NPO (Asset)	2010	\$ 140,190	\$ 3,747	\$ 988,816	\$ 1,049,179
	2011	229,219	3,827	2,085,542	2,053,927
	2012	239,055	3,909	3,614,891	3,415,694

(Continued)

CITY OF BERWYN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Funded Status and Funding Progress

	Illinois Municipal Retirement Fund	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Percent Funded	77.00%	113.27%	43.95%	26.92%
Actuarial Accrued Liability	\$21,480,659	\$141,363	\$90,667,731	\$75,507,749
Actuarial Value of Assets	\$16,540,272	\$160,125	\$39,847,842	\$20,325,193
Unfunded Actuarial Accrued Liability	\$4,940,387	(\$18,762)	\$50,819,889	\$55,182,556
Covered Payroll	\$8,222,951	\$125,769	\$7,736,213	\$5,891,725
Ratio of the UAAL to Covered Payroll	60%	None	657%	937%

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

In past years the City has allowed individual employees to retire early through IMRF and has funded the purchase of this option. The payments for these 12 early retirees are being made on an annual basis of 1.95% of the City's payroll to the IMRF system. This liability accrues interest at varying annual rates, 7.5% for 2012. The outstanding balance of \$584,393 is recorded as a noncurrent liability within the government-wide financial statements.

J. Short-Term Debt

The City has a \$1 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. At December 31, 2012 and throughout the year, no amounts were drawn against the line of credit.

(Continued)

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

K. 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, 2012 amounted to \$13,395. During the year, the BDC retired \$23,467 of property and recorded a net loss of \$408 thereon. The BDC expended \$19,394 for asset purchases in 2012.

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, 2012

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	\$ 1,191,164	\$ 1,191,164	Custodial credit risk
Total	<u>\$ 1,191,164</u>	<u>\$ 1,191,164</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, 2012, \$941,164 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, 2012 of \$930,963. Notes receivable have a gross value of \$2,372,278 at December 31, 2012. 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 ten 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 + 1%	9/30/2018	\$38,790 + Int.	Quarterly	\$ 930,963
Prime - 0.5%	8/11/2017	2,730	Monthly	155,842
Prime - 0.5%	10/26/2015	3,035	Monthly	96,710
Prime	4/24/2019	3,236	Monthly	210,395
Prime + 1%	10/26/2016	1,517	Monthly	91,926
Prime + 2%	7/16/2015	2,986	Monthly	377,879
Prime + 2%	2/11/2016	2,365	Monthly	291,270
Prime + 2%	3/11/2016	1,744	Monthly	<u>217,293</u>
Total				<u>\$ 2,372,278</u>

(Continued)

CITY OF BERWYN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt - Notes Payable: During 2012, the BDC maintained agreements with seven local financial institutions establishing a \$4,200,000 line of credit to fund community renovation and business investment projects. The balance of this credit line at December 31, 2012 is \$2,023,256. 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>
2013	\$ 578,365
2014	867,808
2015	-
2016	-
2017	<u>577,083</u>
Totals	<u>\$ 2,023,256</u>

Lease Commitments: The BDC rents office space under a lease, which expires September, 2013. Total rent paid during 2012 was \$12,000. Terms of the lease are effective September 1, 2008. In addition, the BDC leases a copier under a non-cancelable operating lease, which expires in 2013. Total lease expense in 2012 was \$21,050. Future minimum annual rental and lease payments are:

2013	<u>\$ 27,200</u>
Totals	<u>\$ 27,200</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 \$10,379 in 2012.

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 19,893,364	\$ 19,893,364	\$ 20,050,023	\$ 156,659
Other taxes	15,861,000	15,861,000	16,094,001	233,001
Licenses and permits	2,808,900	2,808,900	2,885,225	76,325
Charges for services	1,407,250	1,407,250	1,777,713	370,463
Fines and forfeitures	4,415,000	5,162,850	5,620,250	457,400
Intergovernmental	98,000	98,000	103,820	5,820
Investment income	25,000	25,000	45,073	20,073
Miscellaneous	682,000	682,000	1,111,268	429,268
Total Revenues	<u>45,190,514</u>	<u>45,938,364</u>	<u>47,687,373</u>	<u>1,749,009</u>
EXPENDITURES				
Current				
General government	3,334,057	3,404,057	3,170,604	233,453
Public safety	35,012,351	35,743,551	35,782,419	(38,868)
Public works	5,418,775	5,348,375	5,456,820	(108,445)
Economic development	243,071	243,071	238,549	4,522
Culture and recreation	1,809,930	1,826,980	1,698,360	128,620
Debt service				
Interest and fiscal charges	5,000	5,000	-	5,000
Total Expenditures	<u>45,823,184</u>	<u>46,571,034</u>	<u>46,346,752</u>	<u>224,282</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(632,670)</u>	<u>(632,670)</u>	<u>1,340,621</u>	<u>1,973,291</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,500	2,500	67,745	65,245
Transfers in	1,623,000	1,623,000	1,357,745	(265,255)
Transfers (out)	(296,000)	(296,000)	(463,282)	(167,282)
Total Other Financing Sources (Uses)	<u>1,329,500</u>	<u>1,329,500</u>	<u>962,208</u>	<u>(367,292)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 696,830</u>	<u>\$ 696,830</u>	2,302,829	<u>\$ 1,605,999</u>
FUND BALANCE, JANUARY 1			<u>4,496,542</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 6,799,371</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
December 31, 2012

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	\$ 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%
2012	16,540,272	21,480,659	77.00%	4,940,387	8,222,951	60.08%

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
 IMRF- SHERIFF'S LAW ENFORCEMENT PERSONNEL
 December 31, 2012

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%
2012	160,125	141,363	113.27%	(18,762)	125,769	0.00%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND
December 31, 2012

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)
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%
2012	39,847,842	90,667,731	43.95%	50,819,889	7,736,213	656.91%

- Actuarial evaluations were conducted for the years beginning 2007, 2008, 2009, 2010, 2011 and 2012

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
 FIREFIGHTERS' PENSION FUND
 December 31, 2012

Actuarial Valuation Date January 1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2007	\$ 15,394,935	\$ 46,074,445	33.41%	\$ 30,679,510	\$ 4,375,082	701.23%
2008	17,721,979	51,221,802	34.60%	33,499,823	4,730,881	708.11%
2009	19,155,476	52,322,912	36.61%	33,167,436	4,861,734	682.21%
2010	16,925,476	55,853,421	30.30%	38,927,945	5,074,057	767.20%
2011	19,533,664	59,934,286	32.59%	40,400,622	4,694,684	860.56%
2012	20,325,193	75,507,749	26.92%	55,182,556	5,891,725	936.61%

- Actuarial evaluations were conducted for the years beginning 2007, 2008, 2009, 2010, 2011 and 2012

CITY OF BERWYN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
December 31, 2012

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	NA	N/A
2008	-	1,871,775	0.00%	1,871,775	4,861,734	38.50%
2009	-	1,871,775	0.00%	1,871,775	23,124,625	8.09%
2010	-	9,610,538	0.00%	9,610,538	23,755,000	40.46%
2011	-	4,267,414	0.00%	4,267,414	25,236,000	16.91%
2012	-	4,267,414	0.00%	4,267,414	26,437,000	16.14%

CITY OF BERWYN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
December 31, 2012

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2012	1,079,673	1,084,607	99.55%

See independent auditor's report.

CITY OF BERWYN

SCHEDULE OF EMPLOYER CONTRIBUTIONS
IMRF - SHEFFIFF'S LAW ENFORCEMENT PERSONNEL
December 31, 2012

<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%
2012	12,413	12,413	100.00%

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND
December 31, 2012

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
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
2012	2,440,663	3,937,274	61.99%	3,614,891

- Actuarial evaluations were conducted for the years beginning 2007, 2008, 2009, 2010, 2011 and 2012

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FIREFIGHTERS' PENSION FUND
 December 31, 2012

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
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
2012	2,549,376	3,868,992	65.89%	3,415,694

- Actuarial evaluations were conducted for the years beginning 2007, 2008, 2009, 2010, 2011 and 2012

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POSTEMPLOYMENT BENEFITS
 December 31, 2012

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net OPEB Obligation
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%	785,073
2011	362,030	735,569	49.22%	1,171,697
2012	348,386	210,017	165.88%	1,052,856

CITY OF BERWYN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

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	
Finance	\$ 3,761
Police	269,056
Fire & Police Commission	15,127
Building	6,392
Street	94,065
Fleet	<u>7,988</u>
 Total	 <u>\$ 396,389</u>

CITY OF BERWYN, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

NOTE 3 - SUPPLEMENTAL BUDGET APPROPRIATIONS

Supplemental budget appropriations during the year were as follows:

