

# City of Berwyn, Illinois



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

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018

**CITY OF BERWYN, ILLINOIS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Fiscal Year Ended December 31, 2018



Prepared by: Finance Department

CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2018

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## INTRODUCTORY SECTION





**A Century of Progress with Pride**

June 27, 2019

To the Mayor, 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, 2019) 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, 2018. The CAFR report's purpose is to provide all of the City stakeholders' relevant information of the community including the continued investment by our businesses, the financial and physical security for our residents, and maximum transparency to allow the City to move forward.

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 have been established for this purpose. Because the cost of internal controls 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.

GW & Associates, P.C. has issued an unmodified ("clean") opinion on the City of Berwyn's financial statements for the year ended December 31, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

**Profile of the City**

Incorporated as a city on June 6, 1908 with approximately 5,000 people, Berwyn is now home to over 56,000 residents. The City 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 eight Aldermen. The terms of elected officials are four years. The powers of the City Council are legislative in nature. With the advice and consent of the City Council, the Mayor appoints the following staff: administrative assistants, finance director, department heads, members of commissions, and boards, except those covered by civil service.

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, the BDC 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 Position and the Statement of Activities. Additional information on this entity can be found in the notes to the financial statements.

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 categorized by fund and department. Transfers between line items within a department may be requested 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. The largest employer in the City is Loyola University Medical Center (formerly MacNeal Hospital).

The City endured the economic challenges of the Great Recession that resulted in reduced economically sensitive revenues such as sales taxes, real estate transfer fees, and income taxes. Declining residential property values resulted in a dramatic increase in foreclosures and resulting vacancy. The weak real estate market and economy limited the ability of the City to increase property taxes to offset other revenue losses.

From a strategic and financial management perspective, the City confronted the financial challenges of the Great Recession and subsequent economic recovery on several fronts. Major programs were implemented to encourage developers to purchase vacant houses, renovate and modernize them, and return them to the market. Also, the City adopted balanced budgets while at the same time restoring fund balances to adequate levels.

In recent years, the City has received more encouraging data on housing values confirmed by the steady rise of real estate transfer tax revenue. This revenue category which is a percentage of property sales value reached \$2.3 million in 2018 more than double what the revenue levels were ten years earlier. This evidence suggests that property values especially single family homes has risen closer to pre-recession levels. The improved local economy has fueled other economically sensitive revenues such as sales and home rule taxes.

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

Looking forward, the City continues to focus on balancing its budget while minimizing the reliance on property tax revenues. Enhancing the retail tax base can also serve as a strong revenue alternative. 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 in addition to further sales, home rule, and income tax funding opportunities.

The City also plans to pursue restructuring its long-term debt by taking advantage of lower interest rates. In fact, in prior years, the City was able to refinance bonds that were issued in previous years

at a lower interest rate. This refinancing resulted in significant savings of future debt service costs. This has reduced the proportion of property tax revenues necessary to meet current debt service requirements.

### **Relevant Financial Policies**

In 2011, City Council passed a revised fund balance policy requiring that the general and library funds must maintain an unassigned fund balance of 16% of the following year's budgeted expenditures, the motor fuel tax fund maintain an unassigned fund balance of 15% of the following year's expected capital projects budget, and the utilities fund maintain an 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 City's General Fund balance has remained constant after achieving the fund balance objective in 2013. This is a substantial improvement from the 2008 General Fund balance of \$148,000. Over the past three fiscal years (2016-2018), the unassigned fund balance has remained at very solid levels ranging from \$12-\$13 million. As of December 31, 2018, the City's unassigned balance of \$12.2 million remains well above the 16% fund balance policy requirement of \$9.2 million.

In 2018, the City increased its home rule sales tax rate from 1.00% to 1.75% to generate increased revenues rather than increasing property taxes. Additionally, the City strives to explore other revenue sources such as strengthening the collection efforts on past due amounts owed to the City in fines and services categories. These enhanced collection efforts include internal measures as well as utilizing a 3<sup>rd</sup> party collection firm.

Subsequently, the City has transitioned from a 2018 budgeted General Fund deficit to a balanced budget in 2019. As such, the ending unassigned General Fund balance is expected to remain strong and above the City's fund balance policy objective.

### **Major Initiatives**

The City remains staunchly proactive in achieving structural balance of its finances. The Administration and City Council understand conservative budgeting and fiscally responsible financial decisions lay the foundation for Berwyn to experience its best days ahead. To attain solid financial results, the City has undertaken the following financial initiatives:

- **Fund Balance Growth and Maintenance:** In 2013, Berwyn met its funding policy's goal of achieving a minimum fund balance equal to 16% of the following year's operating expenditures. The City has continued to meet this target in 2018, and through a strong and stable fund balance despite a sharp decline in various revenue sources like fines and grants. Through a detailed analysis of every revenue and expenditure line item, the City is committed to full, long-term structural balance while continuing to offer residents the high level of municipal services that they have come to expect.
- **Effective Debt Management:** With the General Fund able to fully fund operations, and fund balances growing over the past several years, the City is in a position to focus on debt repayment. The City has leveled out its future debt service payment requirements, to allow

for the manageable repayment of debt in a cost effective manner. The City will continue to seek ways to capitalize on financial market conditions by refinancing debt at a lower interest rate in order to obtain savings on future debt service costs. The City understands that in order to thrive in the future, it is imperative to be able to responsibly manage and fund all debt obligations.

- **Pension Funding:** In 2013, recognizing that the unfunded pension liability was an imminent threat to the City's financial fortitude, the administration initiated a plan to fully fund the City's Police and Fire Pension Funds by 2023, seventeen (17) years ahead of the State requirement. The City intends to accomplish this by evaluating the municipal capital markets on a bi-annual basis for opportunities to make accelerated contributions to these funds in order to reduce the unfunded liability. The resulting debt service is designed to be repaid by 2050. Through the adoption of this pension funding plan, the City should be able to 1) fund the pensions in compliance with State law 2) avoid large tax increases that would negatively impact taxpayers under traditional pension funding.
- **User Fees.** Implemented increases to user fees in the Utilities Fund to provide adequate funds for services provided including water and sewer service. Further, a more aggressive internal collection program should accelerate cash receipts for these vital functions.

## **Economic Development**

Along with its commitment to continuously improving the City's finances, the City's administration continues to make economic development a top priority. In partnership with the Berwyn Development Corporation (BDC), the City currently manages two mature TIF districts and one relatively newer TIF district along with a local small business loan fund. In 2019, the City entered into an Inter-Governmental Agreement for a 12 year extension of the South Berwyn and Roosevelt Road TIFs. The Ogden Avenue TIF expired at the end of 2017 after seeing significant redevelopment on the City's stretch of the Historic Route 66.

In 2018, the City welcomed Tony's Finer Foods to Cermak Plaza. This should serve as an excellent benefit for residents of Berwyn and the surrounding communities. The City expects a significant boost in sales and home rule sales tax resulting from this well-established grocery store chain, occupying 71,900 square feet. Also, the City is anticipating the opening of Old Navy at Cermak Plaza just in time for the 2019 holiday season.

Some other notable projects in 2018 included the completion of the Berwyn Gateway phase III project, which added Panera Bread and Xfinity.

2019 has encountered the completion of the Berwyn Hotel, a redeveloped site that now contains 28 new housing units, a welcome addition to the Depot District. Other new businesses welcomed include Slice Factory for pizza, Legend Tasty House for ice cream, and Flight 22 for wine. The City has also experienced various business reopenings including Buddy Bear and Nascar Car washes.

## 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, 2017. This happens to be the 10th consecutive year that the City has received this certificate. In order to receive this prestigious award, the City 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 2018 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 award.

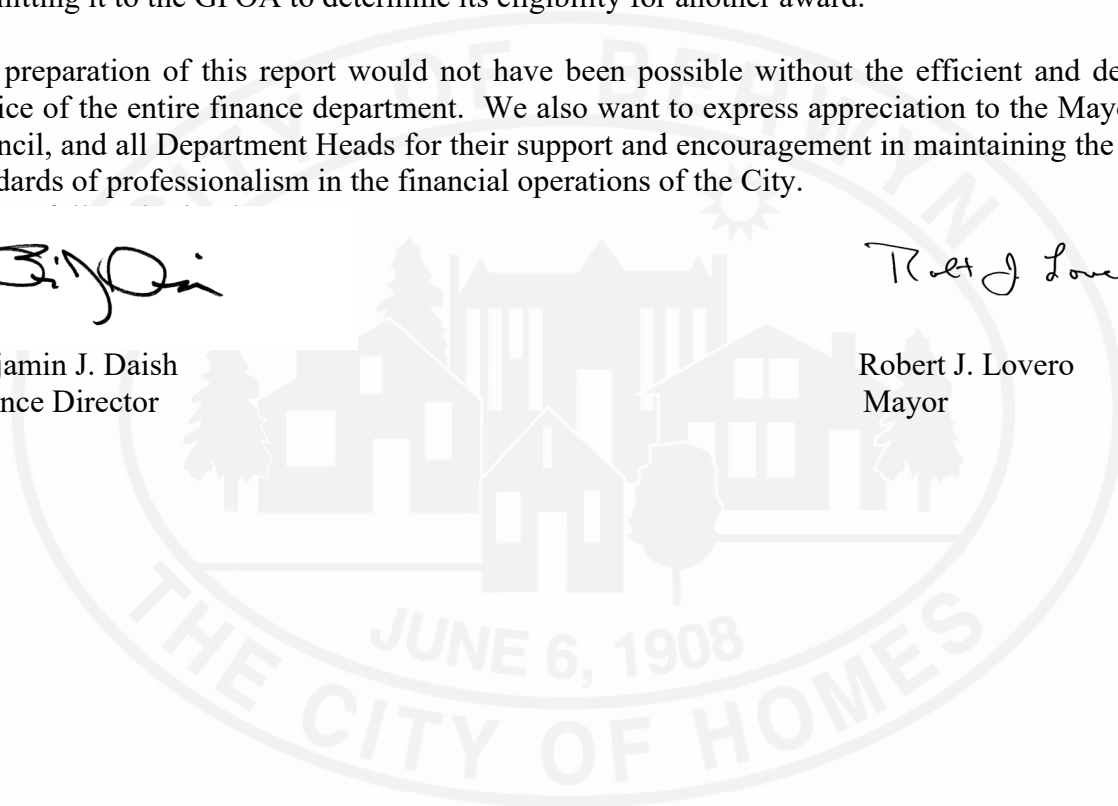
The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance department. We also want to express appreciation to the Mayor, City Council, and all Department Heads for their support and encouragement in maintaining the highest standards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



Benjamin J. Daish  
Finance Director



Robert J. Lovero  
Mayor





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Berwyn  
Illinois**

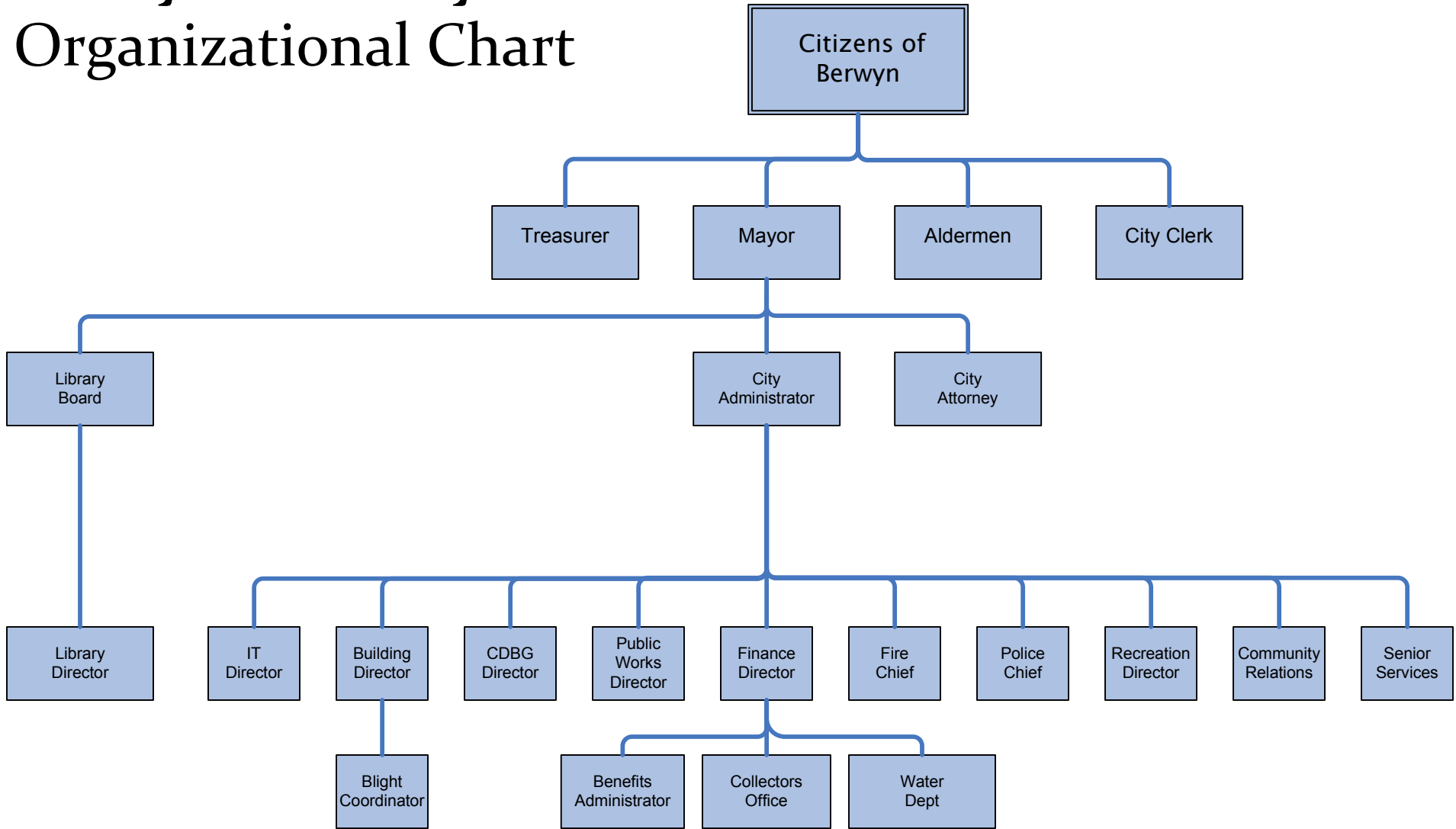
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# City of Berwyn Organizational Chart



**City of Berwyn  
List of Elected and Appointed Officials  
December 31, 2018**

**Elected Officials**

Robert J. Lovero	Mayor
Cynthia Gutierrez	Treasurer
Margaret Paul	Clerk
Scott Lennon	Alderman, 1 <sup>st</sup> Ward
Jose Ramirez	Alderman, 2 <sup>nd</sup> Ward
Jeanine L. Reardon	Alderman, 3 <sup>rd</sup> Ward
Robert W. Fejt	Alderman, 4 <sup>th</sup> Ward
Cesar A. Santoy	Alderman, 5 <sup>th</sup> Ward
Alicia Ruiz	Alderman, 6 <sup>th</sup> Ward
Rafael "Ralph" Avila	Alderman, 7 <sup>th</sup> Ward
Edgar Garcia	Alderman, 8 <sup>th</sup> Ward

**Appointed Officials**

Anthony Bertuca	City Attorney
Tammy Sheedy	Interim Director, Library Services
Regina Mendicino	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
Michael Cimaglia	Police Chief
Robert Schiller	Director, Public Works
Rasheed Jones	Director, Finance

**FINANCIAL SECTION**







## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Berwyn, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Berwyn, Illinois, as of and for the year ended December 31, 2018, 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 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. The financial statements of the Berwyn Development Corporation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Berwyn, Illinois, as of December 31, 2018, 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**

As discussed in Note 4 to the financial statements, the City of Berwyn, Illinois implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which resulted in an adjustment of beginning net position. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of changes in the net pension liability and related ratios, schedules of city contributions and schedule of changes in total other postemployment benefits liability on pages 11–26 and 103–115 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berwyn, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the City of Berwyn, Illinois' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Berwyn, Illinois' internal control over financial reporting and compliance.

*JW & Associates, P.C.*

Hillside, Illinois  
June 25, 2019



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

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

### **Management's Discussion and Analysis**

As management of the City of Berwyn, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Berwyn for the fiscal year ended December 31, 2018.

### **Financial Highlights**

The City's total governmental fund balance of \$18.5 million was very similar to 2017 overall governmental fund balance.

The General Fund, the main operating fund of the City, produced a fund balance of approximately \$12.2 million which was lower than the 2017 fund balance of \$13 million. The lower fund balance came as a result of the Budgeted 2018 General Fund deficit. The City managed to keep General Fund expenditures lower in 2018 despite a proportional decrease in General Fund revenues. The \$12.2 million unassigned fund balance in the General Fund remains at a favorable level exceeding the City's 16% fund balance policy requirement of \$9.2 million.

At year end, the City had a total deficit net position of \$203 million, a decrease of \$8.5 million compared to 2017's restated net position. This net position decrease occurred mainly as a result of the higher actuarial pension liability expenses from the police and fire pension funds.

The City's government wide financial statements were significantly impacted by the implementation of the Governmental Accounting Standards Board's (GASB) Statement No.75. The 2017 statement of Activities and Statement of Financial Position were restated to report a \$17.7 million decrease. The decrease was a result of GASB 75 requiring the City to change how the Total Other Post Employee Benefits (OPEB) liability is presented on the government wide financial statements.

Further details regarding the impact of implementing this new standard will be discussed further the notes to the financial statements.

### **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 27 and 28 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 position 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 seventeen individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the Debt Service Fund which are considered to be major funds. Data from the other fifteen 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 29-32 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 33-35 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 36 and 37 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 38-102 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 103 – 115 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 116-140 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 2018 Statement of Net Position versus 2017 for both governmental and business-type activities:

**City of Berwyn Net Position**

	Governmental activities		Business-Type activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Capital Assets	\$ 51,028,257	\$ 51,676,392	\$ 26,404,981	\$ 26,823,365	\$ 77,433,238	\$ 78,499,757
Other Assets	<u>61,457,632</u>	<u>62,184,477</u>	<u>6,614,490</u>	<u>6,234,760</u>	<u>68,072,122</u>	<u>68,419,237</u>
Total assets	112,485,889	113,860,869	33,019,471	33,058,125	145,505,360	146,918,994
Total deferred outflows of resources	<u>21,426,379</u>	<u>15,651,611</u>	<u>199,345</u>	<u>536,926</u>	<u>21,625,724</u>	<u>16,188,537</u>
Current liabilities	4,977,139	6,438,706	2,276,989	1,416,057	7,254,128	7,854,763
Long-term liabilities	<u>292,766,333</u>	<u>259,758,927</u>	<u>9,050,982</u>	<u>8,943,092</u>	<u>301,817,315</u>	<u>268,702,019</u>
Total liabilities	297,743,472	266,197,633	11,327,971	10,359,149	309,071,443	276,556,782
Total deferred inflows of resources	<u>38,087,317</u>	<u>41,150,749</u>	<u>568,214</u>	<u>61,855</u>	<u>38,655,531</u>	<u>41,212,604</u>
Net investment in capital assets	(24,632,819)	(27,940,941)	19,410,585	19,645,695	(5,222,234)	(8,295,246)
Restricted	3,719,392	3,964,998	-	-	3,719,392	3,964,998
Unrestricted	<u>(182,005,094)</u>	<u>(153,859,959)</u>	<u>1,912,046</u>	<u>3,550,385</u>	<u>(180,093,048)</u>	<u>(150,309,574)</u>
Total net position	\$ <u>(202,918,521)</u>	\$ <u>(177,835,902)</u>	\$ <u>21,322,631</u>	\$ <u>23,196,080</u>	\$ <u>(181,595,890)</u>	\$ <u>(154,639,822)</u>

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

**Governmental activities**

The City's governmental activities capital assets decreased in 2018 by approximately \$650,000, as a result of depreciation exceeding asset purchases during the year. Other assets decreased by about \$727,000 due to the timing of cash receipts and prepaid expenses at year end.

Current liabilities decreased from 2017 by about \$1.4million. This was mainly due to the timing of accounts payable and payroll accruals at year-end. Long-term liabilities were significantly higher in 2018 by about \$31 million as a result of the actuarial determined change in total liability for the Police and Fire pension funds. More explanation to the change in total liability is provided on pages 70-76 of the notes to the financial statements.

**Business-Type activities**

The current liabilities increased by \$870,000 mainly due to the timing of year-end payments related to accounts payable. Long-term liabilities increased by over \$354,000 due to higher pension and OPEB liability costs. Also, the City did not issue any new bonds during 2018.

## 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

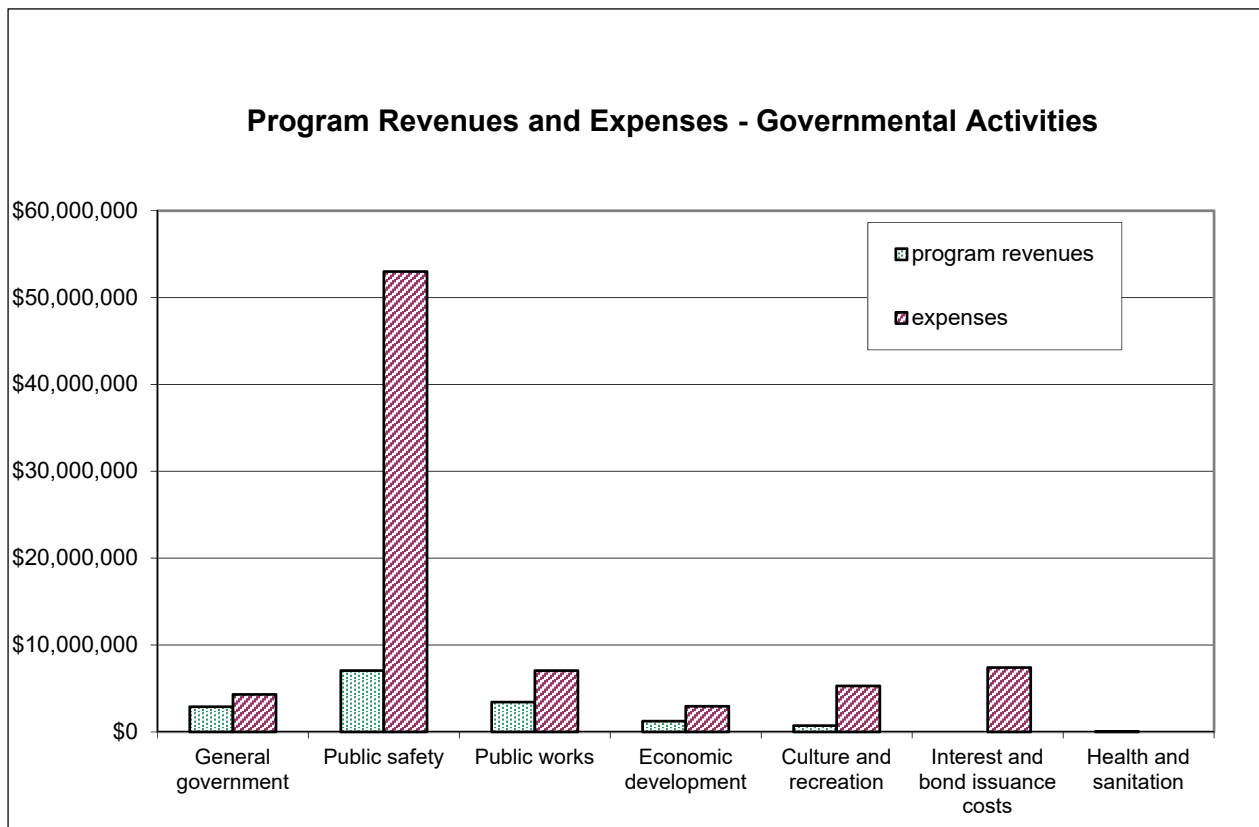
	Governmental activities		Business-Type activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 11,231,775	\$ 11,500,410	\$ 17,304,647	\$ 15,945,990	\$ 28,536,422	\$ 27,446,400
Operating grants & contributions	3,224,755	3,839,854	-	-	3,224,755	3,839,854
Capital grants & contributions	960,511	3,428,047	-	-	960,511	3,428,047
General revenues						
Property taxes	34,029,213	34,094,523	-	-	34,029,213	34,094,523
Other taxes	21,679,729	19,861,852	-	-	21,679,729	19,861,852
Other revenues	792,967	376,623	3,084	3,019	796,051	379,642
Total revenues	<u>71,918,950</u>	<u>73,101,309</u>	<u>17,307,731</u>	<u>15,949,009</u>	<u>89,226,681</u>	<u>89,050,318</u>
Expenses:						
General government	4,322,035	4,151,187	-	-	4,322,035	4,151,187
Public safety	52,991,988	47,884,063	-	-	52,991,988	47,884,063
Public works	7,050,783	8,030,594	-	-	7,050,783	8,030,594
Economic development	2,948,818	3,321,527	-	-	2,948,818	3,321,527
Culture and recreation	5,288,508	5,098,182	-	-	5,288,508	5,098,182
Interest on long-term debt	7,410,680	7,415,620	-	-	7,410,680	7,415,620
Loss on debt refunding	-	-	-	-	-	-
Utilities	-	-	18,223,176	18,418,318	18,223,176	18,418,318
Parking garage	-	-	291,169	273,938	291,169	273,938
Total expenses	<u>80,012,812</u>	<u>75,901,173</u>	<u>18,514,345</u>	<u>18,692,256</u>	<u>98,527,157</u>	<u>94,593,429</u>
Change in Net Position Before Transfers	<u>(8,093,862)</u>	<u>(2,799,864)</u>	<u>(1,206,614)</u>	<u>(2,743,247)</u>	<u>(9,300,476)</u>	<u>(5,543,111)</u>
Transfers	<u>(406,111)</u>	<u>(501,557)</u>	<u>406,111</u>	<u>501,557</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(8,499,973)</u>	<u>(3,301,421)</u>	<u>(800,503)</u>	<u>(2,241,690)</u>	<u>(9,300,476)</u>	<u>(5,543,111)</u>
Net position Jan 1	<u>\$ (177,835,902)</u>	<u>\$ (174,534,481)</u>	<u>23,196,080</u>	<u>25,437,770</u>	<u>(154,639,822)</u>	<u>(149,096,711)</u>
Prior Period Adjustment	<u>\$ (16,585,646)</u>	<u>\$ -</u>	<u>\$ (1,072,946)</u>	<u>\$ -</u>	<u>\$ (17,658,592)</u>	<u>\$ -</u>
Net position Jan 1 (Restated)	<u>\$ (194,421,548)</u>	<u>\$ (174,534,481)</u>	<u>\$ 22,123,134</u>	<u>\$ 25,437,770</u>	<u>\$ (172,298,414)</u>	<u>\$ (149,096,711)</u>
Net position Dec 31	<u>\$ (202,921,521)</u>	<u>\$ (177,835,902)</u>	<u>\$ 21,322,631</u>	<u>\$ 23,196,080</u>	<u>\$ (181,598,890)</u>	<u>\$ (154,639,822)</u>

## Significant Changes in the Statement of Activities

### Government activities

The City's governmental activities net position decreased approximately \$8.5 million compared to a \$3.3 million decrease in the prior year. Specific line item increases and decreases are discussed further in the pages ahead.

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 2018 to 2017:

	Governmental activities		Change	% Chg
	2018	2017		
Revenues:				
Program revenues:				
Charges for services	\$ 11,231,775	\$ 11,500,410	\$ (268,635)	-2%
Operating grants & contributions	3,224,755	3,839,854	(615,099)	-16%
Capital grants & contributions	960,511	3,428,047	(2,467,536)	-72%
General revenues				
Property taxes	34,029,213	34,094,523	(65,310)	0%
Other taxes	21,679,729	19,861,852	1,817,877	9%
Other revenues	792,967	376,623	416,344	111%
Total revenues	<u>\$ 71,918,950</u>	<u>\$ 73,101,309</u>	<u>\$ (1,182,359)</u>	<u>-2%</u>

### Significant changes:

The City's revenue from charges for services decreased by \$270,000 compared to 2017. Charges for services are primarily made up of vehicle stickers, building and compliance permits, interdepartmental charges, court and violation fines, as well as paramedic service collections. The decrease in the City's charges for services resulted mainly from the continuing decline in red light violation fines of \$200,000 compared to 2017.

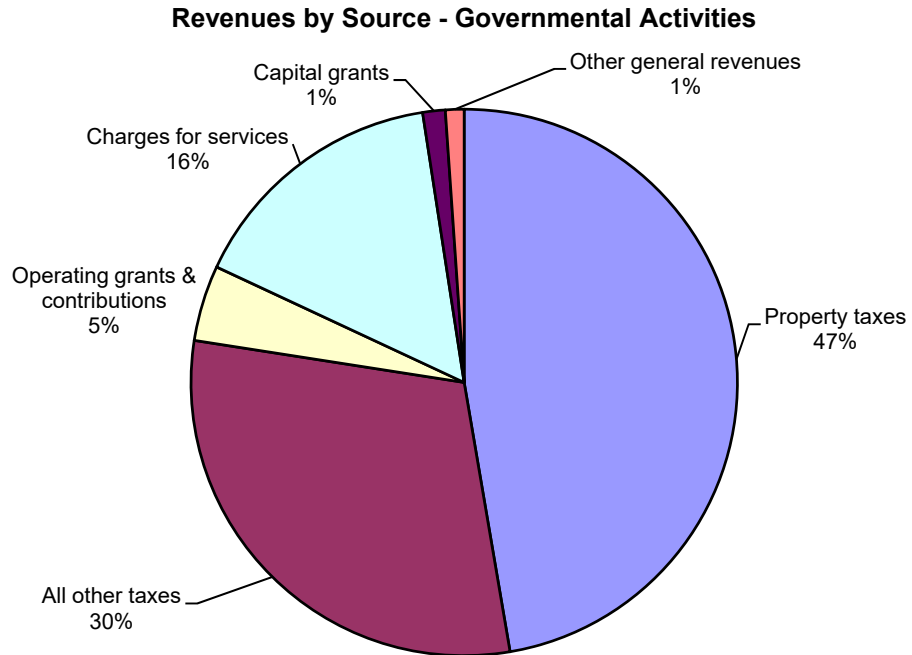
In 2018, operating grants and contributions decreased by approximately \$615,000. Operating grants and contributions are primarily made up of a variety of grants and contributions received by the City to help fund operations. A contributing factor to the decrease in this revenue line item was due to the \$200,000 decrease in grant funding from CDBG compared to 2017.

Capital grants and contributions declined significantly by \$2.5 million in 2018. In 2017, the City received grant funding for the green alley project from the State of Illinois and the Metropolitan Water Reclamation District. There was no related funding received on the green alley program in 2018.

Other taxes were higher in 2018 by \$1.8 million compared to 2017. A large portion of this increase was contributed by higher income, sales, municipal utility, and home rule taxes compared to 2017. Also, real estate transfer taxes were higher in 2018 by \$400,000 as a result of property value appreciation and the sale of MacNeal Hospital's property and facility to Loyola University Medical Center.

**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 2017 when property taxes accounted for 47%, all other taxes were 27%, charges for services were 16%, operating grants were 5%, and capital grants were 5%.

## Governmental activities - Expenses

The table below shows the change in expenses from 2018 versus 2017:

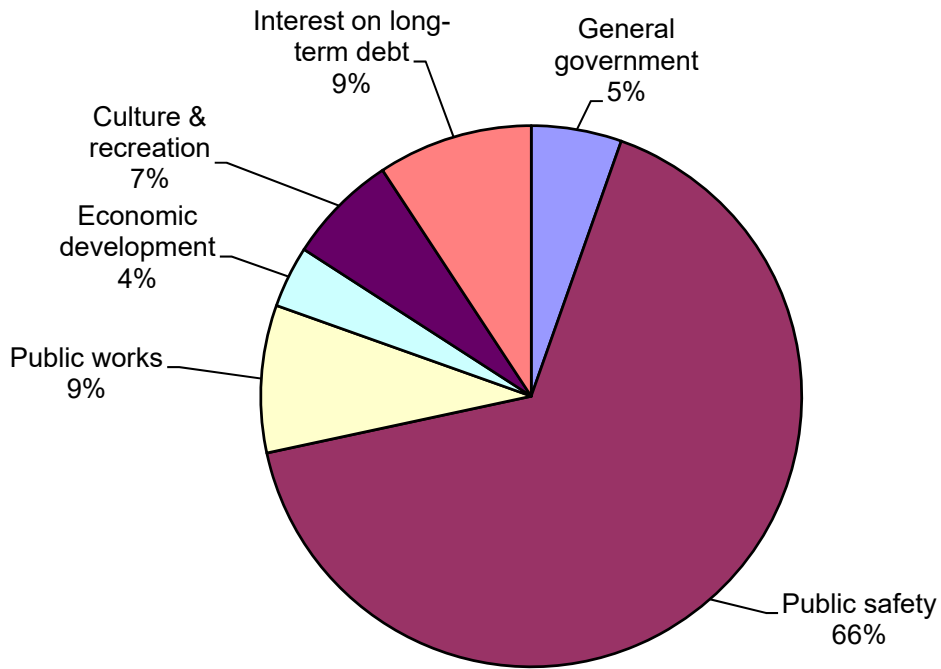
### Changes in Governmental Activities Expenses

	Governmental activities		Change	% Chg
	2018	2017		
Expenses:				
General government	\$ 4,322,035	\$ 4,151,187	\$ 170,848	4%
Public safety	52,991,988	47,884,063	5,107,925	11%
Public works	7,050,783	8,030,594	(979,811)	-12%
Economic development	2,948,818	3,321,527	(372,709)	-11%
Culture and recreation	5,288,508	5,098,182	190,326	4%
Interest on long-term debt	7,410,680	7,415,620	(4,940)	0%
Total expenses	<u>\$ 80,012,812</u>	<u>\$ 75,901,173</u>	<u>\$ 4,111,639</u>	<u>5%</u>

### Significant changes:

Overall, expenses increased 5% or \$4.1 million as a result of the higher expenditures in Public Safety compared to 2017. Most of these increases came as a result of higher Police and Fire pension fund liability expenses in addition to the implementation of the GASB 75 OPEB requirement.

### Governmental Activities - Expense Composition



#### Composition of expenses:

As in the prior year, the City's largest area of expense continues to be public safety, accounting for 66% of governmental expenses. The expense composition changed from 2017 when public works was 11%, economic development was 4%, culture and recreation was 7%, interest on long-term debt was 10%, and general government was 5%.

## Business-Type activities

	Business-Type activities			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Charges for services	\$ 17,304,647	\$ 15,945,990	\$ 1,358,657	9%
Other Income	<u>406,111</u>	<u>501,557</u>	<u>(95,446)</u>	<u>-19%</u>
Total Revenues	<u>\$ 17,710,758</u>	<u>\$ 16,447,547</u>	<u>\$ 1,263,211</u>	<u>8%</u>
Expenses:				
Utilities	\$ 18,220,092	\$ 18,415,299	\$ (195,207)	-1%
Parking garage	<u>291,169</u>	<u>273,938</u>	<u>17,231</u>	<u>6%</u>
Total Expenses	<u>\$ 18,511,261</u>	<u>\$ 18,689,237</u>	<u>\$ (177,976)</u>	<u>-1%</u>

### Significant changes:

Business-Type activities represent the City's water, sewer, and garbage utilities and the parking garage. The utilities fund'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. As such, the City implemented rate increases in 2018 that are comparable with residential and commercial rates charged in neighboring municipalities.

These rate increases contributed to Total Revenues being about \$1.4 million more than 2017.

Expenses within the utility fund were close to \$200,000 lower than 2017. Increases in salaries and related costs were absorbed by a sharp reduction in depreciation expense. Specific utility fund assets related to sewer infrastructure have been fully depreciated for accounting purposes and no longer require expensing. Depreciation expense amounted to \$1.4 million in 2018 compared to \$2.7 million in 2017, a \$1.3 million decrease.

### 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 of 2018, the only major funds for the City were the General and Debt Service Funds. All other governmental funds are recognized as non-major governmental funds.

## Significant changes – Fund balances

	Fund		
	General Fund	Debt Service	Nonmajor Governmental Funds
Revenues	\$ 54,355,733	\$ 6,852,126	\$ 10,710,679
Expenditures	50,763,520	27,028,140	9,309,753
Other Financing Sources (Uses) net	(4,338,123)	20,176,014	(662,080)
Net change in fund balance	(745,910)	-	738,846
Fund balance, beginning (as restated)	<u>13,021,371</u>	<u>64,873</u>	<u>5,402,172</u>
Fund balance, ending	<u>\$ 12,275,461</u>	<u>\$ 64,873</u>	<u>\$ 6,141,018</u>

General Fund revenues were 3.0% or \$1.7 million lower than 2017. The absence of the 2017 \$2.7 million green alley revenue was offset by higher revenues in the other 2018 revenue categories. Those categories that were higher than 2017 include: sales tax \$330,000 higher, real estate transfer taxes \$425,000 higher, and state income taxes \$517,000 higher.

General Fund expenditures also changed significantly when compared to 2017, as they decreased by \$1.8 million or 3.5% from the prior year. Public works did not incur any general fund capital outlay expenses in 2018. But in 2017, \$2.6 million of green alley related expenditures occurred. This reduction was offset by higher salary and related expenditures for public safety along with an increase in internal service costs.

Revenues in the Debt Service Fund increased from 2017 by \$371,000 as the City dedicated more tax revenue toward the repayment of debt in 2018. A major increase in principal expenditures of \$15.4 million occurred as the City drew on the \$15,000,000 line of credit to pay the maturity due in 2018 for the 2013B pension bonds. The terms of the line of credit are disclosed in the notes.

During 2018, the City transferred \$4.5 million from the City's General Fund to the Debt Service Fund to in order to fulfill the required debt service payments.

With the classifications of major and non-major funds not changing from 2017, the comparison between years feature similar funds. Revenues from 2018 were \$155,000 more than in 2017, as a result of a grant reimbursement received by West Suburban Mass Transit. Non-major Fund expenditures were \$407,000 lower than 2017. The expiration of the Ogden TIF was a major factor contributing to lower non major fund expenditures (\$45,000 Ogden TIF expense in 2018 vs \$1.1 million in 2017).

The aforementioned changes in non-major revenues and expenditures resulted in the fund balance in the non-major funds increasing by approximately \$739,000.

### 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 Business-Type Activities at the end of the 2018 amounted to \$21.3 million compared to the restated 2017 net position of \$22.1 million. The decrease in net position was primarily from capital asset depreciation.

The composition of business activities net position at year-end 10 million for the parking garage and \$11.3 million for the Utilities fund. 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 \$205,000. Expenses (excluding depreciation) amounted to about \$62,000. After depreciation of about \$233,000, the fund posted an operating loss of \$87,000.

The City's Internal Service Fund (ISF) mainly represents costs for the City's worker's compensation and general liability insurances. Revenues within this fund result from charges to other funds of the City. Expenses for the ISF consist of claim payments, third party claim processing fees, insurance costs and liability reserve funding. During 2018, the fund's expenses increased by \$250,000 to \$1.9 million. The increase can be attributed primarily to a higher amount of claims incurred in 2018 compared to 2017. The net position in the ISF decreased by \$400,000 to \$101,000, mainly as a result of the City electing to use available net position to fund claim expenditures.

### 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. There were no budget amendments during 2018.

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

	General Fund			
	Final Budget	Actual	Variance	% Var.
<b>Revenues</b>				
Property taxes	21,915,462	21,227,338	\$ (688,124)	-3%
Other taxes	19,604,500	20,840,415	1,235,915	6%
Licenses and permits	3,696,600	3,552,298	(144,302)	-4%
Charges for services	1,856,500	1,966,890	110,390	6%
Fines and forfeitures	5,634,328	4,914,953	(719,375)	-13%
Intergovernmental	481,500	477,155	(4,345)	-1%
Investment income	60,260	91,477	31,217	52%
Miscellaneous	1,174,880	1,285,207	110,327	9%
<b>Total Revenues</b>	<b>\$ 54,424,030</b>	<b>\$ 54,355,733</b>	<b>\$ (68,297)</b>	<b>0%</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	3,662,195	\$ 4,105,923	\$ (443,728)	-12%
Public safety	\$ 68,615,610	38,493,296	30,122,314	44%
Public works	6,444,963	5,941,287	503,676	8%
Economic development	241,847	211,489	30,358	13%
Culture and recreation	2,023,071	2,011,525	11,546	1%
<b>Debt Service</b>				
Bond issuance costs	500,000	-	500,000	=
<b>Total expenditures</b>	<b>\$ 81,487,686</b>	<b>\$ 50,763,520</b>	<b>\$ 30,724,166</b>	<b>38%</b>

## Significant changes from budget

### Revenues

Total revenues for 2018 were slightly lower than budget by approximately \$68,000. Other taxes were more than expected as a result of higher revenues in the real estate transfer tax (\$427,000), Income (\$517,000), and sales and home rule tax categories (\$460,000). This helped offset the decrease in property tax revenue (\$700,000) and fine and forfeiture revenue (\$720,000).

### Expenditures

Overall, General Fund expenditures in 2018 were well under the \$82 million budget (\$31 million lower). However, it is important to note that \$30 million of the 2018 budgeted expenditures was related to the anticipated police and fire pension bonds, which was not issued in 2018. The City plans to complete this pension bond issuance in 2019. After subtracting the \$30 million budgeted pension bond costs, total General Fund expenditures were actually \$724,000 less than the 2018 Budget as the City managed to reduce its Public Safety and Public Works salary and benefit costs.

## Capital Asset and Debt Administration

### Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2018 with comparative figures for 2017.

	Governmental activities		Business-Type activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 10,310,603	\$ 10,231,178	\$ 24,600	\$ 24,600	\$ 10,335,203	\$ 10,255,778
CIP	602,696	652,696	90,076	-	692,772	652,696
Buildings	9,680,206	10,038,239	8,708,413	8,941,637	18,388,619	18,979,876
Equipment	933,527	970,960	779,125	852,594	1,712,652	1,823,554
Land improvements	7,409,594	7,516,294	-	-	7,409,594	7,516,294
Vehicles	3,657,997	3,767,048	349,728	400,457	4,007,725	4,167,505
Infrastructure	18,433,634	18,499,977	16,453,039	16,604,077	34,886,673	35,104,054
Total	<u>\$ 51,028,257</u>	<u>\$ 51,676,392</u>	<u>\$ 26,404,981</u>	<u>\$ 26,823,365</u>	<u>\$ 77,433,238</u>	<u>\$ 78,499,757</u>

At the end of 2018, governmental activity capital assets were \$600,000 lower as depreciation expense exceeded 2018 asset additions.

For business-type activities, total net capital assets were \$400,000 lower compared to 2017. This reduction is far less significant than the \$2.2 million reduction in net capital assets experienced in 2017. The decline in depreciation expense (\$1.4 million in 2018 vs \$2.7million in 2017) caused less of an impact on the book value of the assets. The \$1.3 million decrease in depreciation expense occurred as a result of more infrastructure assets becoming fully depreciated.

Additional information on the City's capital assets can be found in the notes to financial statements of this report on pages 61 and 62.



## Significant change – Long-term debt

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

	Governmental activities		Business-Type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 129,995,000	\$ 149,525,000	\$ 7,615,000	\$ 7,765,000	\$ 137,610,000	\$ 157,290,000
Installment notes payable	-	155,160	-	-	-	155,160
Mortgage notes payable	614,104	767,819	-	-	614,104	767,819
Unamortized premiums	2,534,919	2,767,566	314,390	338,857	2,849,309	3,106,423
Unamortized discounts	(559,858)	(599,448)	(30,587)	(32,766)	(590,445)	(632,214)
Capital leases	559,614	591,265	-	66,609	559,614	657,874
Line of Credit	15,000,000	-	-	-	15,000,000	-
Claims payable	3,904,567	3,990,753	-	-	3,904,567	3,990,753
Net pension liability	119,558,184	96,710,977	50,916	714,688	119,609,100	97,425,665
Net OPEB obligation	16,304,422	652,682	1,014,994	-	17,319,416	652,682
Compensated absences	4,855,381	5,197,152	86,270	90,704	4,941,651	5,287,856
Total	<u>\$ 292,766,333</u>	<u>\$ 259,758,926</u>	<u>\$ 9,050,983</u>	<u>\$ 8,943,092</u>	<u>\$ 301,817,316</u>	<u>\$ 268,702,018</u>

In 2018, the City attained a 'BBB+' credit rating with a "negative" outlook from Standard and Poor's. This rating reflects the financial practices and results of the City's operations.