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Police Department	747,850
Ogden TIF	1,400,000
Debt Service	53,000
Capital Bond Fund	<u>1,450,000</u>
Total	<u>\$ 3,650,850</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - debt service	\$ 1,781,893	\$ 1,781,893	\$ 1,963,260	\$ 181,367
Investment income	3,000	3,000	1,751	(1,249)
Total Revenues	<u>1,784,893</u>	<u>1,784,893</u>	<u>1,965,011</u>	<u>180,118</u>
EXPENDITURES				
Debt Service				
Principal	3,430,000	3,430,000	3,430,000	-
Interest and fiscal charges	4,611,045	4,611,045	4,610,005	1,040
Bond issuance costs	175,000	228,000	227,726	274
Total Expenditures	<u>8,216,045</u>	<u>8,269,045</u>	<u>8,267,731</u>	<u>1,314</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,431,152)</u>	<u>(6,484,152)</u>	<u>(6,302,720)</u>	<u>181,432</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	5,300,000	8,500,000	8,500,000	-
Discount on issuance of long term debt	-	(369,000)	(368,178)	(368,178)
Transfers in - Roosevelt Road TIF	279,519	279,519	279,519	-
Transfers in - Ogden Avenue TIF	410,000	410,000	410,000	-
Transfers in - South Berwyn TIF	401,824	401,824	401,824	-
Transfer (out)	-	(2,900,000)	(2,900,000)	-
Total Other Financing Sources (Uses)	<u>6,391,343</u>	<u>6,322,343</u>	<u>6,323,165</u>	<u>(368,178)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,809)</u>	<u>\$ (161,809)</u>	20,445	<u>\$ (186,746)</u>
FUND BALANCE, JANUARY 1			<u>500,884</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 521,329</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
PROPERTY TAXES				
Property taxes - general	\$ 19,893,364	\$ 19,893,364	\$ 20,050,023	\$ 156,659
OTHER TAXES				
Personal property replacement	205,000	205,000	204,750	(250)
State income	5,350,000	5,350,000	5,914,847	564,847
State sales	2,860,000	2,860,000	2,782,794	(77,206)
Home rule sales	2,100,000	2,100,000	2,073,705	(26,295)
Municipal utility	4,000,000	4,000,000	3,594,627	(405,373)
Liquor	155,000	155,000	161,272	6,272
Real estate transfer	900,000	900,000	1,047,766	147,766
Gas	266,000	266,000	287,116	21,116
Parking lot	5,000	5,000	1,845	(3,155)
Video	15,000	15,000	13,592	(1,408)
Video gaming	-	-	7,054	7,054
Pull tabs and jar games	5,000	5,000	4,633	(367)
Total Other Taxes	<u>15,861,000</u>	<u>15,861,000</u>	<u>16,094,001</u>	<u>233,001</u>
LICENSES AND PERMITS				
Vehicle				
Recreation vehicle	1,500	1,500	1,833	333
Motorcycle	10,000	10,000	13,810	3,810
Trucks	145,000	145,000	148,571	3,571
Passenger vehicles	1,100,000	1,100,000	1,120,637	20,637
Licenses				
Business	344,500	344,500	319,964	(24,536)
Liquor	204,400	204,400	205,064	664
Pet	10,000	10,000	14,830	4,830
Permits				
Commuter parking	161,000	161,000	88,609	(72,391)
Electrical	50,000	50,000	71,400	21,400
Municipal parking	10,000	10,000	88,580	78,580
Building	67,500	67,500	50,015	(17,485)
Certificate of compliance	55,000	55,000	67,320	12,320
Local improvement	520,000	520,000	552,659	32,659
Service charge and escrow default	75,000	75,000	101,098	26,098
Electrical sign inspection	55,000	55,000	40,835	(14,165)
Total Licenses and Permits	<u>2,808,900</u>	<u>2,808,900</u>	<u>2,885,225</u>	<u>76,325</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Public safety				
Police reports	\$ 20,000	\$ 20,000	\$ 14,570	\$ (5,430)
Paramedic service collections	650,000	650,000	772,227	122,227
False alarms	18,000	18,000	4,242	(13,758)
Miscellaneous charges for services	21,750	21,750	30,806	9,056
CPR training revenue	500	500	307	(193)
Public works				
Plumbing inspection	50,000	50,000	65,890	15,890
Sanitation				
Recycling rebate	80,000	80,000	80,962	962
Recreation				
Athletics	110,000	110,000	94,767	(15,233)
Adult programs	40,000	40,000	28,121	(11,879)
Children's programs	175,000	175,000	260,626	85,626
Pool	75,000	75,000	71,492	(3,508)
Concession stand	17,500	17,500	12,287	(5,213)
Rental	-	-	1,036	1,036
Senior services				
Senior breakfast	2,500	2,500	4,425	1,925
Other fees for service	17,000	17,000	26,094	9,094
Other				
Commuter parking meters	50,000	50,000	45,706	(4,294)
Sale of gas	70,000	70,000	143,217	73,217
Sidewalk construction	-	-	120,808	120,808
Miscellaneous charges for services	10,000	10,000	130	(9,870)
 Total Charges For Services	 <u>1,407,250</u>	 <u>1,407,250</u>	 <u>1,777,713</u>	 <u>370,463</u>
FINES AND FORFEITURES				
Towing fees	20,000	20,000	12,156	(7,844)
Impound vehicles	1,000,000	1,000,000	753,300	(246,700)
Booting	35,000	35,000	34,245	(755)
Cannabis tickets	30,000	30,000	36,115	6,115
Court fines	2,040,000	2,040,000	2,058,277	18,277
Violation fines	200,000	200,000	205,260	5,260
After the fact fines	12,500	12,500	4,550	(7,950)
Compliance tickets	-	-	685	685
Local ordinance fines	590,000	480,000	634,719	154,719
Red Speed photo enforcement	475,000	1,332,850	1,880,943	548,093
Adjudication court fines	12,500	12,500	-	(12,500)
 Total Fines and Forfeitures	 <u>4,415,000</u>	 <u>5,162,850</u>	 <u>5,620,250</u>	 <u>457,400</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
INTERGOVERNMENTAL				
Highway maintenance	\$ 98,000	\$ 98,000	\$ 103,820	\$ 5,820
Total Intergovernmental	<u>98,000</u>	<u>98,000</u>	<u>103,820</u>	<u>5,820</u>
INVESTMENT INCOME	<u>25,000</u>	<u>25,000</u>	<u>45,073</u>	<u>20,073</u>
OTHER REVENUES				
Franchises	330,000	330,000	352,567	22,567
Cell tower rental	85,000	85,000	95,882	10,882
Reimbursements	146,000	146,000	290,528	144,528
Grants	-	-	163,519	163,519
Contributions & sponsorships	8,000	8,000	31,355	23,355
Other	<u>113,000</u>	<u>113,000</u>	<u>177,417</u>	<u>64,417</u>
Total Other Revenues	<u>682,000</u>	<u>682,000</u>	<u>1,111,268</u>	<u>429,268</u>
TOTAL REVENUES	<u>\$ 45,190,514</u>	<u>\$ 45,938,364</u>	<u>\$ 47,687,373</u>	<u>\$ 1,749,009</u>