In 2018, the total long-term liabilities increased by \$33 million as previously mentioned primarily due to higher actuarial total liability for the police and fire pension funds as well as the GASB 75 OPEB liability implementation.

While the City did not issue any new bonds during 2018, \$15 million was drawn on the long term line of credit to pay the 2013 pension bond maturity amount due in 2018.

Further details on the City's long-term debt can be found in the notes to financial statements on pages 65 to 71.

Other significant changes in the governmental activities total long term debt during 2018 include: 1. a decrease in installment notes payable of \$155,000; 2. a decrease in mortgage notes payable of almost \$150,000; 3. a decrease in unamortized premiums of \$230,000; and 4. a net increase of about \$300,000 in compensated absences.

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

Retail expansion and reinvestment within the City's TIF districts continued to be a primary focus for the City in 2018. Phase II of the Berwyn Gateway Plaza project has been implemented and is virtually complete. This development has created over 18,000 square feet of new retail space for several promising businesses including national marquee tenants such as Starbucks, Blaze Pizza, Fifth Third Bank, and Sprint.

The success of phase I and phase II within the Berwyn Gateway Plaza resulted in the City entering into a redevelopment agreement for a third and final phase which began in 2017. Phase III of the development includes over 9,500 square feet of new commercial space with Panera Bread (opened in the spring of 2018) serving as the anchor tenant. In addition, Xfinity has opened its doors in the adjacent space.

Tony's Finer Foods which opened in November 2018 dominates the retail area at Cermak Plaza occupying 71,900 square feet.

These events should contribute significantly to the City's growing local economy as well as make key contributions to the City's tax base in future years.

Also, the City has secured the agreements to extend the TIFs for Roosevelt and South Berwyn for 12 years. In addition, the City has been pursuing a geographic extension of the Harlem TIF.

Looking ahead to 2019, the City expects to continue to strive to fully fund its police and fire pensions by making the additional \$15 million contribution from bond issues to each of the funds. The City intends to alternate its funding years until the pensions are fully funded. This approach to pension funding allows the City to fulfill its commitments while expanding the timeline in which the City must comply with pension reform laws. The City intends to maintain level debt repayments in future years with the ultimate repayment by 2050 or sooner.

### **Requests for Information**

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

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**December 31, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
<b>ASSETS</b>				
Cash and investments	\$ 18,842,632	\$ 66,715	\$ 18,909,347	\$ 1,124,840
Restricted cash	48,710	904,404	953,114	775,305
Receivables, net of allowance where applicable				
Property tax	32,537,501	-	32,537,501	-
Sales tax	1,078,937	-	1,078,937	-
Home rule sales tax	804,214	-	804,214	-
Income tax	997,187	-	997,187	-
Personal property replacement tax	25,790	-	25,790	-
Utility tax	477,461	-	477,461	-
Accounts	2,381,140	6,408,353	8,789,493	6,569
Interest	246	-	246	-
Miscellaneous	-	-	-	11,969
Prepaid expenses	463,125	37,722	500,847	11,381
Internal balances	802,704	(802,704)	-	-
Due from other governments	195,246	-	195,246	-
Notes receivable	2,350,724	-	2,350,724	1,308,165
Land held for resale	452,015	-	452,015	-
Capital assets, not being depreciated	10,913,299	114,676	11,027,975	-
Capital assets, being depreciated (net of accumulated depreciation)	40,114,958	26,290,305	66,405,263	17,232
Total Assets	<u>112,485,889</u>	<u>33,019,471</u>	<u>145,505,360</u>	<u>3,255,461</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	20,196,443	53,894	20,250,337	-
Pension contributions subsequent to measurement date	933,719	145,451	1,079,170	-
Deferred loss on refunding	296,217	-	296,217	-
Total Deferred Outflows of Resources	<u>21,426,379</u>	<u>199,345</u>	<u>21,625,724</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	880,899	1,773,817	2,654,716	22,145
Accrued payroll	1,117,077	44,329	1,161,406	-
Accrued interest payable	605,012	36,625	641,637	-
Due to fiduciary funds	8,712	-	8,712	-
Unearned revenues	2,325,040	413,016	2,738,056	1,080
Security deposits	-	9,202	9,202	-
Other liabilities	1,040,399	-	1,040,399	775,305
Noncurrent liabilities				
Due within one year	6,950,848	175,967	7,126,815	764,471
Due in more than one year	285,815,485	8,875,015	294,690,500	305,877
Total Liabilities	<u>298,743,472</u>	<u>11,327,971</u>	<u>310,071,443</u>	<u>1,868,878</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	4,732,211	514,857	5,247,068	-
Deferred inflows related to OPEB	857,107	53,357	910,464	-
Deferred revenue - property taxes	32,497,999	-	32,497,999	-
Total Deferred Inflows of Resources	<u>38,087,317</u>	<u>568,214</u>	<u>38,655,531</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	(24,632,819)	19,410,585	(5,222,234)	17,232
Restricted for	-			
Public safety	1,506,122	-	1,506,122	-
Public works	2,054,336	-	2,054,336	-
Economic development	158,934	-	158,934	-
Debt service	64,873	-	64,873	-
Unrestricted (deficit)	<u>(182,069,967)</u>	<u>1,912,046</u>	<u>(180,157,921)</u>	<u>1,369,351</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (202,918,521)</u>	<u>\$ 21,322,631</u>	<u>\$ (181,595,890)</u>	<u>\$ 1,386,583</u>

See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2018**

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
<b>PRIMARY GOVERNMENT</b>								
Governmental Activities								
General government	\$ 4,322,035	\$ 2,603,194	27,560	\$ 260,056	\$ (1,431,225)	\$ -	\$ (1,431,225)	\$ -
Public safety	52,991,988	6,040,508	324,107	700,455	(45,926,918)	-	(45,926,918)	-
Public works	7,050,783	1,919,016	1,511,320	-	(3,620,447)	-	(3,620,447)	-
Economic development	2,948,818	-	1,241,957	-	(1,706,861)	-	(1,706,861)	-
Culture and recreation	5,288,508	604,146	119,811	-	(4,564,551)	-	(4,564,551)	-
Health and sanitation	-	64,911	-	-	64,911	-	64,911	-
Interest & debt issuance costs	7,410,680	-	-	-	(7,410,680)	-	(7,410,680)	-
Total Governmental Activities	<u>80,012,812</u>	<u>11,231,775</u>	<u>3,224,755</u>	<u>960,511</u>	<u>(64,595,771)</u>	<u>-</u>	<u>(64,595,771)</u>	<u>-</u>
Business-Type Activities								
Utilities	18,223,176	17,100,085	-	-	-	(1,123,091)	(1,123,091)	-
Parking Garage	291,169	204,562	-	-	-	(86,607)	(86,607)	-
Total Business-Type Activities	<u>18,514,345</u>	<u>17,304,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,209,698)</u>	<u>(1,209,698)</u>	<u>-</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 98,527,157</u>	<u>\$ 28,536,422</u>	<u>\$ 3,224,755</u>	<u>\$ 960,511</u>	<u>(64,595,771)</u>	<u>(1,209,698)</u>	<u>(65,805,469)</u>	<u>-</u>
<b>COMPONENT UNIT</b>								
Berwyn Development Corporation	\$ 1,238,774	\$ 1,369,602	\$ -	\$ -	-	-	-	130,828
General Revenues								
Taxes								
Property					34,029,213	-	34,029,213	-
Sales					4,184,732	-	4,184,732	-
Home rule sales					2,810,011	-	2,810,011	-
Replacement					212,872	-	212,872	-
Municipal utility					2,996,948	-	2,996,948	-
Real estate transfer					2,317,555	-	2,317,555	-
Other					2,027,934	-	2,027,934	-
Income					7,129,677	-	7,129,677	-
Investment income					171,082	3,084	174,166	3,493
Miscellaneous					621,885	-	621,885	-
Transfers					(406,111)	406,111	-	-
Total General Revenues and Transfers					<u>56,095,798</u>	<u>409,195</u>	<u>56,504,993</u>	<u>3,493</u>
CHANGE IN NET POSITION					(8,499,973)	(800,503)	(9,300,476)	134,321
PRIOR PERIOD ADJUSTMENT					(16,582,646)	(1,072,946)	(17,655,592)	-
NET POSITION (DEFICIT), JANUARY 1					<u>(177,835,902)</u>	<u>23,196,080</u>	<u>(154,639,822)</u>	<u>1,252,262</u>
<b>NET POSITION (DEFICIT), DECEMBER 31</b>					<u>\$ (202,918,521)</u>	<u>\$ 21,322,631</u>	<u>\$ (181,595,890)</u>	<u>\$ 1,386,583</u>

## CITY OF BERWYN, ILLINOIS

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 December 31, 2018

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 11,591,719	\$ 36,827	\$ 6,650,157	\$ 18,278,703
Restricted cash	-	48,710	-	48,710
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	22,004,460	7,118,925	3,414,116	32,537,501
Sales taxes	1,078,937	-	-	1,078,937
Home rule sales tax	804,214	-	-	804,214
Income taxes	997,187	-	-	997,187
Personal property replacement tax	25,790	-	-	25,790
Utility tax	477,461	-	-	477,461
Accounts	1,592,484	-	237,106	1,829,590
Interest	49	-	197	246
Prepaid items	6,766	-	43,291	50,057
Due from other funds	3,868,499	22,103	706,381	4,596,983
Due from other governments	-	-	195,246	195,246
Notes receivable	27,684	-	2,323,040	2,350,724
Land held for resale	147,015	-	305,000	452,015
<b>TOTAL ASSETS</b>	<b>\$ 42,622,265</b>	<b>\$ 7,226,565</b>	<b>\$ 13,874,534</b>	<b>\$ 63,723,364</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 614,092	\$ 58,533	\$ 208,274	\$ 880,899
Accrued payroll	2,107,170	-	110,627	2,217,797
Unearned revenues	-	-	2,325,040	2,325,040
Due to other funds	4,634,890	-	1,636,276	6,271,166
Due to fiduciary funds	8,712	-	-	8,712
Other liabilities	991,908	-	48,491	1,040,399
<b>TOTAL LIABILITIES</b>	<b>8,356,772</b>	<b>58,533</b>	<b>4,328,708</b>	<b>12,744,013</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	21,990,032	7,103,159	3,404,808	32,497,999
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,990,032</b>	<b>7,103,159</b>	<b>3,404,808</b>	<b>32,497,999</b>
<b>FUND BALANCE</b>				
Nonspendable				
Notes receivable	27,684	-	-	27,684
Prepaid items	6,766	-	43,291	50,057
Land held for resale	147,015	-	-	147,015
Restricted				
Public safety	-	-	1,506,122	1,506,122
Public works	-	-	2,054,336	2,054,336
Culture and recreation	-	-	1,912,785	1,912,785
Economic development	-	-	158,934	158,934
Debt service	-	64,873	-	64,873
Committed				
Capital projects funded by bonds	-	-	1,027,117	1,027,117
Assigned				
Fuel surcharge for gas pump repairs	34,694	-	-	34,694
Future community events	3,925	-	-	3,925
Unassigned (deficit)	12,055,377	-	(561,567)	11,493,810
<b>TOTAL FUND BALANCE</b>	<b>12,275,461</b>	<b>64,873</b>	<b>6,141,018</b>	<b>18,481,352</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 42,622,265</b>	<b>\$ 7,226,565</b>	<b>\$ 13,874,534</b>	<b>\$ 63,723,364</b>

**CITY OF BERWYN, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2018**

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$	18,481,352
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		51,028,257
<p>Deferred inflows and outflows related to the net pension liability and total OPEB liability are not current financial resources and therefore, are not reported in the governmental funds</p>		
Deferred outflows of resources		21,130,162
Deferred inflows of resources		(5,589,318)
<p>Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level</p>		
Premium on bonds		(2,534,919)
Discount on bonds		559,858
Loss on refunding		296,217
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
General obligation bonds		(129,995,000)
Notes payable		(15,614,104)
Capital leases		(559,614)
Long-term compensated absences		(3,754,661)
Net pension liability		(16,304,422)
Total other postemployment benefit liability		(119,558,184)
Accrued interest on bonds		(605,012)
<p>The unrestricted net position of the internal service funds are included in the governmental activities in the statement of net position</p>		100,867
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	(202,918,521)

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**CITY OF BERWYN, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018**

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 21,227,338	\$ 6,848,971	\$ 5,952,904	\$ 34,029,213
Other taxes	20,840,415	-	839,314	21,679,729
Licenses and permits	3,552,298	-	-	3,552,298
Charges for services	1,966,890	-	-	1,966,890
Fines and forfeitures	4,914,953	-	51,298	4,966,251
Intergovernmental	477,155	-	3,708,109	4,185,264
Investment income	91,477	3,155	76,040	170,672
Miscellaneous	1,285,207	-	83,014	1,368,221
Total Revenues	<u>54,355,733</u>	<u>6,852,126</u>	<u>10,710,679</u>	<u>71,918,538</u>
<b>EXPENDITURES</b>				
Current				
General government	4,105,923	-	-	4,105,923
Public safety	38,493,296	-	955,022	39,448,318
Public works	5,941,287	-	1,238,619	7,179,906
Economic development	211,489	-	2,550,666	2,762,155
Culture and recreation	2,011,525	-	2,985,788	4,997,313
Capital outlay	-	-	1,198,017	1,198,017
Debt service				
Principal	-	19,682,838	258,433	19,941,271
Interest and fiscal charges	-	7,345,302	123,208	7,468,510
Total Expenditures	<u>50,763,520</u>	<u>27,028,140</u>	<u>9,309,753</u>	<u>87,101,413</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,592,213</u>	<u>(20,176,014)</u>	<u>1,400,926</u>	<u>(15,182,875)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	5,176,014	70,033	5,246,047
Transfers (out)	(4,513,934)	-	(732,113)	(5,246,047)
Debt Proceeds	175,811	15,000,000	-	15,175,811
Total Other Financing Sources (Uses)	<u>(4,338,123)</u>	<u>20,176,014</u>	<u>(662,080)</u>	<u>15,175,811</u>
NET CHANGE IN FUND BALANCES	(745,910)	-	738,846	(7,064)
FUND BALANCES, JANUARY 1	<u>13,021,371</u>	<u>64,873</u>	<u>5,402,172</u>	<u>18,488,416</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 12,275,461</u>	<u>\$ 64,873</u>	<u>\$ 6,141,018</u>	<u>\$ 18,481,352</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2018**

NET CHANGE IN FUND BALANCES -			
TOTAL GOVERNMENTAL FUNDS	\$		(7,064)
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			
			1,474,736
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			19,530,000
Installment notes			155,161
Mortgage notes			153,715
Capital leases			207,462
The issuance of long term debt is reported as an other financing source in governmental funds but is recorded as a liability in the statement of net position			
			(15,175,811)
Changes in net pension liabilities are reported only in the statement of activities			
Police pension			(14,640,536)
Firefighters' pension			(12,982,653)
IMRF			4,582,687
IMRF SLEP			193,297
Changes in certain deferred outflows and inflows are not included in the governmental funds			
Deferred outflow of resources related to pensions			5,807,681
Deferred inflow of resources related to pensions			4,477,887
Deferred inflow of resources related to OPEB			(857,107)
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements			
			930,908
Changes in long-term accrued compensated absences are reported only in the statement of activities			
			45,902
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			(2,102,014)
Loss on disposal of capital assets			(20,857)
Change in accrued interest payable			80
Amortization of accounting loss on refunding			(32,913)
Amortization of bond premium and discount			193,057
The change in net position of certain activities of internal service funds is reported with governmental activities			
			(433,591)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$		<u>(8,499,973)</u>



CITY OF BERWYN, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2018

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 66,715	\$ -	\$ 66,715	\$ 563,929
Restricted cash	904,404	-	904,404	-
Receivables				
Accounts (net of allowance)	6,408,353	-	6,408,353	551,550
Prepaid expenses	37,722	-	37,722	413,068
Due from other funds	-	1,429,519	1,429,519	2,476,887
Total Current Assets	<u>7,417,194</u>	<u>1,429,519</u>	<u>8,846,713</u>	<u>4,005,434</u>
<b>NONCURRENT ASSETS</b>				
Capital assets				
Capital assets, not being depreciated	114,676	-	114,676	-
Capital assets, net of accumulated depreciation	17,735,600	8,554,705	26,290,305	-
Net Capital Assets	<u>17,850,276</u>	<u>8,554,705</u>	<u>26,404,981</u>	<u>-</u>
Total Noncurrent Assets	<u>17,850,276</u>	<u>8,554,705</u>	<u>26,404,981</u>	<u>-</u>
Total Assets	<u>25,267,470</u>	<u>9,984,224</u>	<u>35,251,694</u>	<u>4,005,434</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	53,894	-	53,894	-
Pension contributions subsequent to measurement date	145,451	-	145,451	-
Total Deferred Outflows of Resources	<u>199,345</u>	<u>-</u>	<u>199,345</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	1,773,008	809	1,773,817	-
Claims payable	-	-	-	916,771
Accrued payroll	44,329	-	44,329	-
Security deposits	-	9,202	9,202	-
Unearned revenue	413,016	-	413,016	-
Accrued interest payable	36,625	-	36,625	-
Bonds payable	150,000	-	150,000	-
Compensated absences	25,967	-	25,967	-
Due to other funds	2,232,223	-	2,232,223	-
Total Current Liabilities	<u>4,675,168</u>	<u>10,011</u>	<u>4,685,179</u>	<u>916,771</u>
<b>LONG-TERM LIABILITIES</b>				
Claims payable	-	-	-	2,987,796
Bonds payable	7,748,800	-	7,748,800	-
Net pension obligation	50,916	-	50,916	-
Total OPEB liability	1,014,994	-	1,014,994	-
Compensated absences payable	60,305	-	60,305	-
Total Long-Term Liabilities	<u>8,875,015</u>	<u>-</u>	<u>8,875,015</u>	<u>2,987,796</u>
Total Liabilities	<u>13,550,183</u>	<u>10,011</u>	<u>13,560,194</u>	<u>3,904,567</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	53,357	-	53,357	-
Deferred inflows related to pensions	514,857	-	514,857	-
Total Deferred Inflows of Resources	<u>568,214</u>	<u>-</u>	<u>568,214</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	10,855,880	8,554,705	19,410,585	-
Unrestricted	492,538	1,419,508	1,912,046	100,867
Total Net Position	<u>\$ 11,348,418</u>	<u>\$ 9,974,213</u>	<u>\$ 21,322,631</u>	<u>\$ 100,867</u>

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, 2018**

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>OPERATING REVENUES</b>				
Charges for services				
Billings	\$ 15,004,772	\$ -	\$ 15,004,772	\$ -
Penalties	1,989,128	-	1,989,128	-
Meter sales	70,299	-	70,299	-
Internal service charges	-	-	-	1,505,101
Other revenue	<u>35,886</u>	<u>204,562</u>	<u>240,448</u>	<u>-</u>
Total Operating Revenues	<u>17,100,085</u>	<u>204,562</u>	<u>17,304,647</u>	<u>1,505,101</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	2,390,937	-	2,390,937	-
Internal service fund charge	132,448	1,948	134,396	-
Cost of water	7,227,450	-	7,227,450	-
Contractual services	4,869,074	26,550	4,895,624	556,750
Utilities and cost of fuel	159,164	21,043	180,207	-
Repairs and maintenance	85,450	8,044	93,494	-
Postage, printing and publications	44,667	-	44,667	-
Commodities and supplies	346,014	353	346,367	-
Interdepartmental charges	1,318,464	-	1,318,464	-
Other general	4,822	-	4,822	-
Equipment lease	24,022	-	24,022	-
Claims expense	-	-	-	1,382,350
Capital outlay	87,041	-	87,041	-
Depreciation	<u>1,203,245</u>	<u>233,231</u>	<u>1,436,476</u>	<u>-</u>
Total Operating Expenses	<u>17,892,798</u>	<u>291,169</u>	<u>18,183,967</u>	<u>1,939,100</u>
Operating Income (Loss)	<u>(792,713)</u>	<u>(86,607)</u>	<u>(879,320)</u>	<u>(433,999)</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Investment income	3,083	-	3,083	408
Interest expense	<u>(330,377)</u>	<u>-</u>	<u>(330,377)</u>	<u>-</u>
Total Non-operating Income (Expense)	<u>(327,294)</u>	<u>-</u>	<u>(327,294)</u>	<u>408</u>
Income (Loss) Before Capital Grants and Transfers	(1,120,007)	(86,607)	(1,206,614)	(433,591)
<b>CAPITAL GRANTS AND TRANSFERS</b>				
Grants	-	-	-	-
Capital contribution	<u>406,111</u>	<u>-</u>	<u>406,111</u>	<u>-</u>
Total Capital Grants and Transfers	<u>406,111</u>	<u>-</u>	<u>406,111</u>	<u>-</u>
CHANGE IN NET POSITION	(713,896)	(86,607)	(800,503)	(433,591)
PRIOR PERIOD ADJUSTMENT	(1,072,946)	-	(1,072,946)	-
NET POSITION, JANUARY 1	<u>13,135,260</u>	<u>10,060,820</u>	<u>23,196,080</u>	<u>534,458</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 11,348,418</u>	<u>\$ 9,974,213</u>	<u>\$ 21,322,631</u>	<u>\$ 100,867</u>

See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2018**

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 16,662,861	\$ 204,562	\$ 16,867,423	\$ 954,474
Payments to employees	(2,255,813)	-	(2,255,813)	-
Payments to suppliers	(11,742,756)	(82,568)	(11,825,324)	(2,046,569)
Payments for interfund services used	(1,450,912)	(1,948)	(1,452,860)	-
Net cash from operating activities	<u>1,213,380</u>	<u>120,046</u>	<u>1,333,426</u>	<u>(1,092,095)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
(Increase) in interfund receivable	-	(120,046)	(120,046)	1,512,656
(Decrease) in interfund payable	(30,884)	-	(30,884)	-
Net cash from noncapital financing activities	<u>(30,884)</u>	<u>(120,046)</u>	<u>(150,930)</u>	<u>1,512,656</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest paid on capital debt	(323,609)	-	(323,609)	-
Principal paid on debt	(238,899)	-	(238,899)	-
Purchase of capital assets	(611,982)	-	(611,982)	-
Net cash from capital and related financing activities	<u>(1,174,490)</u>	<u>-</u>	<u>(1,174,490)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	3,083	-	3,083	408
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	11,089	-	11,089	420,969
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>960,030</u>	<u>-</u>	<u>960,030</u>	<u>142,960</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 971,119</u>	<u>\$ -</u>	<u>\$ 971,119</u>	<u>\$ 563,929</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (792,713)	\$ (86,607)	\$ (879,320)	\$ (433,999)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,203,245	233,231	1,436,476	-
Changes in assets and liabilities				
Accounts receivable	(434,873)	-	(434,873)	(550,627)
Prepaid expense	217,162	-	217,162	(21,283)
Accounts payable	887,786	(26,578)	861,208	-
Accrued payroll and compensated absences	(9,125)	-	(9,125)	-
Unearned revenue	(2,351)	-	(2,351)	-
Net pension obligation	(663,772)	-	(663,772)	-
Net OPEB liability	(57,952)	-	(57,952)	-
Deferred outflow and inflow of resources	865,973	-	865,973	-
Claims payable	-	-	-	(86,186)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,213,380</u>	<u>\$ 120,046</u>	<u>\$ 1,333,426</u>	<u>\$ (1,092,095)</u>
<b>CASH AND INVESTMENTS</b>				
Cash and cash equivalents	\$ 66,715	\$ -	\$ 66,715	\$ 563,929
Restricted cash	904,404	-	904,404	-
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 971,119</u>	<u>\$ -</u>	<u>\$ 971,119</u>	<u>\$ 563,929</u>
<b>NON-CASH TRANSACTIONS</b>				
Contribution of capital assets	\$ 406,111	\$ -	\$ 406,111	\$ -

See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**December 31, 2018**

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**ASSETS**

Cash and investments	
Cash and cash equivalents	\$ 189,670
Investments	
U.S. Government and agency securities	22,018,857
Corporate bonds	20,540,265
Money market mutual funds	4,292,162
Equities	17,058,313
Equity mutual funds	55,984,131
State and local obligations	689,295
Insurance contracts	<u>141,074</u>
 Total Cash and Investments	 <u>120,913,767</u>

Receivables	
Accrued interest	310,267
Due from governmental funds	<u>8,712</u>
 Total Receivables	 <u>318,979</u>

Prepays	<u>3,490</u>
 Total Assets	 <u>121,236,236</u>

**LIABILITIES**

Accounts payable	<u>54,032</u>
 Total Liabilities	 <u>54,032</u>

<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b><u>\$ 121,182,204</u></b>
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CITY OF BERWYN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

For the Year Ended December 31, 2018

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**ADDITIONS**

Contributions	
Employer	\$ 2,126,854
Participants	<u>2,266,653</u>
Total Contributions	<u>4,393,507</u>

Investment income	
Net appreciation in fair value of investments	(13,664,142)
Interest earned	4,075,381
Less investment expenses	<u>(315,555)</u>
Total Investment Income	<u>(9,904,316)</u>
Total Additions	<u>(5,510,809)</u>

**DEDUCTIONS**

Administrative	158,765
Pension benefits and refunds	<u>10,422,396</u>
Total Deductions	<u>10,581,161</u>

NET INCREASE (16,091,970)

NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS - January 1 137,274,174

**NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS - December 31** \$ 121,182,204

**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.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

The City's financial statements also include 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.

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

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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.

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 Utilities Fund is a major fund.



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

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 Parking Garage Fund is a major fund.

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 from 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.

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

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

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenues arise when 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 Cash Equivalents: 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 are stated at fair value. Fair value measurements are categorized within the fair value hierarchy established GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.”

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

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 nonspendable or restricted fund balance in applicable governmental funds to indicate that 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 under the consumption method.

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 acquisition value.

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.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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 net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The items that qualify for reporting in this category for the City relate to the City's pension plans and deferred loss on debt refunding. They are reported in the government-wide statement of net position. The first is the net effect of differences between expected and actual experience, changes of assumptions and the net difference between projected and actual earnings on pension plan investments. The first two components of this amount are recognized in pension expense over the average of the expected remaining service lives of all employees that are provided with pensions through the plans while the component related to the difference between projected and actual earnings is recognized in pension expense over a five year period. The second item included in deferred outflows of resources is contributions to the Illinois Municipal Retirement Fund by the City subsequent to the measurement date of the net pension liability (December 31, 2017) and before the end of the fiscal year. This amount is included in expense in the subsequent fiscal year. Finally, the third item represents a deferred loss on the refunding of debt which is being recognized in interest expense over the shorter of the remaining life of the old or the new debt.

In addition to liabilities, the statement of net 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 assets 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 three types of items that qualify for reporting in this category. Deferred revenue related to property taxes is reported in both the governmental funds and the government wide statements because they represent property taxes that are a current receivable but are intended to finance future periods. Deferred inflows of resources related to pensions and OPEB represent differences between expected and actual experience and changes of assumptions for the pension plans and are amortized to expense over the average of the expected remaining service lives of all employees that are provided with benefits through the plans.

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

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. For certain bargaining units, current employees may receive compensation for up to 10 days of unused vacation time. For all other employees, any vacation time not taken by current employees is forfeited. 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, 2018, the City reported \$1,100,717 within its General Fund and \$25,967 within its Utilities Fund related to sick leave purchased back for 2018. 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.

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.

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

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. Amounts restricted for public safety are for fire (\$61,064), the 911 dispatch center (\$1,108,818) and police (\$336,240). Amounts restricted for public works are for street and highway maintenance. Amounts restricted for culture and recreation are for the library. Amounts restricted for economic development are for TIF eligible costs.
- 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 City Council is the highest level of decision-making, and has the ability to vote to establish, modify, or rescind a fund balance commitment by passage of a City ordinance. As of December 31, 2018, 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. Through the adopted Fund Balance Policy, the Finance Director has been designated by the City Council to determine the intent of funds and assign amounts to be used for specific purposes. The City Administrator has been entrusted with reviewing and approving the assignment made by the Finance Director. As of December 31, 2018, the City has assigned fund balance for the purpose of replacing gas pumps under control of the City's Public Works Department and for future community events.
- 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.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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.

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. Net investment in capital assets 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.

Restricted Cash: Property taxes levied for the purpose of making debt service payments on the 2008-2014 bond issues are required by bond covenants to be directly deposited in an escrow account. The balance of that escrow account at December 31, 2018 is classified as restricted cash on the balance sheet because its use is limited by applicable bond covenants. The restricted cash balance is \$48,710 and is to be used to make future interest payments on June 1, 2019.

In addition, unspent bond proceeds in the amount of \$904,405 to be used for a capital project in the Utilities Fund are classified as restricted cash on the Statement of Net Position.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

Deficit Fund Balances: The South Berwyn Corridor TIF Fund had a deficit fund balance at December 31, 2018 of (\$125,003). This was primarily due to debt service payments in excess of incremental property tax revenues. Future property tax revenues should help to eliminate this deficit.

The CDBG Fund had a deficit fund balance at December 31, 2018 of (\$258,340), the Ogden Avenue TIF has a deficit fund balance at December 31, 2018 of (\$43,488), and the NSP fund had a deficit fund balance at December 31, 2018 of (\$134,736). The City will evaluate the need to compensate for these deficits through General Fund subsidies.



**CITY OF BERWYN, ILLINOIS**Notes to financial statements  
December 31, 2018**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:

	Carrying Value	Bank Balance	Associated Risk
Demand Deposits	\$ 12,986,274	\$ 13,972,876	Custodial credit deposits
Illinois Funds	6,349,219	6,349,219	Credit rate risk
Certificates of deposit	716,636	716,636	Custodial credit deposits
U.S. Treasury	18,298,757	18,298,757	Custodial credit investments and interest rate risks
U.S. agencies	3,726,408	3,726,408	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance Company Contracts	141,075	141,075	Credit and interest rate
Corporate bonds	20,533,958	20,533,958	Custodial credit, credit, and interest rate risk
Equities	17,058,313	17,058,313	Custodial credit risk
Equity mutual funds	55,984,132	55,984,132	Custodial credit risk
State and local obligations	689,294	689,294	Custodial credit, credit, and interest rate risk
Money market mutual funds	<u>4,292,162</u>	<u>4,292,162</u>	Credit rate risk
	<u>\$ 140,776,228</u>	<u>\$ 141,762,830</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 18,909,347		
Restricted cash	953,114		
Per Statement of Net Position -			
Fiduciary funds			
Total Cash and Investments	<u>120,913,767</u>		
Total Cash and Investments	<u>\$140,776,228</u>		

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

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 Government 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.

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, 2018, 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.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

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:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

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, 2018, none of the City's deposits were subject to such risk. The City's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

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, corporate bonds, 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).

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

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, 2018, the entire amount of the bank balance of the Pension Fund’s deposits were 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 limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

As of December 31, 2018, the Police Pension Fund's investments in debt securities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than</u>			
		<u>1 Year</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Over 10</u>
U.S. Treasury	\$11,256,004	\$ 1,143,324	\$ 5,504,898	\$ 4,607,782	\$ -
U.S. agencies	2,472,466	99,635	1,072,566	1,013,258	287,007
Corporate bonds	12,732,578	1,975,998	7,020,737	3,735,843	-
State and local	475,771	-	327,980	147,791	-
Total	<u>\$26,936,819</u>	<u>\$ 3,218,957</u>	<u>\$13,926,181</u>	<u>\$9,504,674</u>	<u>\$ 287,007</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 \$275,000 and total \$431,890. Corporate bonds were rated BBB or higher by Standard & Poor's or by Moody's Investors Services.

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 issuer. The Police Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2018, the Police Pension Fund does not have any investments over 5 percent of net position (other than investments issued or explicitly guaranteed by the U.S. Government, investments in mutual funds, external investment pools, and other pooled investments). 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.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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**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 38% of its portfolio be in fixed income securities, a 33% target in domestic equities, a 24% target in international equities, a 3% target in REITs with the remaining 2% to be in cash and equivalents. The Police Pension Fund has diversified its insurance contract and equity mutual fund holdings as follows:

iShares Core S&P 500 ETF Funds	\$ 8,621,668
Vanguard FTSE Developed Markets ETF Fund	7,132,919
Vanguard FTSE Emerging Markets ETF Fund	3,954,247
Tweedy Browne Global Value Fund	3,776,780
Thornburg International Growth Fund	3,313,033
iShares Core S&P Small-Cap ETF Fund	2,793,221
Artisan Mid Cap Fund	1,974,207
Voya Real Estate Fund	1,944,961
iShares Core S&P Mid-Cap ETF Fund	493,198

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2018:

	Total December 31, <u>2018</u>	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<b>Debt Securities:</b>				
U.S. Treasuries	\$ 11,256,004	\$ 11,256,004	\$ -	\$ -
U.S. Agencies	2,472,466	-	2,472,466	-
Corporate Bonds	12,732,578	-	12,732,578	-
State and Local Obligations	475,771	-	475,771	-
<b>Equity Securities:</b>				
Insurance Contracts	15,982	15,982	-	-
Equity Securities:	10,693,070	10,693,070	-	-
Mutual Funds	<u>34,004,234</u>	<u>34,004,234</u>	-	-
<b>Total Investments</b>	<u>\$ 71,650,105</u>	<u>\$ 55,969,290</u>	<u>\$ 15,680,815</u>	<u>\$ -</u>

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

Firefighters' Pension Deposits and Investments: The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, corporate bonds, equities, 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 Firefighters' Pension Fund's deposits may not be returned to it. At December 31, 2018, the entire bank balance of the Pension Fund's deposits was insured and collateralized. The Firefighters' 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 Firefighters' 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 Firefighters' 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 Firefighters' 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.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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**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.

As of December 31, 2018, 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	\$ 7,042,753	\$ 936,330	\$ 3,444,044	\$ 2,662,379	\$ -
U.S. Agencies	1,253,942	3	765,660	323,632	164,647
Corporate bonds	7,801,380	905,840	3,879,286	3,016,254	-
State and local obligations	<u>213,523</u>	<u>-</u>	<u>111,598</u>	<u>101,925</u>	<u>-</u>
Total	<u>\$ 16,311,598</u>	<u>\$ 1,842,173</u>	<u>\$ 8,200,588</u>	<u>\$ 6,104,190</u>	<u>\$ 164,647</u>

*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 individually are under \$151,000 and total \$252,405 as of December 31, 2018. Corporate bonds were rated BBB or higher by Standard & Poor's or by Moody's Investors Services.

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

*Concentration of Credit Risk:* Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of their investments invested in one issuer. The Firefighter's Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2018, the Firefighter's Pension Fund does not have any investments over 5 percent of net position (other than investments issued or explicitly guaranteed by the U.S. Government,

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

investments in mutual funds, external investment pools, and other pooled investments). 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 Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by the US Treasury lines of credit and increasingly stringent federal regulation.

The Firefighters’ Pension Fund’s investment policy requires diversification of investments to avoid unreasonable risk. The Firefighters’ Pension Fund’s investment policy has a stated target that 38% of its portfolio be in fixed income securities, a 33% target in domestic equities, a 24% target in international equities, a 3% target in REITs with the remaining 2% 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	\$ 6,951,984
Harding Loevner Emerging Markets Advisor Fund	2,632,725
Harding Loevner International Equity Portfolio	2,799,811
Vanguard Total International Stock ETF Fund	2,784,658
Thornburg International Growth Fund	2,666,518
iShares Core S&P Small Cap ETF Fund	1,324,220
Madison Mid Cap Growth Fund	1,077,154
Vanguard REIT ETF Fund	1,325,333
Aston/Fairpointe Mid Cap Blend Fund	417,495

The Firefighters’ Pension Fund has the following recurring fair value measurements as of December 31, 2018:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Investment by Fair Value Level	December 31, <u>2018</u>	Fair Value Measurements Using		
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities</b>				
U.S. Treasuries	\$ 7,042,753	\$ 7,042,753	\$ -	\$ -
U.S. Agencies	1,253,942	-	1,253,942	-
Corporate Bonds	7,801,380	-	7,801,380	-
State and Local Obligations	213,523	-	213,523	-
<b>Equity Securities</b>				
Insurance Contracts	125,093	125,093	-	-
Equity Securities	6,365,243	6,365,243	-	-
Mutual Funds	21,979,898	21,979,898	-	-
<b>Total Investments</b>	<b>\$ 44,781,832</b>	<b>\$ 35,512,987</b>	<b>\$ 9,268,845</b>	<b>\$ -</b>

**B. Receivables**

Property Taxes: Property taxes for 2018 attach as an enforceable lien on January 1, 2018 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, 2019 and October 1, 2019 and are payable in two installments, on or about April 1, 2019 and November 1, 2019. The County collects such taxes and remits them periodically. The 2018 tax levy is intended to finance operations for 2019 and is therefore recorded as deferred inflows of resources.

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 Loan	0%	\$ 2,316,043	\$ 80,273	\$ 73,276	\$ -	\$ 2,323,040

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

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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**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, 2018 are as follows:

<u>Original Loan</u>	<u>Beginning Balance</u>	<u>Loans Issued</u>	<u>Principal Paid/Reduced</u>	<u>Ending Balance</u>	<u>Current Portion</u>
\$ 3,000	\$ 1,918	\$ -	\$ 1,011	\$ 907	\$ 907
10,000	7,720	-	3,263	4,457	3,591
<u>35,000</u>	<u>24,290</u>	<u>-</u>	<u>1,970</u>	<u>22,320</u>	<u>1,367</u>
<u>\$ 48,000</u>	<u>\$ 33,928</u>	<u>\$ -</u>	<u>\$ 6,244</u>	<u>\$ 27,684</u>	<u>\$ 5,865</u>

- \$3,000 note receivable in 36 consecutive principal and interest payments of \$94 commencing in October, 2017 and one final payment of all outstanding liabilities in September, 2019. Interest accrues on unpaid balances at a rate of 8% per annum.
- \$10,000 note receivable in 36 consecutive principal and interest payments of \$313.36 commencing in April, 2017 and one final payment of all outstanding liabilities in March, 2020. Interest accrues on unpaid balances at a rate of 8% 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. The note was renegotiated in January of 2013. The renegotiated note provides for payments of \$231 commencing January 14, 2013 through January 30, 2030 at a rate of 5% per annum.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Ambulance	\$ 1,055,441	\$ -
Utility billings	-	9,201,992
Allowance for uncollectible	(400,521)	(2,815,715)
Franchise fees	103,068	-
Grants	44,901	-
Other	<u>1,547,835</u>	<u>22,076</u>
Total	<u>\$ 2,350,724</u>	<u>\$ 6,408,353</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>\$ 32,497,999</u>
<u>Unearned:</u>	
CDBG loan program	2,323,040
TIF repayment agreement	<u>2,000</u>
Total Unearned Revenue	<u>2,325,040</u>
Total	<u>\$ 34,823,039</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2018 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	\$ 10,231,178	\$ 79,425	\$ -	\$ 10,310,603
CIP	<u>652,696</u>	<u>-</u>	<u>50,000</u>	<u>602,696</u>
Total Capital Assets				
Not Being Depreciated	<u>10,883,874</u>	<u>79,425</u>	<u>50,000</u>	<u>10,913,299</u>
Capital assets being depreciated				
Vehicles	9,362,494	520,439	132,955	9,749,978
Equipment	3,142,652	144,113	-	3,286,765
Land improvements	11,869,244	314,821	-	12,184,065
Buildings	16,089,127	-	-	16,089,127
Infrastructure	<u>59,742,159</u>	<u>465,938</u>	<u>258,835</u>	<u>59,949,262</u>
Total Capital Assets				
Being Depreciated	<u>100,205,676</u>	<u>1,445,311</u>	<u>391,790</u>	<u>101,259,197</u>
Less accumulated depreciation for				
Vehicles	5,595,445	608,634	112,098	6,091,981
Equipment	2,171,692	181,546	-	2,353,238
Land improvements	4,352,949	421,522	-	4,774,471
Buildings	6,050,888	358,033	-	6,408,921
Infrastructure	<u>41,242,184</u>	<u>532,279</u>	<u>258,835</u>	<u>41,515,628</u>
Total Accumulated Depreciation	<u>59,413,158</u>	<u>2,102,014</u>	<u>370,933</u>	<u>61,144,239</u>
Total Capital Assets				
Being Depreciated, Net	<u>40,792,518</u>	<u>(656,703)</u>	<u>20,857</u>	<u>40,114,958</u>
Total Government Activities	<u>\$ 51,676,392</u>	<u>\$ (577,278)</u>	<u>\$ 70,857</u>	<u>\$ 51,028,257</u>

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

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 137,862
Public safety	762,111
Public works	982,523
Economic development	147,384
Culture and recreation	<u>72,134</u>
Total Governmental Activities	<u>\$ 2,102,014</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Primary Government	Balance January 1	Additions	Retirements	Balance December 31
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 24,600	\$ -	\$ -	\$ 24,600
CIP	<u>-</u>	<u>90,076</u>	<u>-</u>	<u>90,076</u>
Total Capital Assets				
Not Being Depreciated	<u>24,600</u>	<u>90,076</u>	<u>-</u>	<u>114,676</u>
Capital assets being depreciated				
Vehicles	729,547	-	-	729,547
Land improvements	251,291	-	-	251,291
Buildings	11,203,924	-	-	11,203,924
Equipment	1,033,373	-	-	1,033,373
Infrastructure	<u>119,900,412</u>	<u>928,017</u>	<u>-</u>	<u>120,828,429</u>
Total Capital Assets				-
Being Depreciated	<u>133,118,547</u>	<u>928,017</u>	<u>-</u>	<u>134,046,564</u>
Less accumulated depreciation for				
Vehicles	329,090	50,729	-	379,819
Land improvements	251,291	-	-	251,291
Buildings	2,262,287	233,224	-	2,495,511
Equipment	180,779	73,469	-	254,248
Infrastructure	<u>103,296,336</u>	<u>1,079,054</u>	<u>-</u>	<u>104,375,390</u>
Total Accumulated Depreciation	<u>106,319,783</u>	<u>1,436,476</u>	<u>-</u>	<u>107,756,259</u>
Total Capital Assets				
Being Depreciated, Net	<u>26,798,764</u>	<u>(508,459)</u>	<u>-</u>	<u>26,290,305</u>
Total Business-Type Activities	<u>\$26,823,365</u>	<u>\$(417,934)</u>	<u>\$ -</u>	<u>\$26,404,981</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	\$ 1,203,245
Parking garage	<u>233,231</u>
Total Business-Type Activities	<u>\$ 1,436,476</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

**D. Interfund Disclosures**

Major Governmental Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	NSP	\$ 134,746	Reimburse Op. Acct.
General Fund	Grants	7,275	Reimburse Op. Acct.
General Fund	South Berwyn TIF	140,473	Reimburse Op. Acct.
General Fund	CDBG	606,718	Reimburse Op. Acct.
General Fund	Emergency 911	566	Reimburse Op. Acct.
General Fund	Roosevelt TIF	302,962	Reimburse Op. Acct.
General Fund	Asset Forfeiture	443,534	Reimburse Op. Acct.
General Fund	Foreign Fire Fund	2	Reimburse Op. Acct.
General Fund	Utilities Fund	2,232,223	Reimburse Op. Acct.
Debt Service	General Fund	22,103	Reimburse Op. Acct.

NonMajor Governmental Fund

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Library	General Fund	451,954	Tax collections
Harlem TIF	General Fund	5,774	Reimburse overpayment
MFT	General Fund	209,237	Grant in Op. Acct
Ogden TIF	General Fund	1,917	Debt service
Capital Projects	General Fund	37,499	Cash held
Total Governmental Funds		<u>4,596,983</u>	

Due To/From Proprietary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Parking Garage	General Fund	1,429,519	Permit revenues
Internal Service	General Fund	2,476,887	Reimbursement claims
Total Proprietary Funds		<u>3,906,406</u>	

Total \$ 8,503,389

Due To/From Fiduciary Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Police Pension	General Fund	\$ 5,132	Tax Collections
Fire Pension	General Fund	3,580	Tax Collections
Total		<u>\$ 8,712</u>	

All Interfund Balances are expected to be repaid during 2019.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

These interfunds are related to tax collections received in January or February and remitted to fiduciary funds in January or February. All of these interfunds will be repaid during 2019.