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Mayor's Office				
Salaries and benefits	\$ 122,540	\$ 134,365	\$ 132,671	\$ 1,694
Internal service fund charges	2,733	3,708	3,704	4
Administrative expenditures	7,500	7,500	7,758	(258)
Supplies	1,600	1,600	3,076	(1,476)
Postage and printing	700	700	906	(206)
Repairs and maintenance	500	500	-	500
Other general	3,500	3,500	3,120	380
Copier maintenance	2,800	2,800	2,425	375
Total Mayor's Office	<u>141,873</u>	<u>154,673</u>	<u>153,660</u>	<u>1,013</u>
City Administrator's Office				
Salaries and benefits	287,069	275,244	275,990	(746)
Internal service fund charges	3,480	8,055	8,055	-
Training, dues and publications	13,953	13,953	3,368	10,585
Supplies	1,600	1,600	1,327	273
Postage and printing	700	700	317	383
Repairs and maintenance	500	500	-	500
Professional services	60,000	60,000	60,000	-
Other general	7,500	7,500	6,268	1,232
Copier maintenance	2,800	2,800	970	1,830
Total City Administrator's Office	<u>377,602</u>	<u>370,352</u>	<u>356,295</u>	<u>14,057</u>
City Clerk's Office				
Salaries and benefits	168,682	168,682	154,445	14,237
Internal service fund charges	3,730	3,730	5,779	(2,049)
Training, dues and publications	4,700	4,700	3,194	1,506
Supplies	3,000	3,000	2,130	870
Postage and printing	1,500	1,500	698	802
Codification	8,000	8,000	2,753	5,247
Record retention	3,000	3,000	1,704	1,296
Other general	2,000	2,000	1,257	743
Copier maintenance	6,000	6,000	5,961	39
Total City Clerk's Office	<u>200,612</u>	<u>200,612</u>	<u>177,921</u>	<u>22,691</u>
Treasurer's Office				
Salaries and benefits	22,851	29,586	29,377	209
Internal service fund charges	488	753	753	-
Supplies	-	-	504	(504)
Postage, printing and publications	4,000	4,000	2,900	1,100
Other general	-	-	32	(32)
Total Treasurer's Office	<u>27,339</u>	<u>34,339</u>	<u>33,566</u>	<u>773</u>
City Council				
Salaries and benefits	183,494	193,386	193,034	352
Internal service fund charges	2,937	5,645	5,645	-
Ward expenditures	36,000	36,000	22,539	13,461
Other general	500	500	128	372
Total City Council	<u>222,931</u>	<u>235,531</u>	<u>221,346</u>	<u>14,185</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONT.)				
Legal Department				
Salaries and benefits	256,017	256,017	257,408	(1,391)
Internal service fund charges	14,909	28,559	28,521	38
Supplies	1,800	1,800	1,200	600
Postage and printing	700	700	202	498
Adjudication program	35,000	35,000	26,862	8,138
Other general	1,400	1,400	1,262	138
Professional services	600,000	600,000	537,615	62,385
Copier maintenance	2,800	2,800	970	1,830
Total Legal Department	912,626	926,276	854,040	72,236
Finance Department				
Salaries and benefits	1,038,566	\$ 1,038,566	\$ 1,048,637	\$ (10,071)
Internal service fund charges	23,739	39,939	39,904	35
Vehicle registration service	40,000	55,000	58,034	(3,034)
Other general	43,500	43,500	46,288	(2,788)
Postage, printing and publications	26,000	26,000	25,683	317
Telephone	55,250	55,250	58,211	(2,961)
Supplies	5,500	5,500	7,600	(2,100)
Training, dues and publications	6,000	6,000	4,961	1,039
Professional services	250,000	250,000	238,731	11,269
Copier maintenance	9,000	9,000	4,467	4,533
Total Finance Department	1,497,555	1,528,755	1,532,516	(3,761)
Information Technology Department				
Salaries and benefits	492,434	492,434	496,641	(4,207)
Internal service fund charges	13,399	13,399	23,667	(10,268)
Network infrastructure	180,000	180,000	157,820	22,180
Hardware purchases	60,000	60,000	41,255	18,745
Hardware maintenance	30,000	30,000	33,754	(3,754)
Software purchases	35,000	35,000	26,121	8,879
Software maintenance	30,000	30,000	13,000	17,000
Other general	43,500	43,500	30,716	12,784
Professional services	25,000	25,000	27,580	(2,580)
Total Information Technology Department	909,333	909,333	850,554	58,779
Statutory				
Auditing/accounting expenditures	52,500	52,500	49,747	2,753
Bad debt expenditure	6,000	6,000	8,503	(2,503)
Unallocated employee benefits	-	-	11,808	(11,808)
Interdepartmental charges - water	(1,046,915)	(1,046,915)	(1,111,547)	64,632
Other	7,500	7,500	7,094	406
City wide software applications	25,101	25,101	25,101	-
Total Statutory	(955,814)	(955,814)	(1,009,294)	53,480
Total General Government	3,334,057	3,404,057	3,170,604	233,453

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Fire Department				
Salaries and benefits	\$ 8,907,313	\$ 8,822,513	\$ 8,638,481	\$ 184,032
Pension expenditures	2,534,586	2,534,586	2,549,375	(14,789)
Internal service fund charges	547,257	547,257	732,020	(184,763)
Collection service fees	60,000	60,000	67,093	(7,093)
Other general	88,500	88,500	45,214	43,286
Supplies	20,000	20,000	6,461	13,539
Telephone	10,000	10,000	8,338	1,662
Utilities	67,000	67,000	70,390	(3,390)
Training, dues, and education	70,000	51,000	33,648	17,352
Repairs and maintenance	200,000	200,000	158,646	41,354
Copier maintenance	6,600	6,600	3,807	2,793
Equipment purchases/capital outlay	220,000	220,000	84,910	135,090
Equipment lease	171,600	171,600	165,888	5,712
Turnout gear	45,000	45,000	34,470	10,530
Total Fire Department	<u>12,947,856</u>	<u>12,844,056</u>	<u>12,598,741</u>	<u>245,315</u>
Police Department				
Salaries and benefits	16,110,919	16,110,919	16,577,064	(466,145)
Pension expenditures	2,428,758	2,428,758	2,440,663	(11,905)
Internal service fund charges	1,792,386	2,002,386	2,118,905	(116,519)
Other general	125,000	125,000	86,753	38,247
Postage, printing, and publications	30,500	30,500	33,242	(2,742)
Telephone	91,300	91,300	109,410	(18,110)
Utilities	243,000	243,000	313,986	(70,986)
Training, dues, and education	75,000	75,000	69,051	5,949
Supplies	64,100	64,100	51,471	12,629
Repairs and maintenance	294,300	294,300	335,910	(41,610)
Red Speed photo enforcement	135,000	750,000	709,977	40,023
Capital outlay	602,000	602,000	237,819	364,181
Copier maintenance	23,000	23,000	25,068	(2,068)
Total Police Department	<u>22,015,263</u>	<u>22,840,263</u>	<u>23,109,319</u>	<u>(269,056)</u>
Fire and Police Commission				
Salaries and benefits	17,232	17,232	17,206	26
Other general	32,000	42,000	57,153	(15,153)
Total Fire and Police Commission	<u>49,232</u>	<u>59,232</u>	<u>74,359</u>	<u>(15,127)</u>
Total Public Safety	<u>35,012,351</u>	<u>35,743,551</u>	<u>35,782,419</u>	<u>(38,868)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS				
Building Department				
Salaries and benefits	\$ 703,832	\$ 703,832	\$ 660,959	\$ 42,873
Internal service fund charges	21,465	33,715	33,695	20
Other general	40,000	40,000	39,027	973
Postage, printing and publications	8,000	8,000	5,461	2,539
Utilities	21,000	21,000	16,413	4,587
Telephone	5,000	5,000	5,533	(533)
Training, dues and publications	3,000	3,000	1,412	1,588
Supplies	7,500	7,500	6,771	729
Professional services	285,000	310,000	350,768	(40,768)
Repairs and maintenance	130,000	130,000	148,983	(18,983)
Copier maintenance	4,000	4,000	3,417	583
Total Building Department	<u>1,228,797</u>	<u>1,266,047</u>	<u>1,272,439</u>	<u>(6,392)</u>
Street Department				
Salaries and benefits	2,118,134	2,118,134	2,089,600	28,534
Internal service fund charges	535,448	427,798	434,024	(6,226)
Other general	20,000	20,000	60,289	(40,289)
Telephone	3,500	3,500	3,938	(438)
Utilities	22,000	22,000	5,996	16,004
External gas and oil	165,000	165,000	147,913	17,087
Supplies	111,500	111,500	78,011	33,489
Equipment lease	65,000	65,000	66,193	(1,193)
Equipment	56,000	56,000	40,914	15,086
Repairs and maintenance	155,000	155,000	584,116	(429,116)
Copier maintenance	3,000	3,000	795	2,205
Professional services	<u>389,478</u>	<u>389,478</u>	<u>118,686</u>	<u>270,792</u>
Total Street Department	<u>3,644,060</u>	<u>3,536,410</u>	<u>3,630,475</u>	<u>(94,065)</u>
Fleet Department				
Salaries and benefits	329,668	329,668	317,977	11,691
Other general	50,250	50,250	59,695	(9,445)
Professional services	26,000	26,000	77,975	(51,975)
Repairs and maintenance	<u>140,000</u>	<u>140,000</u>	<u>98,259</u>	<u>41,741</u>
Total Fleet Department	<u>545,918</u>	<u>545,918</u>	<u>553,906</u>	<u>(7,988)</u>
Total Public Works	<u>5,418,775</u>	<u>5,348,375</u>	<u>5,456,820</u>	<u>(108,445)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
ECONOMIC DEVELOPMENT				
Zoning Boards of Appeals				
Salaries and benefits	\$ 13,571	\$ 13,571	\$ 11,073	\$ 2,498
Other general	2,500	2,500	743	1,757
Total Zoning Boards of Appeals	<u>16,071</u>	<u>16,071</u>	<u>11,816</u>	<u>4,255</u>
Committees and Planning Department				
Berwyn Historical Society	-	5,000	5,000	-
West Central Municipal Conference	20,000	20,000	19,524	476
Historical Preservation Commission	5,000	5,000	3,770	1,230
Utility tax rebate	80,000	80,000	91,047	(11,047)
North Berwyn Park District	20,000	-	-	-
National Night Out	6,000	6,000	18,500	(12,500)
Berwyn Development Corporation Administrative Fee	86,000	86,000	86,000	-
Other general	10,000	25,000	2,892	22,108
Total Committees and Planning Department	<u>227,000</u>	<u>227,000</u>	<u>226,733</u>	<u>267</u>
Total Economic Development	<u>243,071</u>	<u>243,071</u>	<u>238,549</u>	<u>4,522</u>
CULTURE AND RECREATION				
Recreation Department				
Salaries and benefits	906,535	906,535	852,335	54,200
Internal service fund charges	150,299	167,349	167,349	-
Special events	40,000	40,000	35,688	4,312
Concession stand	-	-	84,687	(84,687)
Other general	70,000	70,000	54,972	15,028
Postage, printing, and publications	9,000	9,000	4,918	4,082
Telephone	6,000	6,000	7,411	(1,411)
Utilities	65,000	65,000	34,459	30,541
Supplies	120,000	120,000	35,772	84,228
Repairs and maintenance	110,000	110,000	133,616	(23,616)
Equipment purchases/capital outlay	50,000	50,000	24,107	25,893
Copier maintenance	6,000	6,000	4,365	1,635
Total Recreation Department	<u>1,532,834</u>	<u>1,549,884</u>	<u>1,439,679</u>	<u>110,205</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
CULTURE AND RECREATION (CONT.)				
Community Relations Department				
Salaries and benefits	\$ 6,012	\$ 6,012	\$ 6,164	\$ (152)
Other general	1,500	1,500	-	1,500
Total Community Relations Department	<u>7,512</u>	<u>7,512</u>	<u>6,164</u>	<u>1,348</u>
Senior Services Department				
Salaries and benefits	169,186	169,186	159,275	9,911
Special events - senior breakfast	6,000	6,000	5,246	754
Vehicle gas & oil	20,000	20,000	22,866	(2,866)
Telephone	1,000	1,000	1,669	(669)
Supplies	600	600	339	261
Postage & printing	3,500	3,500	2,767	733
Professional services	4,000	4,000	2,100	1,900
Repairs & maintenance	52,000	52,000	45,667	6,333
Equipment lease	6,000	6,000	4,466	1,534
Copier maintenance	1,000	1,000	729	271
Internal service fund charges	3,798	3,798	6,641	(2,843)
Other general	2,500	2,500	752	1,748
Total Senior Services Department	<u>269,584</u>	<u>269,584</u>	<u>252,517</u>	<u>17,067</u>
Total Culture and Recreation	<u>1,809,930</u>	<u>1,826,980</u>	<u>1,698,360</u>	<u>128,620</u>
DEBT SERVICE				
Line of Credit				
Interest and fiscal charges	5,000	5,000	-	5,000
Total Debt Service	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 45,823,184</u>	<u>\$ 46,571,034</u>	<u>\$ 46,346,752</u>	<u>\$ 224,282</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 Road 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 Capital Bond Fund is used to account for the capital portions of 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, 2012