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>
Major Governmental Funds:			
Debt Service Fund	General Fund	4,443,901	Debt service
Debt Service Fund	Roosevelt Road TIF	277,434	Debt service
Debt Service Fund	South Berwyn TIF	<u>454,679</u>	Debt service
Total Debt Service Fund		<u>5,176,014</u>	
Nonmajor Governmental Funds:			
CDBG	General Fund	<u>70,033</u>	Reimbursement of Program Expenditures
Total		<u>5,246,047</u>	



**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

**E. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Debt	\$ 149,525,000	\$ -	\$ 19,530,000	\$ 129,995,000	\$ 4,580,000
Installment Notes Payable	155,161	-	155,161	-	-
Mortgage Notes Payable	767,819	-	153,715	614,104	156,457
Unamortized premiums	2,767,566	-	232,647	2,534,919	-
Unamortized (discounts)	(599,448)	-	(39,590)	(559,858)	-
Total bonds and notes payable	<u>152,616,098</u>	<u>-</u>	<u>20,031,933</u>	<u>132,584,165</u>	<u>4,736,457</u>
Other Liabilities:					
Capital Leases	591,265	175,811	207,462	559,614	196,903
Line of Credit	-	15,000,000	-	15,000,000	-
Claims Payable	3,990,753	1,469,185	1,555,371	3,904,567	916,771
Net pension liability	96,710,979	22,847,205	-	119,558,184	-
Total OPEB Liability (restated)	17,325,328	-	1,020,906	16,304,422	-
Compensated absences	5,197,152	899,369	1,241,140	4,855,381	1,100,717
Total Other Liabilities	<u>123,815,477</u>	<u>40,391,570</u>	<u>4,024,879</u>	<u>160,182,168</u>	<u>2,214,391</u>
Total long-term obligations	<u>\$ 276,431,575</u>	<u>\$ 40,391,570</u>	<u>\$ 24,056,812</u>	<u>\$ 292,766,333</u>	<u>\$ 6,950,848</u>
Business-Type Activities					
General Obligation Debt	\$ 7,765,000	\$ -	\$ 150,000	\$ 7,615,000	\$ 150,000
Unamortized premiums	338,857	-	24,467	314,390	-
Unamortized (discounts)	(32,766)	-	(2,179)	(30,587)	-
Capital Leases	66,609	-	66,609	-	-
Total OPEB Liability (restated)	1,072,946	-	57,952	1,014,994	-
Net pension liability	714,688	-	663,772	50,916	-
Compensated absences	90,704	24,613	29,047	86,270	25,967
Total long-term obligations	<u>\$ 10,016,038</u>	<u>\$ 24,613</u>	<u>\$ 989,668</u>	<u>\$ 9,050,983</u>	<u>\$ 175,967</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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.

General obligation bonds currently outstanding are as follows:

	Date of	Interest	Final	Original	Balance
<u>Governmental Activities</u>	<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>	<u>12/31/2018</u>
General obligation debt					
Corporate purpose	08/15/07	5.00%	12/01/27	\$ 28,165,000	\$ 8,015,000
	10/09/08	4.30-5.00%	12/01/28	7,830,000	7,745,000
	10/29/09	4.75%	12/01/29	5,165,000	345,000
	10/28/10	2.00-5.00%	12/01/30	9,150,000	7,330,000
	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
	11/07/13	5.00%	12/01/27	5,705,000	5,705,000
	11/24/14	3.75-5.00%	12/01/34	4,270,000	4,270,000
	11/30/15	3.75-5.00%	12/01/35	4,845,000	4,845,000
	11/09/16	3.75-5.00%	12/01/30	19,005,000	18,575,000
Taxable bonds	08/15/07	5.62-5.71%	12/01/22	21,395,000	13,335,000
	10/31/13	3.55-5.30%	12/01/23	30,350,000	15,100,000
	06/16/15	4.25-6.00%	12/01/35	31,000,000	<u>31,000,000</u>
Total Governmental Activities General Obligation Debt					<u>\$ 129,995,000</u>
<u>Business-type Activities</u>					
General obligation debt					
Corporate purpose	10/28/2010	2.00-5.00%	12/01/29	\$ 850,000	\$ 750,000
	10/27/2011	4.50%	12/01/31	2,095,000	1,820,000
	11/24/2014	3.75-5.00%	12/01/34	2,015,000	2,015,000
	11/30/2015	3.75-5.00%	12/01/32	1,880,000	1,880,000
	11/9/2016	3.75-5.00%	12/01/30	1,150,000	<u>1,150,000</u>
Total Business-Type Activities General Obligation Debt					<u>\$ 7,615,000</u>

The City reviews federal arbitrage requirements annually and has determined that no liability for rebatable arbitrage exists at December 31, 2018.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Installment Notes Payable: The City entered into a \$1,939,507 loan on April 10, 2006 for the purchase of certain real property and program costs. The balance of the financed amount was due in quarterly installments, including interest at 6.00%. The note was paid off during the year ended December 31, 2018.

Mortgage Notes Payable: The City entered into a \$4,000,000 loan on December 6, 2010 for the purchase of certain real property. The note matured on December 6, 2012 at which time the note was modified to extend the maturity date to December 6, 2020. Monthly principal and interest payments at a rate of 2% based on a 10 year amortization schedule are due on the 6<sup>th</sup> day of each month. The total amount outstanding under the agreement at December 31, 2018 was \$314,104. Principal payments made in 2018 totaled \$153,715.

The City obtained a \$300,000 loan from the BDC in 2015 secured by land held for resale in the Roosevelt Road TIF. The loan does not bear interest and is due upon the sale of the property.

Debt Service Requirements: Debt service requirements to maturity for general obligation debt are as follows:

	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2019	\$ 4,580,000	\$ 6,434,528	\$ 150,000	\$ 332,788
2020	4,830,000	6,179,025	175,000	327,163
2021	4,595,000	5,909,391	250,000	321,038
2022	4,730,000	5,644,681	275,000	311,038
2023	19,855,000	5,428,136	200,000	300,038
2024-2028	35,950,000	18,854,806	2,350,000	1,333,188
2029-2033	43,660,000	9,131,734	3,885,000	516,638
2034-2035	11,795,000	848,825	330,000	16,500
Totals	<u>\$ 129,995,000</u>	<u>\$ 58,431,126</u>	<u>\$ 7,615,000</u>	<u>\$ 3,458,388</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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

	Government Activities Installment Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 456,457	\$ 7,999
2020	157,647	2,778
Totals	<u>\$ 614,104</u>	<u>\$ 10,777</u>

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.

Line of Credit: During 2017, the City entered into an agreement with BMO Harris Bank for a \$15 million revolving line of credit. This line of credit has an initial maturity date of August 31, 2020 and bears interest equal to the LIBOR interest rate plus an applicable interest rate that varies depending on the City's credit rating. As of December 31, 2018, the City had drawn \$15,000,000 against this line of credit.

Capital Leases - Lessee: The City entered into a \$314,273 lease financing agreement in December 2015 for the purchase of a street sweeper which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 3.25%. The total amount outstanding under the agreement at December 31, 2018 was \$106,830. Principal payments made in 2018 totaled \$51,756. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$258,950 lease financing agreement in May 2015 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 semi-annual installments, including interest at 2.69%. No outstanding balance remained as of December 31, 2018. Principal payments made in 2018 totaled \$44,613. Debt service on the agreement was an expenditure of the General Fund.

The City entered into a \$87,494 lease financing agreement in June 2015 for the purchase of a Cisco Core Upgrade which is included in the capital assets of the governmental activities. The balance of the financed amount is due in annual installments, including interest at 4.50%. The total amount outstanding under the agreement at December 31, 2018 was \$18,317. Principal payments made in 2018 totaled \$17,643. Debt service on the agreement is an expenditure of the General Fund.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

The City entered into a \$478,528 lease financing agreement in July 2015 for the purchase of a 2017 Pierce Enforcer Pumper which is included in the capital assets of the governmental activities. The City did not take possession of the truck until 2017. The balance of the financed amount is due in annual installments, including interest at 3.11%. The total amount outstanding under the agreement at December 31, 2018 was \$285,931. Principal payments made in 2018 totaled \$66,175. Debt service on the agreement is an expenditure of the General Fund.

The City entered into a \$255,779 lease financing agreement in May 2014 for the purchase of a Vactor sewer vacuum/jetter which is included in the capital assets of the Utilities Fund (business type activities). The balance of the financed amount is due in annual installments, including interest at 2.79%. No outstanding balance remained as of December 31, 2018. Principal payments made in 2018 totaled \$66,609. Debt service on the agreement is an expenditure of the Utility Fund.

The City entered into a \$175,811 lease financial agreement in May 2018 for the purchase of an ambulance which is included in the capital assets of governmental activities. The balance of the financed amount is due in semi-annual installments, including interest at 5.72%. The total amount outstanding under the agreement at December 31, 2018 was 148,535. Principal payments made in 2018 totaled \$27,276.

The assets acquired through capital lease for use in governmental activities are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Vehicles	\$ 968,612	\$ 186,388	\$ 782,224
Equipment	87,494	20,415	67,079

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2018, are as follows:

	<u>Capital Leases Payable</u>	
	<u>Principal</u>	<u>Interest Accretion</u>
2019	196,903	20,759
2020	183,962	12,897
2021	103,949	5,481
2022	74,800	2,326
Totals	<u>\$ 559,614</u>	<u>\$ 41,463</u>

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

#### Net Pension Liability and Total OPEB Liability:

The net pension liability and total Other Post-Employment Benefits (OPEB) liability are based on actuarial valuations as detailed in Note 3G & H. The net pension liability has typically been liquidated by property taxes levied in the general fund. The total OPEB liability 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.

#### Harlem TIF Private Placement Bond:

In 2015, the City issued a private placement TIF bond in the principal amount of \$1,900,000 for the purpose of paying certain eligible redevelopment project costs incurred by the developer in the Harlem TIF. The bonds, which bear interest at the rate of 4.392%, are payable solely from the available incremental taxes generated by the Harlem TIF and are not an indebtedness against the general taxing powers or credit of the City. Therefore, the outstanding principal is not included in the statement of net position. The outstanding principal balance at December 31, 2018 is \$1,535,003.

#### Defeased Debt:

In prior years, the City advance refunded various debt issues by placing funds in escrow to make future debt service payments. Because these transactions met the requirements for in-substance defeasance, the refunded debt was no longer included as a liability of the City. The balance of all defeased refunded debt outstanding at December 31, 2018 is \$5,365,000.

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

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. Amortization for 2018 was \$32,912 which is reported in the governmental activities. The balance of the unamortized loss at December 31, 2018 was \$296,217.

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, 2018, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2018 was \$454,858.

**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 \$350,000 for liability claims and \$900,000 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, 2018 was \$3,904,567 and is recorded as a portion of the noncurrent liabilities balance for governmental activities.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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

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

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance	Current Portion
2017	\$ 4,294,936	\$ 1,118,649	\$ 1,422,832	\$ 3,990,753	\$ 844,336
2018	3,990,753	1,469,185	1,555,371	3,904,567	916,771

**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.



## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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

#### Loan Guarantees - Berwyn Development Corporation (BDC):

During 2017, 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, 2018 is \$1,070,347. Of this balance, \$300,000 is reported as mortgage notes payable within the City's long-term obligations as this loan was 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 provides other post-employment benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

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.

All health benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include medical, dental, vision, life, and prescription coverage. Eligibility in City sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

All retirees contribute 100% of the plan premiums.

As of December 31, 2018 membership consisted of:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Active employees fully eligible	382
Retired participants	42
Inactive employees	<u>0</u>
Total	<u><u>424</u></u>

The City does not have a funding policy.

Actuarial Assumptions and Methods:

Actuarial Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Assumptions	
Discount Rate	4.10%
Long-Term Expected Rate of Return on Plan Assets	N/A
Total Payroll Increases	3.00%
Healthcare Cost Trend Rates	7.00% in fiscal year 2018, trending to 6.00% in fiscal year 2023, and an ultimate trend rate of 5.00%
Asset Valuation Method	N/A

Active IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study. These rates are improved generationally using MP-2017 Improvement Rates and weighted based on the IMRF December 31, 2017 actuarial valuation. Retiree and Spousal IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study for Disabled Participants. These rates are improved generationally using MP-2017 Improvement Rates.

Active Firefighter and Police Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 study with Blue Collar adjustment. These rates are improved generationally using MP-2016

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Improvement Rates. Retiree Firefighter and Police Mortality follows the L&A Assumption Study for Firefighters 2016. These rates are experience weighted with the Raw Rates as developed in the RP-2014 Study, with Blue Collar adjustment and improved generally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study for Disabled Participants. These rates are improved generationally using MP-2016 Improvement Rates.

Discount rate: The discount rate used to measure the total OPEB liability as of December 31, 2018 was 4.10 percent, which was a change from the discount rate of 3.44 percent that was used as of December 31, 2018. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Changes in the Total OPEB Liability:

	<b>Total OPEB Liability (a)</b>
Balances at January 1, 2018 (restated)	\$ 18,308,274
Service cost	364,755
Interest on total OPEB liability	613,088
Differences between expected and actual experience of the total OPEB liability	-
Change of assumptions	(994,767)
Plan changes	-
Benefit payments, including refunds of employee contributions	(971,935)
Other (net transfer)	-
	<hr/>
Balances at December 31, 2018	<u>\$ 17,319,415</u>

Sensitivity of the City's net OPEB liability to changes in the discount rate: The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current discount rate:

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 18,861,675	\$ 17,319,415	\$ 15,966,753

Sensitivity of the City's net OPEB liability to changes in the healthcare cost trend rates: The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.00 percent decreasing to 6.00 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	\$15,653,727	\$ 17,319,415	\$19,258,876

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB: For the year ended December 31, 2018, the City recognized OPEB expense of \$893,540. At December 31, 2018, the City reported the following deferred outflows of resources and deferred inflows related to OPEB.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	(910,464)
Total Deferred Amounts Related to OPEB	<u>\$ -</u>	<u>\$ (910,464)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ (84,303)
2020	(84,303)
2021	(84,303)
2022	(84,303)
2023	(84,303)
Thereafter	(488,949)

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

**I. Defined Benefit Pension Plans**

**Defined Benefit Pension Plans**

Plan Descriptions: The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF) and Sheriff's Law Enforcement Personnel (SLEP) which is affiliated with IMRF, an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for the Police and Firefighters' Pension Plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police and Firefighters' Pension Plans issue separate reports on the pension plans and are available for inspection at City Hall. IMRF and SLEP benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF and SLEP issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. The report can be obtained online at [www.imrf.org](http://www.imrf.org).

Below is aggregate information related to all of the pension plans in total reported by the City as of and for the year ended December 31, 2018:

Total Pension Liability	\$ 287,499,580
Plan Fiduciary Net Position	<u>167,890,480</u>
City's net pension liability	<u><u>119,609,100</u></u>
Deferred Inflows of Resources	\$ 5,247,068
Deferred Outflows of Resources	21,329,507
Pension Expense	16,436,082

**Illinois Municipal Retirement Fund (IMRF) & Sherriff's Law Enforcement Personnel (SLEP)**

**General Information about the Pension Plan**

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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, 2018 was 10.47% of covered payroll. The employer annual required contribution rate for calendar year 2018 was 10.47%.

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 annual required contribution rate for calendar year 2018 was 13.72%. For the year ended December 31, 2018, there was no covered payroll.

At December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries	165	0
Inactive, Non-retired Members	116	2
Active Members	<u>205</u>	<u>0</u>
Total	486	2

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Net Pension Liability

The City's net pension liability for the IMRF and SLEP plans was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.5%
Price Inflation:	2.75%
Salary Increases:	3.75% to 14.50% including inflation
Investment Rate of Return:	7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Long Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	37.0%	7.15%
International Equity	18.0%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20-8.50%
Cash Equivalents	1%	2.50%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.50% and 7.50% was used to measure the total pension liability of the regular IMRF plan and the SLEP plan, respectively. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50% for the regular IMRF plan and SLEP plan.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2016</b>	\$ 46,574,880	\$ 40,955,164	\$ 5,619,716
<b>Changes for the year:</b>			
Service Cost	1,045,930	-	1,045,930
Interest on the Total Pension Liability	3,454,319	-	3,454,319
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(738,854)	-	(738,854)
Changes of Assumptions	(1,546,791)	-	(1,546,791)
Contributions - Employer	-	1,039,496	(1,039,496)
Contributions - Employees	-	451,947	(451,947)
Net Investment Income	-	7,166,588	(7,166,588)
Benefit Payments, including Refunds of Employee Contributions	(2,080,519)	(2,080,519)	-
Other (Net Transfer)	-	(1,196,968)	1,196,968
Net Changes	<u>134,085</u>	<u>5,380,544</u>	<u>(5,246,459)</u>
<b>Balances at December 31, 2017</b>	<u>\$ 46,708,965</u>	<u>\$ 46,335,708</u>	<u>\$ 373,257</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

SLEP:

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
<b>Balances at December 31, 2016</b>	\$ 330,394	\$ 317,694	\$ 12,700
<b>Changes for the year:</b>			
Service Cost	27,014	-	27,014
Interest on the Total Pension Liability	25,793	-	25,793
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(191,367)	-	(191,367)
Changes of Assumptions	137	-	137
Contributions - Employer	-	7,300	(7,300)
Contributions - Employees	-	3,519	(3,519)
Net Investment Income	-	45,677	(45,677)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	(1,622)	1,622
Net Changes	(138,423)	54,874	(193,297)
<b>Balances at December 31, 2017</b>	<u>\$ 191,971</u>	<u>\$ 372,568</u>	<u>\$ (180,597)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plans' net pension liabilities, calculated using a Single Discount Rate of 7.50% for IMRF and 7.50% for SLEP, as well as what the plans' net pension liabilities would be if they were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
IMRF Net Pension Liability (Asset)	\$ 6,304,431	\$ 373,257	\$ (4,510,914)
SLEP Net Pension (Asset)	(178,540)	(180,597)	(182,601)

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the City recognized pension expense of \$1,916,641 related to IMRF and \$(39,232) related to SLEP. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

IMRF:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 353,963	\$ 572,205
Changes of assumptions	28,218	1,257,115
Net difference between projected and actual earnings on pension plan investments	-	<u>1,944,977</u>
Total Deferred Amounts to be recognized in pension expense in future periods	382,181	3,774,297
Pension Contributions made subsequent to the Measurement Date	<u>1,079,170</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 1,461,351</u>	<u>\$ 3,774,297</u>

SLEP:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,656	\$ 149,830
Changes of assumptions	426	586
Net difference between projected and actual earnings on pension plan investments	-	<u>8,116</u>
Total Deferred Amounts to be recognized in pension expense in future periods	2,082	158,532
Pension Contributions made subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 2,082</u>	<u>\$ 158,532</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended		
<u>December 31</u>	<u>IMRF</u>	<u>SLEP</u>
2019	\$ (464,226)	\$ (66,304)
2020	(614,853)	(65,260)
2021	(1,257,117)	(20,585)
2022	(1,055,920)	(4,301)
2023	-	-
Thereafter	-	-

**Police Pension Plan**

**General Information about the 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. 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.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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% of the original pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3.00% of the amount of the pension payable at the time of the increase. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3.00% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, by the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. For the year ended December 31, 2018, the City's contribution was 13.53% of covered payroll.

At December 31, 2018, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	78
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	<u>113</u>
Total	<u><u>191</u></u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Net Pension Liability

The City's net pension liability for the Police Pension Plan was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2018 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	6.75%	6.75%
Discount Rate	6.75%	6.75%
Salary Increases	3.50%-17.14%	3.50%-17.14%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2018 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. These rates are improved generationally using MP-2016 Improvement Rates.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Large Cap Equity	27%	6.86%
US Mid Cap Equity	3%	7.55%
US Small Cap Equity	3%	8.05%
Non US Developed Equity	16%	6.45%
Emerging Markets	8%	9.06%
Fixed Income	38%	2.50%
REITs	3%	5.70%
Cash Equivalents	2%	1.08%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 6.75% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made in accordance with the funding policy of the plan. A formal funding policy exists through the Memorandum of Understanding (MOU) between the City and the Police Pension Plan. The MOU states that the City will issue a levy on an annual basis to pay for the Normal Cost portion of contribution to the pension fund. In addition, the City will contribute \$15,000,000 in the following future years: 2019, 2020, 2023, and 2025.

The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.75%, the municipal bond rate is 4.10% and the resulting single discount rate is 6.75%. The assumed rate on High Quality 20 Year Tax Exempt G.O. Bonds was changed from 3.44% to 4.10% for the current year. The rate has been updated to the current fiscal year based on changes in market conditions as reflected in the Index. The discount rate remained unchanged at 6.75%. The discount rate was not impacted by the change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate as the fiduciary net position was projected to be sufficient to pay benefits. In addition, changes made that impact the projection of the Net Position of the fund such as changes in the formal or informal funding policy and actual changes in the net position from one year to the next can impact the discount rate.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2017</b>	\$ 126,586,967	\$ 83,489,136	\$ 43,097,831
<b>Changes for the year:</b>			
Service Cost	2,647,868	-	2,647,868
Interest on the Total Pension Liability	8,368,311	-	8,368,311
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	37,926	-	37,926
Changes of Assumptions	-	-	-
Contributions - Employer	-	1,424,327	(1,424,327)
Contributions - Employees	-	1,041,410	(1,041,410)
Contributions - Other	-	7,263	(7,263)
Net Investment Income	-	(5,965,146)	5,965,146
Benefit Payments, including Refunds of Employee Contributions	(5,223,991)	(5,223,991)	-
Administrative Expenses	-	(94,285)	94,285
Net Changes	5,830,114	(8,810,422)	14,640,536
<b>Balances at December 31, 2018</b>	<u>\$ 132,417,081</u>	<u>\$ 74,678,714</u>	<u>\$ 57,738,367</u>



**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the police pension plan of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net Pension Liability	\$77,419,929	\$ 57,738,367	\$ 41,776,781

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Fund report.

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the City recognized pension expense of \$7,342,836 related to the police pension plan. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 800,196	\$ 161,512
Changes of assumptions	877,740	1,006,616
Net difference between projected and actual earnings on pension plan investments	<u>7,418,727</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 9,096,663</u>	<u>\$ 1,168,128</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to police pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31	
2019	\$ 2,820,532
2020	1,540,582
2021	1,439,957
2022	2,226,482
2023	(97,375)
Thereafter	(1,643)

**Firefighters' Pension Plan**

**General Information about the 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.

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 2.5% 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 2.5% 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.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

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

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2018 the City's contribution was 14.57% of covered payroll.

At December 31, 2018, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	81
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	<u>80</u>
Total	<u><u>161</u></u>

Net Pension Liability

The City's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The actuarial cost method was entry age normal with a level percent of pay.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Actuarial Assumptions: The following actuarial assumptions were used to determine the total pension liability in the December 31, 2018 actuarial valuation and the prior valuation:

	<u>Current Valuation</u>	<u>Prior Valuation</u>
Interest Rate	6.50%	6.50%
Discount Rate	6.50%	6.50%
Salary Increases	2.50%-10.44%	3.50%-35.76%
Projected Increase in Payroll	3.50%	3.50%
Inflation	2.50%	2.50%

Mortality rates for the December 31, 2018 actuarial valuation are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. These rates are improved generationally using MP-2016 Improvement Rates.

Long Term Expected Rate of Return: The long term expected rate of return on the Plan's investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Large Cap Equity	27%	6.86%
US Mid Cap Equity	3%	7.55%
US Small Cap Equity	3%	8.05%
Non US Developed Equity	16%	6.45%
Emerging Markets	8%	9.06%
Fixed Income	38%	2.50%
REITs	3%	5.70%
Cash Equivalent	2%	1.05%
	<u>100%</u>	

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

Single Discount Rate: A Single Discount Rate of 6.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made in accordance with the funding policy of the plan. A formal funding policy exists through the Memorandum of Understanding (MOU) between the City and the Firefighter's Pension Plan. The MOU states that the City will issue a levy on an annual basis to pay for the Normal Cost portion of contribution to the pension fund. In addition, the City will contribute \$15,000,000 on odd numbered years from 2013 to 2025. The final issuance may not be \$15,000,000, if not needed.

The Single Discount Rate reflects:

1. The longer term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (for the future benefit payments that are not covered by the plan's projected net position).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 6.50%, the municipal bond rate is 4.10% and the resulting single discount rate is 6.50%. Since the fiduciary net position was projected to be sufficient to pay benefits, the municipal bond rate did not impact the discount rate and the expected rate of return on plan investments was used.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2017</b>	\$ 102,480,458	\$ 53,785,038	\$ 48,695,420
<b>Changes for the year:</b>			
Service Cost	2,003,112	-	2,003,112
Interest on the Total Pension Liability	6,492,282	-	6,492,282
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,395,580	-	2,395,580
Changes of Assumptions	8,537	-	8,537
Contributions - Employer	-	1,217,979	(1,217,979)
Contributions - Employees	-	700,615	(700,615)
Contributions - Other	-	1,912	(1,912)
Net Investment Income	-	(3,939,327)	3,939,327
Benefit Payments, including Refunds of Employee Contributions	(5,198,406)	(5,198,406)	-
Administrative Expenses	-	(64,321)	64,321
Net Changes	<u>5,701,105</u>	<u>(7,281,548)</u>	<u>12,982,653</u>
<b>Balances at December 31, 2018</b>	<u>\$ 108,181,563</u>	<u>\$ 46,503,490</u>	<u>\$ 61,678,073</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability related to the firefighters' pension plan of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Net Pension Liability	\$77,184,840	\$ 61,678,073	\$ 49,050,212

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters' Pension Fund report.

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the City recognized pension expense of \$7,215,837 related to the firefighters' pension plan. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,280,721	\$ -
Changes of assumptions	2,977,856	146,111
Net difference between projected and actual earnings on pension plan investments	<u>4,510,834</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 10,769,411</u>	<u>\$ 146,111</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to firefighters' pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31	
2019	\$ 2,746,052
2020	1,887,310
2021	1,928,176
2022	2,637,360
2023	682,910
Thereafter	741,492

**J. Short-Term Debt**

The City has one short-term line of credit: a \$2 million revolving line of credit with 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. As of December 31, 2018, the City had not drawn upon this line of credit.

**J. 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.



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

- (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.

Capital Assets, 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, 2018 amounted to \$5,759. During the year, the BDC did not dispose of any property resulting in a gain or loss. The BDC expended \$13,285 for asset purchases in 2018.

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.

Cash and Investments: The BDC follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") 820-10, Fair Value Measurements. Under FASB ASC 820-10, the BDC is required to report investments at fair market value. FASB ASC 820-10 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs that may be used to measure fair value:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Level 1- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 – Level 2 inputs generally are available indirect information, such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3- Level 3 inputs are valuations derived from valuation techniques in which one or more significant value drivers are unobservable. All Level 3 assets are carried at fair value based on estimates using appropriate valuation techniques such as the marker approach, the income approach and finally the cost approach.

The BDC does not have an investment policy.

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. At times, cash balances may exceed the \$250,000 federally insured limit.

Notes Receivable: There are currently six notes funded through the line of credit including one from the City payable from the Roosevelt TIF with a balance at December 31, 2018 of \$300,000. Notes receivable have a gross value of \$1,072,523 at December 31, 2018.

No provision for loan losses has been established because the fair market value of the various collateral is deemed to be equivalent to 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>
None	Date of Sale	300,000	One	300,000
Prime + 2%	09/01/2030	4,162	Monthly	83,674
Fixed 7%	03/01/2021	2,156	Monthly	212,298
Fixed 7%	01/01/2021	1,348	Monthly	132,281
Fixed 7%	04/01/2022	1,602	Monthly	196,330
Fixed 7%	04/01/2023	2,192	Monthly	<u>147,940</u>
Total				<u>\$ 1,072,523</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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

Long-Term Debt - Notes Payable: During 2018, 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, 2018 is \$1,070,348. 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>
2019	\$ 764,471
2020	-
2021	-
2022	305,877
2023	-
2024 Thereafter	<u>-</u>
Totals	<u>\$ 1,070,348</u>

Lease Commitments: The BDC rents office space under a lease, which extends through December 31, 2019. Total rent paid during 2018 was \$12,720. Terms of the lease are effective January 1, 2015. In addition, the BDC leases a copier under a non-cancelable operating lease, which will expire in 2021. The lease calls for monthly payments of \$615. Total lease expense in 2018 was \$9,080. Future minimum annual rental and lease payments are:

	<u>Principal</u>
2019	\$ 20,100
2020	7,380
2021	4,305
2022	-
2023	-
Totals	<u>\$ 31,785</u>

Restricted Cash: The BDC controls cash escrow accounts for various entities with the purpose of being a control factor for 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.

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

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 \$10,577 in 2018.

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 increment financing projects (TIF) within the City's four TIF Redevelopment Districts on behalf and for the benefit of the City.

**K. Tax Rebates**

The City has from time to time entered into sales tax rebate agreements in order to attract new retailers. The agreements are pursuant to Section 8-11-20 of the Illinois Municipal Code (65 ILCS 5/8-11-20) and have been approved by the City Council. To be eligible for the program the retailers must open stores in the City and submit sales tax information to the City.

The City is currently entered into two sales tax rebate agreements. The first agreement is between the City and Harold Zeigler Auto Group, Inc., and calls for a rebate of 40% of the sales tax collected during the years 2018 through 2022. Total payments under this agreement in 2018 were \$63,401. The second agreement, between the City and Tony's Finer Foods Enterprises, Inc., requires the City to rebate 50% of the sales tax collected up to a maximum amount of \$5,199,122. No payments were made pursuant to this agreement in 2018.

## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2018

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### NOTE 4 – PRIOR PERIOD ADJUSTMENT

During the current year, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. As a result of the conversion, the City reported prior period adjustments related to the elimination of net OPEB obligation balances as of the prior year-end and the establishment of total OPEB liability balances. The schedule below details the effects of the prior period adjustments in the government-wide financial statements:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net Position as Previously Reported, December 31, 2017	\$ (177,835,902)	\$ 23,196,080
Elimination of Beginning Net OPEB Obligation	652,682	-
Establishment of Beginning Total OPEB Liability	<u>(17,235,328)</u>	<u>(1,072,946)</u>
Restated Net Position, December 31, 2017	<u>\$ (194,418,548)</u>	<u>\$ 22,123,134</u>

### NOTE 5 – SUBSEQUENT EVENTS

On February 12, 2019, the City authorized the establishment of an Illinois not-for-profit corporation and instrumentality of the City named the Berwyn Municipal Securitization Corporation. The purpose of the Corporation is to issue bonds on behalf of the City in order to provide funding for the repayment of certain outstanding tax-exempt and taxable general obligation bonds, the repayment of the bank line of credit, and the funding of the City's Police and Firefighter Pension Funds. To repay the debt service associated with the bonds issued by the Corporation, the City has sold and assigned its home rule sales tax, local share sales tax, state use tax and state income tax revenues to the Corporation in order to make such payments. Pursuant to State of Illinois Public Act 100-0023, the sale resulted in a "statutory lien" that would insulate the sales and assignment from unfavorable actions in the event of a bankruptcy or other reorganization of the City.

The Board of the Corporation consists of three voting members: the City Treasurer and two Independent Directors who are independent of the City. Each Independent Director is appointed to a term of four years by the Mayor, with the approval of a majority vote of the City Council. In the event that the position of City Treasurer is vacant, a replacement director shall be appointed by the City's Mayor with the approval of the Council to serve until a new Treasurer is elected.

On March 11, 2019, the Corporation issued Conveyed Tax Securitization Bonds, Series 2019 A, for the par amount of \$16,430,000 plus premium of \$924,187, and Conveyed Tax Securitization Bonds, Series 2019 B, for the par amount of \$63,540,000. Repayment of the bonds will be made with future home rule sales tax, local share sales tax, state use tax and state income tax revenue streams, which were sold by the City to the Corporation. The Corporation will receive such revenues directly and

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2018

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**NOTE 5 – SUBSEQUENT EVENTS (CONTINUED)**

will make all necessary debt service payments. Both the 2019A and 2019B bonds mature on January 1, 2049 and the interest rate on the bonds ranges from 5.00% to 5.73%.

**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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Property taxes	\$ 21,915,462	\$ 21,227,338	\$ (688,124)
Other taxes	19,604,500	20,840,415	1,235,915
Licenses and permits	3,696,600	3,552,298	(144,302)
Charges for services	1,856,500	1,966,890	110,390
Fines and forfeitures	5,634,328	4,914,953	(719,375)
Intergovernmental	481,500	477,155	(4,345)
Investment income	60,260	91,477	31,217
Miscellaneous	1,174,880	1,285,207	110,327
Total Revenues	<u>54,424,030</u>	<u>54,355,733</u>	<u>(68,297)</u>
<b>EXPENDITURES</b>			
Current			
General government	3,662,195	4,105,923	(443,728)
Public safety	68,615,610	38,493,296	30,122,314
Public works	6,444,963	5,941,287	503,676
Economic development	241,847	211,489	30,358
Culture and recreation	2,023,071	2,011,525	11,546
Debt Service			
Bond issuance costs	500,000	-	500,000
Total Expenditures	<u>81,487,686</u>	<u>50,763,520</u>	<u>30,724,166</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,063,656)</u>	<u>3,592,213</u>	<u>30,655,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt proceeds	30,500,000	175,811	(30,324,189)
Transfers (out)	(4,244,103)	(4,513,934)	(269,831)
Total Other Financing Sources (Uses)	<u>26,255,897</u>	<u>(4,338,123)</u>	<u>(30,594,020)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (807,759)</u>	<u>(745,910)</u>	<u>\$ 61,849</u>
FUND BALANCE, JANUARY 1		<u>13,021,371</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 12,275,461</u>	

See independent auditor's report.



**CITY OF BERWYN, ILLINOIS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Total pension liability</b>										
Service cost	\$ 1,045,930	\$ 1,053,865	\$ 954,026	\$ 1,033,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,454,319	3,241,622	3,071,951	2,866,257	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(738,854)	629,669	99,367	(899,200)	-	-	-	-	-	-
Changes of Assumptions	(1,546,791)	(113,651)	108,003	1,484,918	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,080,519)	(2,093,766)	(1,717,067)	(1,689,075)	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>134,085</u>	<u>2,717,739</u>	<u>2,516,280</u>	<u>2,796,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Pension Liability - Beginning</b>	46,574,880	43,857,141	41,340,861	38,544,639	-	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 46,708,965</u>	<u>\$ 46,574,880</u>	<u>\$ 43,857,141</u>	<u>\$ 41,340,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,039,496	\$ 1,299,087	\$ 1,234,949	\$ 1,125,047	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	451,947	451,564	429,839	399,259	-	-	-	-	-	-
Net Investment Income	7,166,588	2,524,066	194,300	2,242,328	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,080,519)	(2,093,766)	(1,717,067)	(1,689,075)	-	-	-	-	-	-
Other	(1,196,968)	668,349	(922,213)	(33,365)	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ 5,380,544</u>	<u>\$ 2,849,300</u>	<u>\$ (780,192)</u>	<u>\$ 2,044,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	40,955,164	38,105,864	38,886,056	36,841,862	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 46,335,708</u>	<u>\$ 40,955,164</u>	<u>\$ 38,105,864</u>	<u>\$ 38,886,056</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 373,257</u>	<u>\$ 5,619,716</u>	<u>\$ 5,751,277</u>	<u>\$ 2,454,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	99.20%	87.93%	86.89%	94.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 10,034,441	\$ 9,939,525	\$ 9,259,217	\$ 8,592,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	3.72%	56.54%	62.11%	28.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**  
**IMRF - SHERIFF'S LAW ENFORCEMENT PERSONNEL**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Total pension liability</b>										
Service cost	\$ 27,014	\$ 25,187	\$ 24,702	\$ 24,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	25,793	24,713	20,729	17,582	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(191,367)	(36,896)	7,689	(7,879)	-	-	-	-	-	-
Changes of Assumptions	137	(1,296)	1,537	7,511	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>(138,423)</u>	<u>11,708</u>	<u>54,657</u>	<u>41,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Pension Liability - Beginning</b>	<u>330,394</u>	<u>318,686</u>	<u>264,029</u>	<u>222,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 191,971</u>	<u>\$ 330,394</u>	<u>\$ 318,686</u>	<u>\$ 264,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 7,300	\$ 21,313	\$ 19,127	\$ 17,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	3,519	10,786	9,955	9,764	-	-	-	-	-	-
Net Investment Income	45,677	19,224	1,329	13,768	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Other	(1,622)	(2,109)	(13,263)	(1,590)	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ 54,874</u>	<u>\$ 49,214</u>	<u>\$ 17,148</u>	<u>\$ 39,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>317,694</u>	<u>268,480</u>	<u>251,332</u>	<u>212,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 372,568</u>	<u>\$ 317,694</u>	<u>\$ 268,480</u>	<u>\$ 251,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ (180,597)</u>	<u>\$ 12,700</u>	<u>\$ 50,206</u>	<u>\$ 12,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	194.08%	96.16%	84.25%	95.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 46,915	\$ 143,817	\$ 132,733	\$ 130,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	-384.95%	8.83%	37.82%	9.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**  
**POLICE PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Total pension liability</b>										
Service cost	\$ 2,647,868	\$ 2,553,287	\$ 2,391,838	\$ 2,066,074	\$ 2,393,246	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	8,368,311	8,013,778	7,760,581	7,211,847	6,784,103	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	37,926	(222,006)	147,889	1,491,310	-	-	-	-	-	-
Changes of Assumptions	-	-	(1,702,436)	1,925,792	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,223,991)	(4,961,472)	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>5,830,114</u>	<u>5,383,587</u>	<u>3,865,759</u>	<u>8,295,875</u>	<u>4,872,970</u>	-	-	-	-	-
<b>Total Pension Liability - Beginning</b>	126,586,968	121,203,381	117,337,622	109,041,747	104,168,777	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 132,417,082</u>	<u>\$ 126,586,968</u>	<u>\$ 121,203,381</u>	<u>\$ 117,337,622</u>	<u>\$ 109,041,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,424,327	\$ 1,248,592	\$ 1,552,361	\$ 16,745,210	\$ 1,936,262	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	1,041,410	1,031,688	1,023,659	956,689	1,227,194	-	-	-	-	-
Contributions - Other	7,263	30,829	62,939	-	-	-	-	-	-	-
Net Investment Income	(5,965,146)	10,465,494	4,388,789	(1,761,769)	1,788,907	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,223,991)	(4,961,472)	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-	-
Administrative Expense	(94,285)	(97,823)	(86,813)	(74,978)	(74,328)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ (8,810,422)</u>	<u>\$ 7,717,308</u>	<u>\$ 2,208,822</u>	<u>\$ 11,466,004</u>	<u>\$ 573,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	83,489,139	75,771,831	73,563,009	62,097,005	61,523,349	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 74,678,717</u>	<u>\$ 83,489,139</u>	<u>\$ 75,771,831</u>	<u>\$ 73,563,009</u>	<u>\$ 62,097,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 57,738,365</u>	<u>\$ 43,097,829</u>	<u>\$ 45,431,550</u>	<u>\$ 43,774,613</u>	<u>\$ 46,944,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	56.40%	65.95%	62.52%	62.69%	56.95%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 10,525,569	\$ 13,014,854	\$ 12,574,738	\$ 9,302,154	\$ 9,358,883	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	548.55%	331.14%	361.29%	470.59%	501.61%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

In 2015, the changes of assumptions resulted from a study of police officers and police pension funds in Illinois that impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates. Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**  
**FIREFIGHTERS' PENSION FUND**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN CITY NET PENSION LIABILITY AND RELATED RATIOS**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Total pension liability</b>										
Service cost	\$ 2,003,112	\$ 2,004,380	\$ 1,882,047	\$ 1,752,238	\$ 2,103,135	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,492,282	6,267,854	6,029,592	5,413,467	5,212,528	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	2,395,580	235,467	693,572	1,050,247	-	-	-	-	-	-
Changes of Assumptions	8,537	-	(229,445)	5,676,793	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,198,406)	(4,911,540)	(4,508,834)	(4,318,960)	(4,129,646)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<u>5,701,105</u>	<u>3,596,161</u>	<u>3,866,932</u>	<u>9,573,785</u>	<u>3,186,017</u>	-	-	-	-	-
<b>Total Pension Liability - Beginning</b>	102,480,459	98,884,298	95,017,366	85,443,581	82,257,564	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 108,181,564</u>	<u>\$ 102,480,459</u>	<u>\$ 98,884,298</u>	<u>\$ 95,017,366</u>	<u>\$ 85,443,581</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,217,979	\$ 1,184,601	\$ 1,573,440	\$ 16,498,436	\$ 2,036,569	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	700,615	692,937	685,432	664,862	639,271	-	-	-	-	-
Contributions - other	1,912	38,848	7,051	-	-	-	-	-	-	-
Net Investment Income	(3,939,327)	6,705,504	3,322,184	(1,457,332)	1,798,667	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,198,406)	(4,911,540)	(4,508,834)	(4,318,960)	(4,129,645)	-	-	-	-	-
Administrative Expense	(64,321)	(62,921)	(60,407)	(61,180)	(64,139)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ (7,281,548)</u>	<u>\$ 3,647,429</u>	<u>\$ 1,018,866</u>	<u>\$ 11,325,826</u>	<u>\$ 280,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	53,785,038	50,137,609	49,118,743	37,792,917	37,512,194	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 46,503,490</u>	<u>\$ 53,785,038</u>	<u>\$ 50,137,609</u>	<u>\$ 49,118,743</u>	<u>\$ 37,792,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 61,678,074</u>	<u>\$ 48,695,421</u>	<u>\$ 48,746,689</u>	<u>\$ 45,898,623</u>	<u>\$ 47,650,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	42.99%	52.48%	50.70%	51.69%	44.23%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 8,360,233	\$ 8,180,510	\$ 7,903,875	\$ 7,104,897	\$ 6,934,001	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	737.76%	595.26%	616.74%	646.01%	687.20%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

In 2015, the changes of assumptions resulted from a study of firefighters and fire pension funds in Illinois that impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates. Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**  
**OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN CITY TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY**  
**DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Total OPEB Liability</b>										
Service cost	\$ 364,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	613,088	-	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	-	-	-	-
Changes of Assumptions	(994,767)	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(971,935)	-	-	-	-	-	-	-	-	-
<b>Net Change in Total OPEB Liability</b>	<u>(988,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total OPEB Liability - Beginning</b>	18,308,274	-	-	-	-	-	-	-	-	-
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 17,319,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 971,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(971,935)	-	-	-	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan Fiduciary Net Position - Beginning</b>	-	-	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total OPEB Liability - Ending (a)-(b)</b>	<u>\$ 17,319,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>OPEB Plan Net Position as a Percentage of the Total OPEB Liability</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 28,176,343	\$ 8,180,510	\$ 7,903,875	\$ 7,104,897	\$ 6,934,001	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Employer Total OPEB Liability as a Percentage of Covered Payroll</b>	61.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Information is presented for those years for which it is available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 1,078,343	\$ 1,039,568	\$ 1,273,253	\$ 1,196,291	\$ 1,102,358	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,078,343</u>	<u>1,035,361</u>	<u>1,299,087</u>	<u>1,234,949</u>	<u>1,125,047</u>	-	-	-	-	-
Contribution Deficiency (Excess)	-	4,207	(25,834)	(38,658)	(22,689)	-	-	-	-	-
Covered Payroll	10,299,359	10,034,441	9,939,525	9,259,217	8,592,033	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	10.47%	10.32%	13.07%	13.34%	13.09%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 2.75%

Salary Increases: 3.75% to 14.5%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**  
**IMRF - SHERIFF'S LAW ENFORCEMENT PERSONNEL**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS**  
**December 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ -	\$ 7,300	\$ 21,314	\$ 19,127	\$ 17,146	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-	7,300	21,313	19,127	17,146	-	-	-	-	-
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	-	46,915	143,817	132,733	130,189	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	0.00%	15.56%	14.82%	14.41%	13.17%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 28-year closed period

Asset Valuation Method: 5-year smoothed market; 20% corridor

Inflation: 2.75%

Salary Increases: 3.75% to 14.5%, including inflation

Investment Rate of Return: 7.5%

Retirement Age: Experience based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010

Mortality: RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection stale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used.