	Special Revenue							
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
ASSETS								
Cash and investments	\$ 40	\$ 204,930	\$ 956,347	\$ 44,651	\$ 558,483	\$ 616,215	\$ 1,025,229	\$ 100
Restricted cash	-	-	-	-	836,737	-	-	-
Receivables								
Property taxes	-	2,996,114	-	-	18,545	-	-	-
Notes	-	-	-	-	-	-	-	-
Interest	-	21	42	52	437	276	129	-
Accounts	138,419	578	-	100,000	12,192	-	-	171,007
Land held for resale	3,000,494	-	-	84,032	-	2,608,036	3,070,561	-
Due from other funds	-	-	-	8,812	-	-	2,663	46,781
Due from other governments	-	-	117,281	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,138,953</u>	<u>\$ 3,201,643</u>	<u>\$ 1,073,670</u>	<u>\$ 237,547</u>	<u>\$ 1,426,394</u>	<u>\$ 3,224,527</u>	<u>\$ 4,098,582</u>	<u>\$ 217,888</u>
LIABILITIES								
Accounts payable	\$ 181,704	\$ 39,624	\$ 120,375	\$ 1,000	\$ -	\$ 55,115	\$ 257,358	\$ 86,360
Accrued payroll	-	34,159	-	-	-	-	-	-
Unearned revenues	-	-	-	-	12,192	-	-	6,228
Due to other funds	141,779	109,983	343,469	-	23,494	6,268	-	-
Other Liabilities	-	-	-	-	-	-	33,952	-
TOTAL LIABILITIES	<u>323,483</u>	<u>183,766</u>	<u>463,844</u>	<u>1,000</u>	<u>35,686</u>	<u>61,383</u>	<u>291,310</u>	<u>92,588</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	2,986,312	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>2,986,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Restricted								
Public safety	-	-	-	-	-	-	-	11,425
Public works	-	-	609,826	-	-	-	-	108,575
Culture and recreation	-	31,565	-	-	-	-	-	5,300
Economic Development	2,815,470	-	-	236,547	1,390,708	3,163,144	3,807,272	-
Committed								
Capital projects funded by bonds	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>2,815,470</u>	<u>31,565</u>	<u>609,826</u>	<u>236,547</u>	<u>1,390,708</u>	<u>3,163,144</u>	<u>3,807,272</u>	<u>125,300</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 3,138,953</u>	<u>\$ 3,201,643</u>	<u>\$ 1,073,670</u>	<u>\$ 237,547</u>	<u>\$ 1,426,394</u>	<u>\$ 3,224,527</u>	<u>\$ 4,098,582</u>	<u>\$ 217,888</u>

CITY OF BERWYN, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2012

	Special Revenue				Capital Projects		Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
ASSETS							
Cash and investments	\$ 781,941	\$ 682,598	\$ 70,744	\$ 1	\$ 1,054,932	\$ -	\$ 5,996,211
Restricted cash	-	-	-	-	-	-	836,737
Receivables							
Property taxes	-	-	-	-	-	-	3,014,659
Notes	-	-	-	2,795,390	-	-	2,795,390
Interest	56	395	6	-	42	-	1,456
Accounts	-	86,619	-	-	-	-	508,815
Land held for resale	-	-	-	-	-	-	8,763,123
Due from other funds	-	-	-	-	2,900,000	18,727	2,976,983
Due from other governments	-	-	-	292,418	-	-	409,699
TOTAL ASSETS	\$ 781,997	\$ 769,612	\$ 70,750	\$ 3,087,809	\$ 3,954,974	\$ 18,727	\$ 25,303,073
LIABILITIES							
Accounts payable	\$ 6,362	\$ -	\$ -	\$ 101,835	\$ 249,603	\$ -	\$ 1,099,336
Accrued payroll	-	-	-	15,594	-	-	49,753
Unearned revenues	-	-	-	2,795,390	-	-	2,813,810
Due to other funds	15,726	-	-	540,841	1,539,759	-	2,721,319
Other Liabilities	-	-	-	-	-	-	33,952
TOTAL LIABILITIES	22,088	-	-	3,453,660	1,789,362	-	6,718,170
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	2,986,312
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	2,986,312
FUND BALANCES (DEFICITS)							
Restricted							
Public safety	759,909	769,612	70,750	-	-	-	1,611,696
Public works	-	-	-	-	-	-	718,401
Culture and recreation	-	-	-	-	-	-	36,865
Economic Development	-	-	-	-	-	-	11,413,141
Committed							
Capital projects funded by bonds	-	-	-	-	2,165,612	18,727	2,184,339
Unassigned	-	-	-	(365,851)	-	-	(365,851)
TOTAL FUND BALANCES	759,909	769,612	70,750	(365,851)	2,165,612	18,727	15,598,591
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 781,997	\$ 769,612	\$ 70,750	\$ 3,087,809	\$ 3,954,974	\$ 18,727	\$ 25,303,073

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	Special Revenue							Grants
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Cermak Road TIF	
REVENUES								
Property taxes	\$ -	\$ 2,925,167	\$ -	\$ 787,170	\$ 566,700	\$ 971,856	\$ 1,765	\$ -
Other taxes	-	-	-	-	-	-	-	-
Charges for services	-	5,359	-	-	-	-	-	-
Fines and forfeitures	-	48,624	-	-	-	-	-	-
Intergovernmental	115,251	58,602	1,559,747	-	-	-	-	336,310
Investment income	7	232	731	1,427	3,818	2,447	1,834	-
Miscellaneous	-	22,416	-	-	5,500	-	-	-
Total Revenues	<u>115,258</u>	<u>3,060,400</u>	<u>1,560,478</u>	<u>788,597</u>	<u>576,018</u>	<u>974,303</u>	<u>3,599</u>	<u>336,310</u>
EXPENDITURES								
Current								
Public safety	-	-	-	-	-	-	-	45,615
Public works	-	-	808,413	-	-	-	-	184,350
Economic development	105,765	-	-	621,216	772,399	923,589	1,047,947	-
Culture and recreation	-	3,069,153	-	-	-	-	-	21,445
Capital outlay	155,641	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	116,369	-	1,403,449	-	-
Interest and fiscal charges	-	-	-	45,386	-	63,351	-	-
Total Expenditures	<u>261,406</u>	<u>3,069,153</u>	<u>808,413</u>	<u>782,971</u>	<u>772,399</u>	<u>2,390,389</u>	<u>1,047,947</u>	<u>251,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(146,148)</u>	<u>(8,753)</u>	<u>752,065</u>	<u>5,626</u>	<u>(196,381)</u>	<u>(1,416,086)</u>	<u>(1,044,348)</u>	<u>84,900</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	95,000	-	-	-	-	-	-
Transfers (out)	-	-	(473,000)	(401,824)	(279,519)	(410,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>95,000</u>	<u>(473,000)</u>	<u>(401,824)</u>	<u>(279,519)</u>	<u>(410,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(146,148)</u>	<u>86,247</u>	<u>279,065</u>	<u>(396,198)</u>	<u>(475,900)</u>	<u>(1,826,086)</u>	<u>(1,044,348)</u>	<u>84,900</u>
FUND BALANCES (DEFICIT), JANUARY 1	<u>2,961,618</u>	<u>(54,682)</u>	<u>330,761</u>	<u>632,745</u>	<u>1,866,608</u>	<u>4,989,230</u>	<u>4,851,620</u>	<u>40,400</u>
FUND BALANCES (DEFICIT), DECEMBER 31	<u>\$ 2,815,470</u>	<u>\$ 31,565</u>	<u>\$ 609,826</u>	<u>\$ 236,547</u>	<u>\$ 1,390,708</u>	<u>\$ 3,163,144</u>	<u>\$ 3,807,272</u>	<u>\$ 125,300</u>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2012

	Special Revenue				Capital Projects		Totals
	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,252,658
Other taxes	-	489,177	39,800	-	-	-	528,977
Charges for services	-	-	-	-	-	-	5,359
Fines and forfeitures	-	-	-	-	-	-	48,624
Intergovernmental	379,714	-	-	1,154,472	-	-	3,604,096
Investment income	908	4,263	17	-	1,641	-	17,325
Miscellaneous	-	-	-	-	-	-	27,916
Total Revenues	380,622	493,440	39,817	1,154,472	1,641	-	9,484,955
EXPENDITURES							
Current							
Public safety	193,418	268,871	25,756	-	-	-	533,660
Public works	-	-	-	-	-	-	992,763
Economic development	-	-	-	1,522,754	-	-	4,993,670
Culture and recreation	-	-	-	-	-	-	3,090,598
Capital outlay	-	-	-	-	1,765,451	-	1,921,092
Debt service							
Principal	-	-	-	-	-	-	1,519,818
Interest and fiscal charges	-	-	-	-	-	-	108,737
Total Expenditures	193,418	268,871	25,756	1,522,754	1,765,451	-	13,160,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	187,204	224,569	14,061	(368,282)	(1,763,810)	-	(3,675,383)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	1,450	-	-	-	-	-	1,450
Transfers in	-	-	-	368,282	2,900,000	-	3,363,282
Transfers (out)	-	(200,000)	-	-	(684,745)	-	(2,449,088)
Total Other Financing Sources (Uses)	1,450	(200,000)	-	368,282	2,215,255	-	915,644
NET CHANGE IN FUND BALANCES	188,654	24,569	14,061	-	451,445	-	(2,759,739)
FUND BALANCES (DEFICIT), JANUARY 1	571,255	745,043	56,689	(365,851)	1,714,167	18,727	18,358,330
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 759,909	\$ 769,612	\$ 70,750	\$ (365,851)	\$ 2,165,612	\$ 18,727	\$ 15,598,591

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - library	\$ 2,891,312	\$ 2,925,167	\$ 33,855
Charges for services - rental revenue	200	5,359	5,159
Fines and forfeitures			
Book fines	30,000	38,374	8,374
Copier fees - maintenance fund	12,000	10,250	(1,750)
Intergovernmental revenue - Per Capita Grant	55,000	58,602	3,602
Intergovernmental revenue - Grants	15,000	-	(15,000)
Investment income	700	232	(468)
Miscellaneous revenues			
Donations - building fund	20,000	12,701	(7,299)
Other miscellaneous revenue	-	9,715	9,715
	<u>3,024,212</u>	<u>3,060,400</u>	<u>36,188</u>
Total Revenues			
EXPENDITURES			
Culture and Recreation			
Salaries and benefits	2,418,363	2,346,491	71,872
Internal service fund charges	59,167	95,492	(36,325)
Books	168,400	139,909	28,491
Periodicals	22,600	19,545	3,055
Audio visual	44,600	44,395	205
Computer system	62,000	78,059	(16,059)
Dues and subscriptions	11,000	11,086	(86)
Computer support databases	36,000	23,171	12,829
Programs adult/children	24,900	29,989	(5,089)
Reciprocal borrowing	5,700	3,003	2,697
Promotions	15,000	14,509	491
Director expense	350	423	(73)
Board expense	350	685	(335)
Other general	-	493	(493)
Postage, printing, and publications	6,000	2,833	3,167
Telephone	12,000	10,370	1,630
Utilities	15,600	14,718	882
Supplies	85,700	98,007	(12,307)
Repairs and maintenance	122,000	134,025	(12,025)
Capital improvement	5,000	1,950	3,050
	<u>3,114,730</u>	<u>3,069,153</u>	<u>45,577</u>
Total Expenditures			
Exceeds (Deficiency) of Revenues Over Expenditures	<u>(90,518)</u>	<u>(8,753)</u>	<u>81,765</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>95,000</u>	<u>95,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,482</u>	86,247	<u>\$ 81,765</u>
FUND BALANCE (DEFICIT), JANUARY 1		<u>(54,682)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 31,565</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, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues - state allotment	\$ 1,664,050	\$ 1,559,747	\$ (104,303)
Investment income	2,000	731	(1,269)
 Total Revenues	<u>1,666,050</u>	<u>1,560,478</u>	<u>(105,572)</u>
EXPENDITURES			
Current			
Public Works			
Rock salt	265,000	171,098	93,902
Utilities	375,000	417,940	(42,940)
Professional services	65,000	18,665	46,335
Repairs and maintenance			
Street/sidewalk	184,000	19,120	164,880
Traffic control	240,000	181,590	58,410
Capital outlay			
Engineering	35,000	-	35,000
 Total Expenditures	<u>1,164,000</u>	<u>808,413</u>	<u>355,587</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>502,050</u>	<u>752,065</u>	<u>250,015</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(473,000)	(473,000)	-
 NET CHANGE IN FUND BALANCE	<u>\$ 29,050</u>	279,065	<u>\$ 250,015</u>
 FUND BALANCE, JANUARY 1		<u>330,761</u>	
 FUND BALANCE, DECEMBER 31		<u>\$ 609,826</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, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,035,000	\$ 787,170	\$ (247,830)
Investment income	5,000	1,427	(3,573)
Total Revenues	<u>1,040,000</u>	<u>788,597</u>	<u>(251,403)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	738,951	413,015	325,936
TIF management services - BDC	308,201	208,201	100,000
Debt Service			
Principal	155,161	116,369	38,792
Interest - notes payable	<u>68,658</u>	<u>45,386</u>	<u>23,272</u>
Total Expenditures	<u>1,270,971</u>	<u>782,971</u>	<u>488,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(230,971)</u>	<u>5,626</u>	<u>236,597</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(401,824)</u>	<u>(401,824)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (632,795)</u>	<u>(396,198)</u>	<u>\$ 236,597</u>
FUND BALANCE, JANUARY 1		<u>632,745</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 236,547</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, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 720,000	\$ 566,700	\$ (153,300)
Investment income	5,000	3,818	(1,182)
Miscellaneous	<u>-</u>	<u>5,500</u>	<u>5,500</u>
Total Revenues	<u>725,000</u>	<u>576,018</u>	<u>(148,982)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	2,095,983	464,173	1,631,810
TIF management services - BDC	<u>358,201</u>	<u>308,226</u>	<u>49,975</u>
Total Expenditures	<u>2,454,184</u>	<u>772,399</u>	<u>1,681,785</u>
Exceeds (Deficiency) of Revenues Over Expenditures	<u>(1,729,184)</u>	<u>(196,381)</u>	<u>1,532,803</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(479,550)</u>	<u>(279,519)</u>	<u>200,031</u>
Total Other Financing Sources (Uses)	<u>(479,550)</u>	<u>(279,519)</u>	<u>200,031</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,208,734)</u>	<u>(475,900)</u>	<u>\$ 1,732,834</u>
FUND BALANCE, JANUARY 1		<u>1,866,608</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,390,708</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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes - increment	\$ 1,115,000	\$ 1,115,000	\$ 971,856	\$ (143,144)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>2,447</u>	<u>(2,553)</u>
Total Revenues	<u>1,120,000</u>	<u>1,120,000</u>	<u>974,303</u>	<u>(145,697)</u>
EXPENDITURES				
Economic Development				
TIF expenditures	1,194,842	1,194,842	615,363	579,479
TIF management services - BDC	308,201	308,201	308,226	(25)
Debt Service				
Principal	-	1,400,000	1,403,449	(3,449)
Interest - notes payable	<u>-</u>	<u>-</u>	<u>63,351</u>	<u>(63,351)</u>
Total Expenditures	<u>1,503,043</u>	<u>2,903,043</u>	<u>2,390,389</u>	<u>512,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(383,043)</u>	<u>(1,783,043)</u>	<u>(1,416,086)</u>	<u>366,957</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(559,000)</u>	<u>(559,000)</u>	<u>(410,000)</u>	<u>149,000</u>
Total Other Financing Sources (Uses)		<u>(559,000)</u>	<u>(410,000)</u>	<u>149,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (942,043)</u>	<u>\$ (2,342,043)</u>	<u>(1,826,086)</u>	<u>\$ 515,957</u>
FUND BALANCE, JANUARY 1			<u>4,989,230</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 3,163,144</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, 2012