Other Information: There were no benefit changes during the year  
Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS  
POLICE PENSION FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 3,968,068	\$ 3,535,612	\$ 4,030,141	\$ 3,812,119	\$ 4,423,550	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,424,327</u>	<u>1,248,592</u>	<u>1,552,361</u>	<u>16,745,210</u>	<u>1,936,262</u>	-	-	-	-	-
Contribution Deficiency (Excess)	2,543,741	2,287,020	2,477,780	(12,933,091)	2,487,288	-	-	-	-	-
Covered Payroll	10,525,569	13,014,854	12,574,738	9,302,154	9,358,883	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	13.53%	9.59%	12.35%	180.01%	20.69%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

The actuarially determined contribution is from the December 31, 2017 actuary's report

Actuarial Cost Method: Entry age normal with a level percentage of pay

Asset Valuation Method: Market value

Inflation: 2.5%

Projected Increase in Total Payroll: 3.5%

Investment Rate of Return: 6.75%

Retirement Rates: Based on the Lauterbach & Amen, LLP 2016 Illinois Police Retirement Rates 85% Capped at age 62

Mortality: In the 2015 and 2016 & 2017 valuations, mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. Mortality improvements have been made to 5 years p the valuation date. The 2014 valuation was based on the 2012 study prepared by Lauterbach & Amen, LLP.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.



**CITY OF BERWYN, ILLINOIS  
FIREFIGHTERS' PENSION FUND  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	\$ 4,038,813	\$ 3,662,334	\$ 3,868,344	\$ 3,521,960	\$ 4,065,776	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>1,217,979</u>	<u>1,184,601</u>	<u>1,573,440</u>	<u>16,498,436</u>	<u>2,036,569</u>	-	-	-	-	-
Contribution Deficiency (Excess)	2,820,834	2,477,733	2,294,904	(12,976,476)	2,029,207	-	-	-	-	-
Covered Payroll	8,360,233	8,180,510	7,903,875	7,104,897	6,934,001	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	14.57%	14.48%	19.91%	232.21%	29.37%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

The actuarially determined contribution is from the December 31, 2017 actuary's report

Actuarial Cost Method: Entry age normal with a level percentage of pay

Asset Valuation Method: Market value

Inflation: 2.5%

Projected Increase in Total Payroll: 3.5%

Investment Rate of Return: 6.5%

Retirement Rates: Based on the Lauterbach & Amen, LLP 2016 Illinois Firefighters Retirement Rates Capped at age 65

Mortality: In the 2015 and 2016 & 2017 valuations, mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. Mortality improvements have been made to 5 years the valuation date. The 2014 valuation was based on the 2012 study prepared by Lauterbach & Amen, LLP.

Other Information: There were no benefit changes during the year

Information is presented for those years for which it was available

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS  
OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
DECEMBER 31, 2018**

Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 28,176,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	61.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

There is no Actuarially Determined Contribution or employer contribution in relation to the Actuarially Determined Contribution, as there is no Trust that exists for funding the OPEB liabilities. The Village did make contributions from other Village resources in the current year in the amount of \$277,966.

Information is presented for those years for which it is available.

**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 City Council approval.
- i. Budgeted amounts are as originally adopted, with the exceptions of City Council approved budget amendments which are reflected in the financial statements. No such amendments were approved during fiscal 2018.

**CITY OF BERWYN, ILLINOIS**

Notes to required supplementary information  
December 31, 2018

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**NOTE 2 - EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

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

<u>Fund</u>	<u>Amount</u>
General Fund Department	
Mayor's Office	\$ 7,405
City council	16,037
Legal Department	261,471
Finance Department	91,051
Information Technology	31,148
Fire and Police Commission	13,059
Senior Services	62,904
Roosevelt Road TIF	373,687
CDBG	184,722
Debt Service Fund	143,297
South Berwyn Corridor TIF	<u>23,091</u>
Total	<u>\$ 1,207,872</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, 2018**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Property taxes - debt service	\$ 6,603,160	\$ 6,848,971	\$ 245,811
Investment income	500	3,155	2,655
Total Revenues	<u>6,603,660</u>	<u>6,852,126</u>	<u>248,466</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	19,530,000	19,682,838	(152,838)
Interest and fiscal charges	<u>7,229,843</u>	<u>7,345,302</u>	<u>(115,459)</u>
Total Expenditures	<u>26,884,843</u>	<u>27,028,140</u>	<u>(143,297)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,281,183)</u>	<u>(20,176,014)</u>	<u>105,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in - General Fund	4,174,070	4,443,901	269,831
Transfers in - Roosevelt Road TIF	277,434	277,434	-
Transfers in - South Berwyn TIF	454,679	454,679	-
Debt Proceeds	<u>15,375,000</u>	<u>15,000,000</u>	<u>(375,000)</u>
Total Other Financing Sources (Uses)	<u>20,281,183</u>	<u>20,176,014</u>	<u>269,831</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>-</u>	<u>\$ 375,000</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>64,873</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 64,873</u>	

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>PROPERTY TAXES</b>			
Property taxes - general	\$ 21,915,462	\$ 21,227,338	\$ (688,124)
<b>OTHER TAXES</b>			
Personal property replacement	230,000	212,872	(17,128)
State income	6,565,000	7,129,677	564,677
State sales	3,948,000	4,184,732	236,732
Home rule sales	2,739,000	2,810,011	71,011
Municipal utility	3,044,000	2,996,948	(47,052)
Liquor	181,000	160,586	(20,414)
Real estate transfer	1,898,000	2,317,555	419,555
Gas	365,000	378,447	13,447
Parking lot	1,500	1,200	(300)
Video	6,000	3,211	(2,789)
Video gaming	624,000	639,870	15,870
Miscellaneous	3,000	5,306	2,306
Total Other Taxes	<u>19,604,500</u>	<u>20,840,415</u>	<u>1,235,915</u>
<b>LICENSES AND PERMITS</b>			
Vehicle			
Passenger vehicles	1,315,000	1,281,468	(33,532)
Recreation vehicle	600	383	(217)
Motorcycle	16,000	15,078	(922)
Trucks	170,000	184,491	14,491
Licenses			
Business	494,000	629,929	135,929
Liquor	200,000	200,430	430
Pet	13,000	12,990	(10)
Permits			
Commuter parking	129,000	110,722	(18,278)
Electrical	70,000	66,355	(3,645)
Municipal parking	144,000	134,793	(9,207)
Building	137,000	167,998	30,998
Certificate of compliance	70,000	58,715	(11,285)
Local improvement	769,000	618,570	(150,430)
Service charge and escrow default	102,000	50,836	(51,164)
Electrical sign inspection	67,000	19,540	(47,460)
Total Licenses and Permits	<u>3,696,600</u>	<u>3,552,298</u>	<u>(144,302)</u>

(Continued)



**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>CHARGES FOR SERVICES</b>			
Public safety			
Police reports	\$ 12,500	\$ 14,969	\$ 2,469
Paramedic service collections	900,000	851,416	(48,584)
False alarms	-	-	-
Miscellaneous charges for services	20,200	21,679	1,479
CPR training revenue	800	540	(260)
Public works			
Plumbing inspection	130,000	278,530	148,530
Sanitation			
Recycling rebate	80,000	64,911	(15,089)
Recreation			
Athletics	80,000	79,786	(214)
Adult programs	25,000	20,526	(4,474)
Children's programs	363,000	397,434	34,434
Pool	41,000	37,412	(3,588)
Concession stand	1,000	1,707	707
Rental	-	800	800
Other fees for service	-	1,093	1,093
Senior services			
Senior breakfast	2,000	4,366	2,366
Other fees for service	28,000	33,784	5,784
Other			
Commuter parking meters	38,000	32,910	(5,090)
Sale of gas	75,000	82,902	7,902
Sidewalk construction	60,000	42,125	(17,875)
Total Charges For Services	<u>1,856,500</u>	<u>1,966,890</u>	<u>110,390</u>
<b>FINES AND FORFEITURES</b>			
Towing fees	10,000	7,924	(2,076)
Impound vehicles	135,000	114,000	(21,000)
Booting	25,000	25,740	740
Cannabis tickets	7,500	6,742	(758)
Court fines	78,000	64,309	(13,691)
Violation fines	2,030,772	1,832,969	(197,803)
Compliance tickets	65,000	64,351	(649)
Local ordinance fines	433,056	209,092	(223,964)
Red Light photo enforcement	2,850,000	2,589,826	(260,174)
Total Fines and Forfeitures	<u>5,634,328</u>	<u>4,914,953</u>	<u>(719,375)</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

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	Original and Final Budget	Actual	Variance with Final Budget
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>INTERGOVERNMENTAL</b>			
Highway maintenance	\$ 120,000	\$ 122,311	\$ 2,311
Grants	<u>361,500</u>	<u>354,844</u>	<u>(6,656)</u>
Total Intergovernmental	<u>481,500</u>	<u>477,155</u>	<u>(4,345)</u>
<b>INVESTMENT INCOME</b>	<u>60,260</u>	<u>91,477</u>	<u>31,217</u>
<b>OTHER REVENUES</b>			
Franchises	450,000	414,727	(35,273)
Cell tower rental	265,000	272,160	7,160
Reimbursements	307,500	474,176	166,676
Contributions & sponsorships	3,300	7,849	4,549
Other	<u>149,080</u>	<u>116,295</u>	<u>(32,785)</u>
Total Other Revenues	<u>1,174,880</u>	<u>1,285,207</u>	<u>110,327</u>
<b>TOTAL REVENUES</b>	<u>\$ 54,424,030</u>	<u>\$ 54,355,733</u>	<u>\$ (68,297)</u>

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CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT</b>			
Mayor's Office			
Salaries and benefits	\$ 140,691	\$ 151,794	\$ (11,103)
Internal service fund charges	649	1,089	(440)
Administrative expenditures	7,500	3,998	3,502
Supplies	1,875	1,839	36
Postage and printing	845	292	553
Training, dues and publications	-	961	(961)
Other general	2,500	1,543	957
Copier maintenance	919	868	51
Total Mayor's Office	<u>154,979</u>	<u>162,384</u>	<u>(7,405)</u>
City Administrator's Office			
Salaries and benefits	371,005	380,970	(9,965)
Internal service fund charges	1,907	3,246	(1,339)
Training, dues and publications	24,825	16,523	8,302
Supplies	1,600	87	1,513
Postage and printing	805	822	(17)
Repairs and maintenance	500	109	391
Professional services	60,000	55,000	5,000
Other general	9,500	10,264	(764)
Copier maintenance	740	868	(128)
Total City Administrator's Office	<u>470,882</u>	<u>467,889</u>	<u>2,993</u>
City Clerk's Office			
Salaries and benefits	230,811	244,612	(13,801)
Internal service fund charges	1,096	1,861	(765)
Administrative expenditures	4,500	918	3,582
Training, dues and publications	4,600	727	3,873
Supplies	2,000	1,074	926
Postage and printing	1,000	781	219
Codification	7,500	2,930	4,570
Record retention	2,500	2,483	17
Other general	2,500	171	2,329
Copier maintenance	4,500	4,362	138
Total City Clerk's Office	<u>261,007</u>	<u>259,919</u>	<u>1,088</u>
Treasurer's Office			
Salaries and benefits	47,467	47,349	118
Internal service fund charges	203	328	(125)
Supplies	250	-	250
Postage, printing and publications	5,000	3,500	1,500
Other general	250	-	250
Total Treasurer's Office	<u>53,170</u>	<u>51,177</u>	<u>1,993</u>
City Council			
Salaries and benefits	212,380	234,814	(22,434)
Internal service fund charges	974	1,653	(679)
Ward expenditures	36,000	29,174	6,826
Other general	250	-	250
Total City Council	<u>249,604</u>	<u>265,641</u>	<u>(16,037)</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT (CONTINUED)</b>			
Legal Department			
Salaries and benefits	\$ 297,696	\$ 289,719	\$ 7,977
Internal service fund charges	4,382	7,230	(2,848)
Supplies	1,000	34	966
Postage and printing	500	3	497
Adjudication program	35,000	27,105	7,895
Other general	500	-	500
Professional services	493,000	770,377	(277,377)
Copier maintenance	919	-	919
Total Legal Department	<u>832,997</u>	<u>1,094,468</u>	<u>(261,471)</u>
Finance Department			
Salaries and benefits	1,070,331	1,099,354	(29,023)
Internal service fund charges	6,699	11,563	(4,864)
Other general	62,500	145,976	(83,476)
Postage, printing and publications	26,500	16,516	9,984
Telephone	4,200	-	4,200
Supplies	11,500	12,432	(932)
Training, dues and publications	6,500	4,567	1,933
Professional services	303,500	292,658	10,842
Capital outlay	3,000	3,642	(642)
Copier maintenance	3,750	2,823	927
Total Finance Department	<u>1,498,480</u>	<u>1,589,531</u>	<u>(91,051)</u>
Information Technology Department			
Salaries and benefits	747,621	797,579	(49,958)
Internal service fund charges	5,397	8,866	(3,469)
Network infrastructure	260,449	263,644	(3,195)
Hardware purchases	83,000	58,420	24,580
Hardware maintenance	37,500	-	37,500
Software purchases	33,000	37,399	(4,399)
Software maintenance	27,500	30,403	(2,903)
Equipment lease	19,019	19,018	1
Vehicle, gas and oil	2,500	737	1,763
Training, dues and publications	3,000	500.00	2,500
Supplies	1,500	4,575	(3,075)
Repairs & maintenance	2,500	40,181	(37,681)
Other general	40,000	45,044	(5,044)
Professional services	22,000	9,768	12,232
Total Information Technology Department	<u>1,284,986</u>	<u>1,316,134</u>	<u>(31,148)</u>
Statutory			
Auditing/accounting expenditures	48,000	52,013	(4,013)
Bad debt expenditure	5,750	5,155	595
Unallocated employee benefits	5,000	103,369	(98,369)
Interdepartmental charges-water	(1,250,000)	(1,318,464)	68,464
Other	4,250	13,815	(9,565)
City wide software applications	43,090	42,892	198
Total Statutory	<u>(1,143,910)</u>	<u>(1,101,220)</u>	<u>(42,690)</u>
Total General Government	<u>3,662,195</u>	<u>4,105,923</u>	<u>(443,728)</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>PUBLIC SAFETY</b>			
Fire Department			
Salaries and benefits	\$ 11,077,887	\$ 10,873,983	\$ 203,904
Pension expenditures	16,256,415	1,217,979	15,038,436
Internal service fund charges	151,570	312,967	(161,397)
Collection service fees	40,300	40,726	(426)
Other general	42,000	38,660	3,340
Supplies	12,350	10,695	1,655
Telephone	14,000	11,413	2,587
Utilities	14,000	11,144	2,856
Training, dues, and education	48,000	42,513	5,487
Repairs and maintenance	160,000	132,563	27,437
Vehicle gas & oil	50,000	77,999	(27,999)
Copier maintenance	2,500	2,472	28
Equipment purchases/capital outlay	76,500	206,635	(130,135)
Equipment lease	199,000	154,571	44,429
Turnout gear	50,000	38,550	11,450
Total Fire Department	<u>28,194,522</u>	<u>13,172,870</u>	<u>15,021,652</u>
Police Department			
Salaries and benefits	21,199,658	20,830,841	368,817
Pension expenditures	16,463,282	1,424,327	15,038,955
Internal service fund charges	567,198	878,795	(311,597)
Other general	146,500	153,480	(6,980)
Postage, printing, and publications	26,500	23,680	2,820
Telephone	162,900	120,804	42,096
Utilities	21,375	26,586	(5,211)
Training, dues, and education	85,000	54,304	30,696
Vehicle gas & oil	175,000	276,738	(101,738)
Supplies	47,500	38,313	9,187
Repairs and maintenance	368,000	376,030	(8,030)
Red light camera enforcement	1,054,500	934,880	119,620
Capital outlay	38,500	102,179	(63,679)
Copier maintenance	16,150	17,385	(1,235)
Total Police Department	<u>40,372,063</u>	<u>25,258,342</u>	<u>15,113,721</u>
Fire and Police Commission			
Salaries and benefits	-	24,140	(24,140)
Training, dues, and education	2,500	1,047	1,453
Other general	46,525	36,897	9,628
Total Fire and Police Commission	<u>49,025</u>	<u>62,084</u>	<u>(13,059)</u>
Total Public Safety	<u>68,615,610</u>	<u>38,493,296</u>	<u>30,122,314</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>PUBLIC WORKS</b>			
Building Department			
Salaries and benefits	\$ 1,121,916	\$ 1,080,648	\$ 41,268
Internal service fund charges	7,426	13,325	(5,899)
Other general	2,500	230	2,270
Postage, printing, and publications	17,500	17,769	(269)
Utilities	12,000	11,290	710
Telephone	12,600	14,063	(1,463)
Training, dues, and publications	5,000	80	4,920
Supplies	14,500	8,921	5,579
Vehicle gas & oil	7,000	13,098	(6,098)
Professional services	348,000	426,439	(78,439)
Repairs and maintenance	250,000	179,328	70,672
Copier maintenance	2,000	1,879	121
Total Building Department	<u>1,800,442</u>	<u>1,767,070</u>	<u>33,372</u>
Street Department			
Salaries and benefits	2,700,295	2,493,629	206,666
Internal service fund charges	37,432	61,085	(23,653)
Other general	27,500	83,623	(56,123)
Telephone	5,000	1,297	3,703
Training, dues & publications	6,000	13,988	(7,988)
Utilities	14,000	20,590	(6,590)
Vehicle gas and oil	90,000	108,233	(18,233)
Supplies	149,000	131,662	17,338
Postage & printing	12,000	6,689	5,311
Equipment lease	60,000	56,910	3,090
Equipment	6,500	-	6,500
Repairs and maintenance	476,000	371,868	104,132
Copier maintenance	1,200	1,386	(186)
Professional services	650,000	451,116	198,884
Total Street Department	<u>4,234,927</u>	<u>3,802,076</u>	<u>432,851</u>
Fleet Department			
Salaries and benefits	110,496	110,999	(503)
Internal service fund charges	1,298	2,178	(880)
Supplies	150,000	150,372	(372)
Professional services	56,000	50,524	5,476
Postage & printing	-	290	(290)
Equipment	2,800	-	2,800
Vehicle gas and oil	7,000	6,207	793
Repairs and maintenance	80,000	51,571	28,429
Repairs and maintenance parts	2,000	-	2,000
Total Fleet Department	<u>409,594</u>	<u>372,141</u>	<u>37,453</u>
Total Public Works	<u>6,444,963</u>	<u>5,941,287</u>	<u>503,676</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>ECONOMIC DEVELOPMENT</b>			
Zoning Boards of Appeals			
Salaries and benefits	\$ 6,847	\$ 9,414	\$ (2,567)
Postage & printing	3,000	-	3,000
Other general	6,000	-	6,000
Total Zoning Boards of Appeals	<u>15,847</u>	<u>9,414</u>	<u>6,433</u>
 Committees and Planning Department			
Berwyn Historical Society	10,000	10,000	-
West Central Municipal Conference	26,000	25,362	638
Historical Preservation Commission	5,000	-	5,000
Utility tax rebate	90,000	75,212	14,788
Community programs	4,000	2,276	1,724
Berwyn Development Corporation Administrative Fee	86,000	86,000	-
Other general	5,000	3,225	1,775
Total Committees and Planning Department	<u>226,000</u>	<u>202,075</u>	<u>23,925</u>
 Total Economic Development	<u>241,847</u>	<u>211,489</u>	<u>30,358</u>
 <b>CULTURE AND RECREATION</b>			
Recreation Department			
Salaries and benefits	1,120,440	1,079,324	41,116
Internal service fund charges	14,196	23,125	(8,929)
Special events	65,000	60,220	4,780
Other general	95,000	92,071	2,929
Postage, printing, and publications	4,000	2,285	1,715
Telephone	9,000	8,217	783
Utilities	28,000	28,485	(485)
Vehicle gas & oil	12,000	15,884	(3,884)
Supplies	115,000	99,303	15,697
Repairs and maintenance	159,000	139,662	19,338
Copier maintenance	1,300	1,335	(35)
Total Recreation Department	<u>1,622,936</u>	<u>1,549,911</u>	<u>73,025</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL FUND  
 For the Year Ended December 31, 2018

	Original and Final Budget	Actual	Variance with Final Budget
<b>CULTURE AND RECREATION (CONTINUED)</b>			
Community Relations Department			
Salaries and benefits	\$ 5,383	\$ 5,383	\$ -
Other general	<u>1,425</u>	<u>-</u>	<u>1,425</u>
Total Community Relations Department	<u>6,808</u>	<u>5,383</u>	<u>1,425</u>
Senior Services Department			
Salaries and benefits	260,260	294,518	(34,258)
Special events - senior breakfast	7,000	7,350	(350)
Vehicle, gas, and oil	15,500	27,564	(12,064)
Telephone	3,500	3,784	(284)
Supplies	500	1,271	(771)
Postage and printing	5,000	6,925	(1,925)
Professional services	2,000	1,504	496
Repairs and maintenance	87,000	98,185	(11,185)
Equipment lease	6,000	5,500	500
Copier maintenance	1,000	1,024	(24)
Internal service fund charges	5,067	8,114	(3,047)
Other general	<u>500</u>	<u>492</u>	<u>8</u>
Total Senior Services Department	<u>393,327</u>	<u>456,231</u>	<u>(62,904)</u>
Total Culture and Recreation	<u>2,023,071</u>	<u>2,011,525</u>	<u>11,546</u>
<b>DEBT SERVICE</b>			
Bond expenditures			
Bond issuance costs	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Debt Service	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 81,487,686</u>	<u>\$ 50,763,520</u>	<u>\$ 30,724,166</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 Library is a department of the city and is a special revenue fund.

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.

Harlem Avenue TIF is used to accumulate tax increment generated by the Harlem Avenue TIF district which was created on January 1, 2012. 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 tax surcharge.