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ -	\$ 1,765	\$ 1,765
Investment income	<u>600</u>	<u>1,834</u>	<u>1,234</u>
Total Revenues	<u>600</u>	<u>3,599</u>	<u>2,999</u>
EXPENDITURES			
Economic Development			
TIF expenditures	1,784,125	1,047,922	736,203
Miscellaneous	<u>25,000</u>	<u>25</u>	<u>24,975</u>
Total Expenditures	<u>1,809,125</u>	<u>1,047,947</u>	<u>761,178</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,808,525)</u>	(1,044,348)	<u>\$ 764,177</u>
FUND BALANCE, JANUARY 1		<u>4,851,620</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 3,807,272</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, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	\$ 56,668	\$ 39,800	\$ (16,868)
Investment income	-	17	(17)
	<u>56,668</u>	<u>39,817</u>	<u>(16,885)</u>
EXPENDITURES			
Public Safety			
Supplies	4,000	2,382	1,618
Tools and equipment	16,000	19,813	(3,813)
Repairs and maintenance	2,000	621	1,379
Other general	7,168	421	6,747
Training, dues and publications	4,000	2,519	1,481
Capital Outlay	<u>27,500</u>	<u>-</u>	<u>27,500</u>
Total Expenditures	<u>60,668</u>	<u>25,756</u>	<u>34,912</u>
Exceeds (Deficiency) of Revenues Over Expenditures	<u>(4,000)</u>	<u>14,061</u>	<u>18,061</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,000)</u>	14,061	<u>\$ 18,061</u>
FUND BALANCE, JANUARY 1		<u>56,689</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 70,750</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, 2012

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 1,614,271	\$ 1,154,472	\$ (459,799)
Total Revenues	<u>1,614,271</u>	<u>1,154,472</u>	<u>(459,799)</u>
EXPENDITURES			
Economic Development			
Salaries and benefits	508,546	477,808	30,738
Internal service fund charges	104,786	140,138	(35,352)
Utilities	2,000	2,235	(235)
Copier maintenance	3,000	3,016	(16)
Telephone	3,000	4,912	(1,912)
Supplies	7,500	5,195	2,305
Postage and printing	2,500	7,739	(5,239)
Professional services	60,000	95,247	(35,247)
Repairs and maintenance	-	19,444	(19,444)
Vehicle gas and oil	5,500	1,583	3,917
Other general	15,000	8,291	6,709
Program	<u>1,102,439</u>	<u>757,146</u>	<u>345,293</u>
Total Expenditures	<u>1,814,271</u>	<u>1,522,754</u>	<u>291,517</u>
Exceeds (Deficiency) of Revenues Over Expenditures	<u>(200,000)</u>	<u>(368,282)</u>	<u>(168,282)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>200,000</u>	<u>368,282</u>	<u>168,282</u>
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>368,282</u>	<u>168,282</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), JANUARY 1		<u>(365,851)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ (365,851)</u>	

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL BOND FUND
 For the Year Ended December 31, 2012

	Original Budget	Original and Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment income	2,000	\$ 2,000	\$ 1,641	\$ (359)
Total Revenues	2,000	2,000	1,641	(359)
EXPENDITURES				
Capital outlay				
2007 bond - parking garage	600,000	600,000	400,866	199,134
Streets	150,000	150,000	-	150,000
General ledger system	10,000	10,000	15,536	(5,536)
Removal of lust tank	-	-	47,588	(47,588)
Public works heater	-	-	53,586	(53,586)
Public works building remodeling	-	-	44,433	(44,433)
Police Department evidence room	-	-	5,289	(5,289)
Generator	168,000	168,000	144,438	23,562
Library elevator	70,000	70,000	103,517	(33,517)
Library chiller	-	-	40,220	(40,220)
North Fire Station parking lot	-	-	126,528	(126,528)
Seizure vehicle purchases	-	-	1,450	(1,450)
2012 bond - public works projects	-	1,450,000	782,000	668,000
Total Expenditures	998,000	2,448,000	1,765,451	682,549
Exceeds (Deficiency) of Revenues Over Expenditures	(996,000)	(2,446,000)	(1,763,810)	682,190
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,900,000	2,900,000	-
Transfers (out)	(950,000)	(950,000)	(684,745)	265,255
Total Other Financing Sources (Uses)	(950,000)	1,950,000	2,215,255	265,255
NET CHANGE IN FUND BALANCE	<u>\$ (1,946,000)</u>	<u>\$ (496,000)</u>	451,445	<u>\$ 947,445</u>
FUND BALANCE, JANUARY 1			1,714,167	
FUND BALANCE, DECEMBER 31			<u>\$ 2,165,612</u>	

FIDUCIARY FUNDS

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
December 31, 2012

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and investments			
Cash and cash equivalents	\$ 3,982	\$ 26,290	\$ 30,272
Investments			
U.S. Government and agency securities	18,787,041	8,733,274	27,520,315
Money market mutual funds	788,483	881,624	1,670,107
Equities	4,916,856	6,104,515	11,021,371
Equity mutual fund	17,013,902	4,585,712	21,599,614
Insurance contracts	<u>8,532</u>	<u>85,748</u>	<u>94,280</u>
Total Cash and Investments	<u>41,518,796</u>	<u>20,417,163</u>	<u>61,935,959</u>
Receivables			
Accrued interest	160,542	63,517	224,059
Other receivables	6,273	-	6,273
Due from governmental funds	<u>6,482</u>	<u>5,727</u>	<u>12,209</u>
Total Receivables	<u>173,297</u>	<u>69,244</u>	<u>242,541</u>
Prepays	<u>1,525</u>	<u>775</u>	<u>2,300</u>
Total Assets	<u>41,693,618</u>	<u>20,487,182</u>	<u>62,180,800</u>
LIABILITIES			
Accounts payable	<u>25,581</u>	<u>18,972</u>	<u>44,553</u>
Total Liabilities	<u>25,581</u>	<u>18,972</u>	<u>44,553</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 41,668,037</u>	<u>\$ 20,468,210</u>	<u>\$ 62,136,247</u>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS

For the Year Ended December 31, 2012

	Police Pension	Firefighters' Pension	Totals
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions			
Employer	\$ 2,440,664	\$ 2,549,376	\$ 4,990,040
Participants	<u>840,979</u>	<u>575,935</u>	<u>1,416,914</u>
Total Contributions	<u>3,281,643</u>	<u>3,125,311</u>	<u>6,406,954</u>
Investment Income			
Net appreciation in fair value of investments	2,489,733	1,169,770	3,659,503
Interest earned	1,295,862	577,193	1,873,055
Less investment expenses	<u>(81,594)</u>	<u>(58,457)</u>	<u>(140,051)</u>
Total Investment Income	<u>3,704,001</u>	<u>1,688,506</u>	<u>5,392,507</u>
Total Additions	<u>6,985,644</u>	<u>4,813,817</u>	<u>11,799,461</u>
DEDUCTIONS			
Administrative	105,232	72,019	177,251
Pension benefits and refunds	<u>3,739,676</u>	<u>3,946,984</u>	<u>7,686,660</u>
Total Deductions	<u>3,844,908</u>	<u>4,019,003</u>	<u>7,863,911</u>
NET INCREASE	3,140,736	794,814	3,935,550
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - January 1	<u>38,527,301</u>	<u>19,673,396</u>	<u>58,200,697</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - December 31	<u>\$ 41,668,037</u>	<u>\$ 20,468,210</u>	<u>\$ 62,136,247</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.	116 - 120
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	121 - 125
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.	126 - 129
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.	130 - 131
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.	132 - 134

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 POSITION BY COMPONENTS
Last Nine Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities									
Net investment in capital assets	\$ (54,100,413)	\$ (42,547,755)	\$ (33,773,365)	\$ 7,399,270	\$ 3,546,131	\$ (17,667,300)	\$ (19,601,775)	\$ (25,148,350)	\$ (29,717,373)
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	13,216,304
Unrestricted	(1,384,267)	(5,951,732)	(15,561,601)	(21,533,594)	(16,013,844)	(17,323,029)	(22,493,166)	(19,438,748)	(19,370,661)
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)	\$ (35,871,730)
Business-type Activities									
Net investment in capital assets	\$ 53,803,712	\$ 49,918,319	\$ 45,996,581	\$ 42,046,853	\$ 38,097,726	\$ 46,905,095	\$ 42,831,624	\$ 38,876,966	\$ 35,878,284
Restricted	-	-	-	-	-	-	812,614	698,324	-
Unrestricted	3,373,650	4,320,618	5,126,822	4,771,633	4,837,469	4,960,027	4,045,965	3,098,670	3,188,554
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	\$ 39,066,838
Primary Government									
Net investment in capital assets	\$ (296,701)	\$ 7,370,564	\$ 12,223,216	\$ 49,446,123	\$ 41,643,857	\$ 29,237,795	\$ 23,229,849	\$ 13,728,616	\$ 6,160,911
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	13,216,304
Unrestricted	1,989,383	(1,631,114)	(10,434,779)	(16,761,961)	(11,176,375)	(12,363,002)	(18,447,201)	(16,340,078)	(16,182,107)
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	\$ 3,195,108

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 POSITION
Last Nine Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 3,143,434
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	37,717,578
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	7,127,063
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	5,295,179
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	4,786,867
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	4,989,927
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>63,060,048</u>
<u>Business-type Activities</u>									
Utilities	8,306,455	7,933,640	8,390,828	9,406,507	9,219,236	9,675,323	10,754,990	11,432,263	16,557,127
Parking garage	-	-	-	-	-	104,318	263,619	275,896	273,185
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>	<u>16,830,312</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>	<u>\$ 79,890,360</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	2,052,284
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	6,162,058
Public works	116,274	99,669	61,022	1,076,749	1,273,465	1,492,820	1,819,449	1,902,463	1,986,271
Culture and recreation	362,426	394,658	400,349	510,459	785,325	487,998	520,709	562,091	599,597
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	80,962
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	3,636,003
Capital Grants and Contributions	-	-	2,277,698	1,275,193	1,185,936	2,906,195	4,178,890	1,641,462	660,589
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>15,177,764</u>
<u>Business-type Activities</u>									
Charges for Services									
Utilities	5,455,034	4,907,882	5,075,488	4,958,994	5,285,856	5,801,624	6,585,935	6,319,419	12,758,778
Parking garage	-	-	-	-	-	-	119,871	135,019	149,306
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>	<u>12,908,084</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>	<u>\$ 28,085,848</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)	\$ (47,882,284)
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>	<u>(3,922,228)</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>	<u>\$ (51,804,512)</u>

Note: The City moved its garbage collection (health and sanitation) activities from governmental activities to business-type activities for the year ended December 31, 2012.

CITY OF BERWYN, ILLINOIS
CHANGES IN NET POSITION
Last Nine Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position									
<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	\$ 27,265,941
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	2,782,794
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	2,073,705
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	3,594,627
Real Estate Transfer	2,978,685	3,250,800	2,915,139	1,565,735	989,133	1,028,125	913,411	915,913	1,047,766
Other	552,848	776,270	757,008	1,066,871	1,064,663	967,893	877,660	835,216	1,032,829
Income taxes	3,457,348	4,802,668	5,132,141	5,518,357	5,924,698	5,036,828	4,961,602	5,214,365	5,914,847
Investment Earnings	138,414	170,347	442,830	1,019,673	863,193	330,184	216,629	88,309	64,149
Gain on sale of capital assets	-	-	-	-	-	-	-	222,500	69,195
Miscellaneous	120,810	133,582	182,793	63,518	227,446	198,975	56,177	75,321	182,917
Transfers	-	(87,333)	-	-	-	(12,879,994)	(137,342)	(227,166)	(400,866)
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>43,627,904</u>
<u>Business-type Activities</u>									
Investment Earnings	-	-	-	57,429	50,089	23,949	8,454	10,312	5,867
Miscellaneous	-	-	-	-	-	4,000	(7,912)	-	-
Transfers	-	87,333	-	-	-	12,879,994	137,342	227,166	400,866
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>	<u>406,733</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>	<u>\$ 44,034,637</u>
Change in Net Position									
Governmental Activities	\$ 5,694,068	\$ 4,076,892	\$ 840,777	\$ (1,404,527)	\$ (1,075,047)	\$ (19,994,466)	\$ (564,207)	\$ (10,066,582)	\$ (4,254,380)
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)	(3,515,495)
Total Primary Government Change in Net Position	<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>	<u>\$ (7,769,875)</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>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>	<u>2012</u>
General Fund										
Reserved	\$ 318,222	\$ 419,443	\$ 5,237,810	\$ 684,885	\$ 642,046	\$ 582,439	\$ 610,349	\$ 384,632	\$ -	\$ -
Unreserved	2,652,658	8,171,865	1,268,110	3,404,867	69,626	(434,196)	(234,524)	1,596,284	-	-
Nonspendable	-	-	-	-	-	-	-	-	409,721	846,629
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	372	749
Unassigned	-	-	-	-	-	-	-	-	4,086,449	5,951,993
Total General Fund	\$ 2,970,880	\$ 8,591,308	\$ 6,505,920	\$ 4,089,752	\$ 711,672	\$ 148,243	\$ 375,825	\$ 1,980,916	\$ 4,496,542	\$ 6,799,371
All Other Governmental Funds										
Reserved	\$ 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	7,222,818	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	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	14,301,432
Committed	-	-	-	-	-	-	-	-	1,732,894	2,184,339
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(420,533)	(365,851)
Total All Other Governmental Funds	\$ 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	\$ 16,119,920

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property taxes	\$ 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	\$ 27,265,941
Other taxes	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	16,622,978
Licenses and permits	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	2,885,225
Intergovernmental	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	3,707,916
Fines and forfeitures	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	5,668,874
Charges for services	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	1,783,072
Contributions	-	-	-	-	-	-	-	900,000	-	-
Investment income	246,112	138,414	170,346	442,376	1,001,246	870,564	329,883	216,629	88,284	64,149
Miscellaneous	635,185	311,283	488,438	721,249	1,266,938	1,352,027	1,456,353	1,308,948	1,805,376	1,139,184
Total Revenues	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	59,137,339
Expenditures										
General government	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	3,170,604
Public safety	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	36,316,079
Highways and streets	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	6,449,583
Health & welfare	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	2,636,804	3,557,923	3,527,966	3,620,208	4,089,133	4,060,655	4,095,092	4,370,606	5,020,555	4,788,958
Economic development	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	5,232,219
Capital outlay	4,384,405	519,996	430,201	2,785,959	2,090,822	5,914,145	14,730,640	789,294	1,380,811	1,921,092
Debt service										
Principal	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	4,949,818
Interest	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	4,718,742
Other charges	-	427,932	69,800	53,835	767,099	379,643	381,331	291,127	170,760	227,726
Total Expenditures	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	67,774,821
Excess (deficiency) of revenues over (under) expenditures	(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)	(8,637,482)
Other Financing Sources (Uses)										
Transfers in	-	-	2,809,300	2,312,014	11,921,682	2,752,592	5,030,945	4,540,465	5,468,574	5,812,370
Transfers (out)	-	-	(2,896,633)	(2,312,014)	(11,921,682)	(2,752,592)	(6,280,945)	(5,540,465)	(5,468,574)	(5,812,370)
Debt issued	-	28,946,250	10,346,509	11,514,507	49,705,827	8,175,930	13,315,594	13,150,000	5,469,719	8,500,000
Premium (discount) on bonds issued	-	2,015,998	-	-	1,146,682	(64,086)	117,032	258,302	(53,184)	(368,178)
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	69,195
Total Other Financing Sources (Uses)	-	9,583,057	10,259,176	11,514,507	38,049,909	882,719	3,004,547	12,413,553	5,646,823	8,201,017
Net Change in Fund Balances	\$ (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)	\$ (436,465)
Debt Service as a Percentage of										
Noncapital Expenditures	19.88%	18.76%	31.32%	28.02%	27.32%	8.27%	9.83%	13.70%	11.37%	14.68%

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>
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
2012	27,265,941	5,914,847	2,782,794	2,073,705	204,750	3,594,627	161,272	1,047,766	287,116	1,559,747	556,101

Motor Fuel Tax is presented as Intergovernmental Revenue on page 32.

In 2010, 2011, and 2012, 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 Taxable Value As a Percentage
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	975,950,089	164,126,542	48,951,651	254,326,179	934,702,103	2.63	2,804,106,309	33.333%
2011	687,305,686	141,302,119	42,209,450	118,146,785	752,670,470	3.38	2,258,011,410	33.333%

Data Source

Office of the County Clerk

Information for the 2012 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>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>
City Direct Rates										
General	0.46	0.49	0.47	0.41	0.31	0.84	0.94	1.29	1.34	2.18
Bond & Interest	1.65	1.67	1.64	1.14	1.15	0.81	0.55	0.54	0.53	0.26
City of Berwyn Library	0.20	0.21	0.21	0.17	0.18	0.31	0.28	0.28	0.32	0.40
Police Pension	0.28	0.29	0.29	0.24	0.28	0.24	0.22	0.22	0.21	0.26
Fire Pension	0.28	0.29	0.29	0.26	0.30	0.25	0.23	0.23	0.23	0.28
Total Direct Rate	2.87	2.95	2.90	2.22	2.22	2.45	2.22	2.56	2.63	3.38
Overlapping Rates										
Cook County	0.69	0.69	0.65	0.59	0.56	0.50	0.47	0.44	0.47	0.47
Metropolitan Water Rec.	0.37	0.36	0.35	0.32	0.28	0.26	0.25	0.26	0.27	0.32
School District #100	2.79	2.97	2.97	2.55	2.62	2.57	2.44	2.49	2.50	3.20
High School District #201	2.16	2.31	2.30	1.93	2.00	1.96	1.84	1.85	1.86	2.45
Berwyn Park District	0.27	0.31	0.32	0.27	0.32	0.32	0.30	0.31	0.31	0.32
Community College #527	0.45	0.47	0.47	0.40	0.42	0.41	0.39	0.39	0.39	0.50
Other	0.34	0.23	0.19	0.18	0.17	0.18	0.16	0.19	0.17	0.30

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2012			2003		
	<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	\$ 24,583,642	1	3.27%	\$ 23,791,575	1	3.73%
Andrew S. Bermant	10,132,173	2	1.35%	-	N/A	0.00%
Citizens Bank, Illinois	3,524,571	3	0.47%	1,911,304	4	0.30%
Shurgard	3,431,774	4	0.46%	-	N/A	0.00%
Fairfax	2,288,919	5	0.30%	-	N/A	0.00%
McDonald's Co.	2,263,309	6	0.30%	-	N/A	0.00%
Harris Bank NA	1,724,634	7	0.23%	-	N/A	0.00%
Turanno Baking Company	1,550,012	8	0.21%	2,393,534	3	0.38%
SKS	1,498,275	9	0.20%	-	N/A	0.00%
ICG Inc.	1,316,048	10	0.17%	-	N/A	0.00%
Cermak Plaza Associates	-	N/A	0.00%	10,093,411	2	1.58%
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>\$ 52,313,357</u>		<u>6.95%</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
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%	271,138	22,758,865	97.16%
2010	24,566,570	23,449,327	95.45%	544,928	23,994,255	97.67%
2011	25,433,824	24,642,152	96.89%	-	24,642,152	96.89%

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 Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of	
	General Obligation Bonds **	Installment & Mortgage Notes Payable ***	Capital Leases	General Obligation Bonds	Installment Notes Payable	Capital Leases		Personal Income*	Per Capita*
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
2012	100,493,032	3,527,514	367,195	2,946,288	-	-	107,334,029	9.20%	1,894

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 130 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.

*** Included in Installment & Mortgage Notes Payable is a \$4 million note related to property acquired by the City in 2010 in lieu of paying a \$1.5 million guarantee made in 2007 on a defaulted car dealership loan. See notes for more details

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
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	3.31%	1,637.56
2011	97,255,395	500,884	96,754,511	4.28%	1,707.72
2012	102,416,149	521,329	101,894,820	N/A	1,798.45

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 122 for property value data.

CITY OF BERWYN, ILLINOIS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2012

<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	\$ 104,020,546	100.00%	\$ 104,020,546
Cook County	3,369,965,000	0.49%	16,512,829
Cook County Forest Preserve District	94,885,000	0.49%	464,937
Metropolitan Water Reclamation District	2,296,170,090	0.50%	11,480,850
Berwyn Park District	1,970,000	100.00%	1,970,000
North Berwyn Park District	540,000	100.00%	540,000
Schools			
Elementary District No. 100	35,210,000	100.00%	35,210,000
High School District No. 201	42,013,178	42.20%	17,729,561
Community College District No. 527	<u>5,580,000</u>	42.20%	<u>2,354,760</u>
	<u>5,846,333,268</u>		<u>86,262,937</u>
	<u>\$ 5,950,353,814</u>		<u>\$ 190,283,483</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, 2012

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>
2012	56,657	\$ 1,167,190,857	\$ 20,601	9.6%
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

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

2012			2003		
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	418	3.14%
City of Berwyn	550	4.13%	Morton West High School	415	3.12%
Berwyn South School	456	3.42%	City of Berwyn	375	2.82%
Berwyn North School	370	2.78%	Turano Baking Company	300	2.25%
Campagna-Turano Baking Co.	300	2.25%	Berwyn North School District	250	1.88%
BP Amoco	90	0.68%	Commercial National Bank of Berwyn	149	1.12%
Rosin Eyecare	85	0.64%	Community Care Options	140	1.05%
Transloading Specialist, Inc.	50	0.38%	Rosin Optical Co., Inc.	125	0.94%
Citizens Community Bank	35	0.26%	BP Products N.A.	90	0.68%

Data Source

Phone canvas of employers, 2012 Illinois Service Directory and 2012 Illinois Manufacturer Directory
 2003 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>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>	<u>2012</u>
General Government										
Administration	8	8	9	16	16	17	16	15	15	15
Finance	17	16	17	19	19	12	12	12	16	15
Community Development	10	11	17	16	16	16	16	18	17	16
Public Safety										
Police										
Officers	89	92	92	98	101	101	104	106	107	110
Civilians	52	57	44	53	56	25	56	34	38	34
Fire										
Firefighters and officers	65	66	66	66	66	66	68	66	78	80
Civilians	2	2	2	2	2	2	1	1	1	1
Public Works	52	53	55	48	48	48	44	38	36	34
Culture & Recreation	56	59	52	58	59	59	58	44	41	41

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS
OPERATING INDICATORS
Last Ten Fiscal Years

<u>Function/Program</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>	<u>2012</u>
Public Safety										
Police										
Physical arrests	2,158	1,670	2,276	2,795	2,002	2,054	2,815	3,971	2,237	2,189
Parking violations	74,390	100,228	78,231	65,277	66,442	67,941	67,941	41,641	44,569	61,046
Traffic tickets issued	2,359	3,045	2,118	9,043	1,101	1,193	11,020	20,762	19,057	16,084
Fire										
Emergency responses	5,984	6,726	8,956	8,566	9,539	9,308	8,413	6,557	6,624	6,642
Fires extinguished	207	220	211	190	333	114	139	199	146	174
Public Works										
Streeting resurfacing (miles)	0.0	1.1	0.4	1.3	0.0	0.0	2.0	0.0	0.0	0.0
Pothole repairs	1,108	1,235	1,329	1,465	1,515	1,576	1,692	2,769	3,500	4,100
Water										
New connections	-	8	-	3	2	3	1	14	13	9
Water main breaks	311	142	154	251	322	317	233	168	142	129
Average daily consumption	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	5.08 MGD
Peak daily consumption	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	6.91 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	N/A	37	52	47	58	78	74	81
Fire										
Fire stations	3	3	3	3	3	2	3	3	3	3
Fire engines and trucks	4	4	4	4	4	4	4	4	4	5
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