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, 2018**

	Special Revenue						
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Harlem Avenue TIF
<b>ASSETS</b>							
Cash and investments	\$ 10	\$ 1,564,484	\$ 1,835,948	\$ 1,238	\$ 680	\$ 1	\$ 150,442
Restricted cash	-	-	-	-	-	-	-
Receivables							
Property taxes	-	3,399,884	-	14,232	-	-	-
Notes	-	-	-	-	-	-	-
Interest	-	5	-	-	-	-	-
Accounts	-	51	-	-	2,000	-	-
Land held for resale	-	-	-	-	305,000	-	-
Prepaid items	-	-	-	-	-	-	43,291
Due from other funds	-	451,954	209,237	-	-	1,917	5,774
Due from other governments	-	-	124,018	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 10</b>	<b>\$ 5,416,378</b>	<b>\$ 2,169,203</b>	<b>\$ 15,470</b>	<b>\$ 307,680</b>	<b>\$ 1,918</b>	<b>\$ 199,507</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 27,468	\$ 114,867	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	68,232	-	-	-	-	-
Unearned revenues	-	-	-	-	2,000	-	-
Due to other funds	134,746	-	-	140,473	302,962	-	-
Other Liabilities	-	3,085	-	-	-	45,406	-
<b>TOTAL LIABILITIES</b>	<b>134,746</b>	<b>98,785</b>	<b>114,867</b>	<b>140,473</b>	<b>304,962</b>	<b>45,406</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	3,404,808	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>3,404,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable							
Prepaid items	-	-	-	-	-	-	43,291
Restricted							
Public safety	-	-	-	-	-	-	-
Public works	-	-	2,054,336	-	-	-	-
Culture and recreation	-	1,912,785	-	-	-	-	-
Economic Development	-	-	-	-	2,718	-	156,216
Committed							
Capital projects funded by bonds	-	-	-	-	-	-	-
Unassigned	(134,736)	-	-	(125,003)	-	(43,488)	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(134,736)</b>	<b>1,912,785</b>	<b>2,054,336</b>	<b>(125,003)</b>	<b>2,718</b>	<b>(43,488)</b>	<b>199,507</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>\$ 10</b>	<b>\$ 5,416,378</b>	<b>\$ 2,169,203</b>	<b>\$ 15,470</b>	<b>\$ 307,680</b>	<b>\$ 1,918</b>	<b>\$ 199,507</b>

**CITY OF BERWYN, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2018**

	Special Revenue					Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
<b>ASSETS</b>								
Cash and investments	\$ 104,968	\$ 761,078	\$ 912,896	\$ 61,066	\$ 302,784	\$ 954,562	\$ -	\$ 6,650,157
Restricted cash	-	-	-	-	-	-	-	-
Receivables								
Property taxes	-	-	-	-	-	-	-	3,414,116
Notes	-	-	-	-	2,323,040	-	-	2,323,040
Interest	-	163	-	-	29	-	-	197
Accounts	3,511	-	196,488	-	-	35,056	-	237,106
Land held for resale	-	-	-	-	-	-	-	305,000
Prepaid items	-	-	-	-	-	-	-	43,291
Due from other funds	-	-	-	-	-	37,499	-	706,381
Due from other governments	-	-	-	-	71,228	-	-	195,246
<b>TOTAL ASSETS</b>	<b>\$ 108,479</b>	<b>\$ 761,241</b>	<b>\$ 1,109,384</b>	<b>\$ 61,066</b>	<b>\$ 2,697,081</b>	<b>\$ 1,027,117</b>	<b>\$ -</b>	<b>\$ 13,874,534</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 51,174	\$ -	\$ -	14,765	\$ -	\$ -	\$ 208,274
Accrued payroll	-	31,497	-	-	10,898	-	-	110,627
Unearned revenues	-	-	-	-	2,323,040	-	-	2,325,040
Due to other funds	7,275	443,534	566	2	606,718	-	-	1,636,276
Other Liabilities	-	-	-	-	-	-	-	48,491
<b>TOTAL LIABILITIES</b>	<b>7,275</b>	<b>526,205</b>	<b>566</b>	<b>2</b>	<b>2,955,421</b>	<b>-</b>	<b>-</b>	<b>4,328,708</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	3,404,808
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,404,808</b>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable								
Prepaid items	-	-	-	-	-	-	-	43,291
Restricted								
Public safety	101,204	235,036	1,108,818	61,064	-	-	-	1,506,122
Public works	-	-	-	-	-	-	-	2,054,336
Culture and recreation	-	-	-	-	-	-	-	1,912,785
Economic Development	-	-	-	-	-	-	-	158,934
Committed								
Capital projects funded by bonds	-	-	-	-	-	1,027,117	-	1,027,117
Unassigned	-	-	-	-	(258,340)	-	-	(561,567)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>101,204</b>	<b>235,036</b>	<b>1,108,818</b>	<b>61,064</b>	<b>(258,340)</b>	<b>1,027,117</b>	<b>-</b>	<b>6,141,018</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>	<b>\$ 108,479</b>	<b>\$ 761,241</b>	<b>\$ 1,109,384</b>	<b>\$ 61,066</b>	<b>\$ 2,697,081</b>	<b>\$ 1,027,117</b>	<b>\$ -</b>	<b>\$ 13,874,534</b>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	Special Revenue						
	NSP	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Harlem Avenue TIF
<b>REVENUES</b>							
Property taxes	\$ -	\$ 3,336,784	\$ -	\$ 941,475	\$ 587,896	\$ -	\$ 1,086,749
Other taxes	-	-	-	-	-	-	-
Fines and forfeitures	-	27,238	-	-	-	-	-
Intergovernmental	-	119,811	1,511,320	-	-	-	-
Investment income	-	4,147	55,086	453	726	-	755
Miscellaneous	-	9,738	-	-	-	-	-
Total Revenues	-	3,497,718	1,566,406	941,928	588,622	-	1,087,504
<b>EXPENDITURES</b>							
Current							
Public safety	-	-	-	-	-	-	-
Public works	-	-	1,238,619	-	-	-	-
Economic development	-	-	-	118,089	643,458	45,406	414,708
Culture and recreation	-	2,985,788	-	-	-	-	-
Capital outlay	-	97,911	-	-	-	-	-
Debt service							
Principal	-	-	-	155,161	-	-	103,272
Interest and fiscal charges	-	-	-	5,818	47,500	-	69,890
Total Expenditures	-	3,083,699	1,238,619	279,068	690,958	45,406	587,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	414,019	327,787	662,860	(102,336)	(45,406)	499,634
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(454,679)	(277,434)	-	-
Total Other Financing Sources (Uses)	-	-	-	(454,679)	(277,434)	-	-
NET CHANGE IN FUND BALANCES	-	414,019	327,787	208,181	(379,770)	(45,406)	499,634
FUND BALANCES (DEFICIT), JANUARY 1	(134,736)	1,498,766	1,726,549	(333,184)	382,488	1,918	(300,127)
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ (134,736)</b>	<b>\$ 1,912,785</b>	<b>\$ 2,054,336</b>	<b>\$ (125,003)</b>	<b>\$ 2,718</b>	<b>\$ (43,488)</b>	<b>\$ 199,507</b>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	Special Revenue					Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Bond	Infrastructure Bond	
<b>REVENUES</b>								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,952,904
Other taxes	-	-	788,995	50,319	-	-	-	839,314
Fines and forfeitures	24,060	-	-	-	-	-	-	51,298
Intergovernmental	27,560	547,405	-	-	1,241,957	260,056	-	3,708,109
Investment income	184	1,330	10,065	-	39	3,255	-	76,040
Miscellaneous	-	-	-	-	73,276	-	-	83,014
Total Revenues	51,804	548,735	799,060	50,319	1,315,272	263,311	-	10,710,679
<b>EXPENDITURES</b>								
Current								
Public safety	-	698,153	213,481	43,388	-	-	-	955,022
Public works	-	-	-	-	-	-	-	1,238,619
Economic development	-	-	-	-	1,329,005	-	-	2,550,666
Culture and recreation	-	-	-	-	-	-	-	2,985,788
Capital outlay	34,714	-	743,230	-	-	303,435	18,727	1,198,017
Debt service								
Principal	-	-	-	-	-	-	-	258,433
Interest and fiscal charges	-	-	-	-	-	-	-	123,208
Total Expenditures	34,714	698,153	956,711	43,388	1,329,005	303,435	18,727	9,309,753
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,090	(149,418)	(157,651)	6,931	(13,733)	(40,124)	(18,727)	1,400,926
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	70,033	-	-	70,033
Transfers (out)	-	-	-	-	-	-	-	(732,113)
Total Other Financing Sources (Uses)	-	-	-	-	70,033	-	-	(662,080)
NET CHANGE IN FUND BALANCES	17,090	(149,418)	(157,651)	6,931	56,300	(40,124)	(18,727)	738,846
FUND BALANCES (DEFICIT), JANUARY 1	84,114	384,454	1,266,469	54,133	(314,640)	1,067,241	18,727	5,402,172
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	\$ 101,204	\$ 235,036	\$ 1,108,818	\$ 61,064	\$ (258,340)	\$ 1,027,117	\$ -	\$ 6,141,018

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - Library	\$ 3,392,808	\$ 3,336,784	\$ (56,024)
Fines and forfeitures			
Book fines	20,000	14,296	(5,704)
Copier fees - maintenance fund	11,500	12,942	1,442
Intergovernmental revenue - Per Capita Grant	42,500	114,812	72,312
Intergovernmental revenue - Grants	20,000	4,999	(15,001)
Investment income	750	4,147	3,397
Contributions	-	-	-
Miscellaneous revenues			
Donations - building fund	5,500	9,738	4,238
Video rental	-	-	-
Total Revenues	<u>3,493,058</u>	<u>3,497,718</u>	<u>4,660</u>
<b>EXPENDITURES</b>			
Library			
Salaries and benefits	2,496,529	2,283,651	212,878
Internal service fund charges	13,904	22,036	(8,132)
Books	240,000	258,564	(18,564)
Periodicals	19,000	13,214	5,786
Audio visual	40,000	37,970	2,030
Computer system	60,000	38,881	21,119
Dues and subscriptions	15,000	9,478	5,522
Computer support databases	67,000	12,065	54,935
Programs adult/children	24,000	42,480	(18,480)
Reciprocal borrowing	2,500	437	2,063
Promotions	13,000	12,234	766
Director expense	800	350	450
Board expense	5,000	369	4,631
Other general	18,000	15,262	2,738
Postage, printing, and publications	2,500	878	1,622
Vehicle gas & oil	1,500	261	1,239
Telephone	18,000	22,143	(4,143)
Utilities	14,000	14,500	(500)
Supplies	57,000	57,368	(368)
Repairs and maintenance	145,000	143,647	1,353
Capital improvement	120,000	97,911	22,089
Total Expenditures	<u>3,372,733</u>	<u>3,083,699</u>	<u>289,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>120,325</u>	<u>414,019</u>	<u>293,694</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 120,325</u>	<u>414,019</u>	<u>\$ 293,694</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>1,498,766</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,912,785</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, 2018**

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	Original and Final Budget	Actual	Variance with Final Budget
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Intergovernmental revenues - state allotment	\$ 1,504,600	\$ 1,511,320	\$ 6,720
Investment income	12,838	55,086	42,248
Total Revenues	<u>1,517,438</u>	<u>1,566,406</u>	<u>48,968</u>
 <b>EXPENDITURES</b>			
Public Works			
Rock salt	247,000	168,992	78,008
Utilities	425,100	416,931	8,169
Professional services	-	183,761	(183,761)
Capital outlay	218,000	-	218,000
Repairs and maintenance			
Streets & Sidewalks	367,000	-	367,000
Traffic control	259,387	468,935	(209,548)
Total Expenditures	<u>1,516,487</u>	<u>1,238,619</u>	<u>277,868</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>951</u>	<u>327,787</u>	<u>326,836</u>
 <b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 951</u>	<u>327,787</u>	<u>\$ 326,836</u>
 <b>FUND BALANCE, JANUARY 1</b>		<u>1,726,549</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 2,054,336</u>	

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**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, 2018**

---

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 622,591	\$ 941,475	\$ 318,884
Miscellaneous income	124,493	-	(124,493)
Investment income	<u>-</u>	<u>453</u>	<u>453</u>
 Total Revenues	 <u>747,084</u>	 <u>941,928</u>	 <u>194,844</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	-	23,092	(23,092)
TIF management services - BDC	94,997	94,997	-
Debt Service			
Principal	155,161	155,161	-
Interest - notes payable	<u>5,819</u>	<u>5,818</u>	<u>1</u>
 Total Expenditures	 <u>255,977</u>	 <u>279,068</u>	 <u>(23,091)</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>491,107</u>	 <u>662,860</u>	 <u>171,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(454,679)</u>	<u>(454,679)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>(454,679)</u>	 <u>(454,679)</u>	 <u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 36,428</u>	 <u>208,181</u>	 <u>\$ 171,753</u>
 <b>FUND BALANCE, JANUARY 1</b>		 <u>(333,184)</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		 <u>\$ (125,003)</u>	

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**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, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 508,267	\$ 587,896	\$ 79,629
Investment income	-	726	726
Miscellaneous	-	-	-
Total Revenues	<u>508,267</u>	<u>588,622</u>	<u>80,355</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	-	362,148	(362,148)
TIF management services - BDC	<u>317,271</u>	<u>281,310</u>	<u>35,961</u>
Debt Service			
Principal	-	-	-
Interest - notes payable	-	<u>47,500</u>	<u>(47,500)</u>
Total Expenditures	<u>317,271</u>	<u>690,958</u>	<u>(373,687)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>190,996</u>	<u>(102,336)</u>	<u>(293,332)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(277,434)</u>	<u>(277,434)</u>	-
Total Other Financing Sources (Uses)	<u>(277,434)</u>	<u>(277,434)</u>	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (86,438)</u>	<u>(379,770)</u>	<u>\$ (293,332)</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>382,488</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 2,718</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, 2018**

---

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ -	\$ -	\$ -
Other taxes	-	-	-
Investment income	-	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	-	45,406	(45,406)
TIF management services - BDC	-	-	-
Debt Service			
Principal	-	-	-
Interest - notes payable	-	-	-
Total Expenditures	-	<u>45,406</u>	<u>(45,406)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	<u>(45,406)</u>	<u>(45,406)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>(45,406)</u>	<u>\$ (45,406)</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>1,918</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ (43,488)</u>	

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**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HARLEM AVENUE TIF FUND  
For the Year Ended December 31, 2018**

---

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 748,091	\$ 1,086,749	\$ 338,658
Investment income	-	755	755
	<u>748,091</u>	<u>1,087,504</u>	<u>339,413</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	221,735	61,515	160,220
TIF management services - BDC	353,193	353,193	-
Debt Service			
Principal	103,272	103,272	-
Interest - notes payable	69,891	69,890	1
Total Expenditures	<u>748,091</u>	<u>587,870</u>	<u>160,221</u>
Excess (Deficiency) of Revenues Over Expenditures	-	499,634	499,634
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>499,634</u>	<u>\$ 499,634</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>(300,127)</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 199,507</u>	

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**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOREIGN FIRE INSURANCE FUND  
For the Year Ended December 31, 2018**

---

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Other taxes	\$ 45,000	\$ 50,319	\$ 5,319
Investment income	-	-	-
Total Revenues	45,000	50,319	5,319
<b>EXPENDITURES</b>			
Public Safety			
Supplies	5,000	7,281	(2,281)
Tools and equipment	10,000	17,742	(7,742)
Repairs and maintenance	5,000	2,172	2,828
Other general	5,000	5,848	(848)
Training, dues, and publications	6,000	750	5,250
Capital Outlay	13,000	9,595	3,405
Total Expenditures	44,000	43,388	612
Excess (Deficiency) of Revenues Over Expenditures	1,000	6,931	5,931
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,000</b>	<b>6,931</b>	<b>\$ 5,931</b>
<b>FUND BALANCE, JANUARY 1</b>		54,133	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 61,064</b>	

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**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2018**

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental revenues	\$ 1,072,111	\$ 1,241,957	\$ 169,846
Investment income	-	39	39
Miscellaneous	8,100	73,276	65,176
<b>Total Revenues</b>	<b>1,080,211</b>	<b>1,315,272</b>	<b>235,061</b>
<b>EXPENDITURES</b>			
Economic Development			
Salaries and benefits	259,050	262,789	(3,739)
Internal service fund charges	6,574	13,244	(6,670)
Utilities	2,400	2,758	(358)
Copier maintenance	3,200	1,213	1,987
Telephone	3,640	1,684	1,956
Supplies	1,500	1,045	455
Postage and printing	-	3,873	(3,873)
Professional services	92,140	26,493	65,647
Training, dues and publications	1,500	-	1,500
Repairs and maintenance	4,560	863,608	(859,048)
Vehicle gas and oil	1,500	-	1,500
Other general	-	77	(77)
Bad debt	-	-	-
Program	63,000	151,866	(88,866)
Contingency	-	355	(355)
Public works			
Capital outlay	320,000	-	320,000
Professional services	-	-	-
Repairs and maintenance	385,219	-	385,219
<b>Total Expenditures</b>	<b>1,144,283</b>	<b>1,329,005</b>	<b>(184,722)</b>
Excess (Deficiency) of Revenues Over Expenditures	(64,072)	(13,733)	50,339
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	70,033	70,033	-
Total Other Financing Sources (Uses)	70,033	70,033	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 5,961</b>	<b>56,300</b>	<b>\$ 50,339</b>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>		<b>(314,640)</b>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>		<b>\$ (258,340)</b>	

**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, 2018**

---

	Original and Final Budget	Actual	Variance with Final Budget
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Intergovernmental revenue	\$ -	\$ 260,056	\$ 260,056
Investment income	2,000	3,255	1,255
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	2,000	263,311	261,311
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES</b>			
Capital outlay			
Public safety projects	397,050	233,811	163,239
Culture and recreational projects	-	-	-
Public works projects	455,000	69,624	385,376
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	852,050	303,435	548,615
	<u>          </u>	<u>          </u>	<u>          </u>
Excess (Deficiency) of Revenues Over Expenditures	(850,050)	(40,124)	809,926
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (850,050)	(40,124)	\$ 809,926
		<u>          </u>	
<b>FUND BALANCE, JANUARY 1</b>		1,067,241	
		<u>          </u>	
<b>FUND BALANCE, DECEMBER 31</b>		\$ 1,027,117	
		<u>          </u>	

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## **FIDUCIARY FUNDS**



**CITY OF BERWYN, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
PENSION TRUST FUNDS  
December 31, 2018**

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	Police Pension	Firefighters' Pension	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments			
Cash and cash equivalents	\$ 60,075	\$ 129,595	\$ 189,670
Investments			
U.S Government and agency securities	13,722,163	8,296,694	22,018,857
Corporate bonds	12,738,884	7,801,381	20,540,265
Money market mutual funds	2,806,386	1,485,776	4,292,162
Equities	10,693,070	6,365,243	17,058,313
Equity mutual fund	34,004,234	21,979,897	55,984,131
State and local obligations	475,772	213,523	689,295
Insurance contracts	<u>15,981</u>	<u>125,093</u>	<u>141,074</u>
Total Cash and Investments	<u>74,516,565</u>	<u>46,397,202</u>	<u>120,913,767</u>
Receivables			
Accrued interest	190,119	120,148	310,267
Due from governmental funds	<u>5,132</u>	<u>3,580</u>	<u>8,712</u>
Total Receivables	<u>195,251</u>	<u>123,728</u>	<u>318,979</u>
Prepays	<u>1,772</u>	<u>1,718</u>	<u>3,490</u>
Total Assets	<u>74,713,588</u>	<u>46,522,648</u>	<u>121,236,236</u>
<b>LIABILITIES</b>			
Accounts payable	<u>34,874</u>	<u>19,158</u>	<u>54,032</u>
Total Liabilities	<u>34,874</u>	<u>19,158</u>	<u>54,032</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 74,678,714</u>	<u>\$ 46,503,490</u>	<u>\$ 121,182,204</u>

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CITY OF BERWYN, ILLINOIS

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

**For the Year Ended December 31, 2018**

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	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,424,327	\$ 702,527	\$ 2,126,854
Participants	<u>1,048,674</u>	<u>1,217,979</u>	<u>2,266,653</u>
Total Contributions	<u>2,473,001</u>	<u>1,920,506</u>	<u>4,393,507</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	(8,622,318)	(5,041,824)	(13,664,142)
Interest earned	2,848,894	1,226,487	4,075,381
Less investment expenses	<u>(191,724)</u>	<u>(123,831)</u>	<u>(315,555)</u>
Total Investment Income	<u>(5,965,148)</u>	<u>(3,939,168)</u>	<u>(9,904,316)</u>
Total Additions	<u>(3,492,147)</u>	<u>(2,018,662)</u>	<u>(5,510,809)</u>
<b>DEDUCTIONS</b>			
Administrative	94,284	64,481	158,765
Pension benefits and refunds	<u>5,223,991</u>	<u>5,198,405</u>	<u>10,422,396</u>
Total Deductions	<u>5,318,275</u>	<u>5,262,886</u>	<u>10,581,161</u>
<b>NET INCREASE</b>	(8,810,422)	(7,281,548)	(16,091,970)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JANUARY 1</b>	<u>83,489,136</u>	<u>53,785,038</u>	<u>137,274,174</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - DECEMBER 31</b>	<u>\$ 74,678,714</u>	<u>\$ 46,503,490</u>	<u>\$ 121,182,204</u>

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**STATISTICAL SECTION**



## 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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	141 - 145
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	146 - 150
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.	151 - 154
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.	155 - 156
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.	158 - 159

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 Ten Fiscal Years

						Note 1			Note 2	
	2009	2010	2011	2012	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018
<b>Governmental Activities</b>										
Net investment in capital assets	\$ (17,667,300)	\$ (19,601,775)	\$ (25,148,350)	\$ (29,717,373)	\$ (34,842,103)	\$ (35,980,196)	\$ (39,825,361)	\$ (33,352,778)	\$ (27,940,941)	\$ (24,632,819)
Restricted	15,724,685	22,265,090	14,690,665	13,216,304	10,139,735	7,852,106	4,834,710	4,374,268	3,964,998	3,784,265
Unrestricted	<u>(17,323,029)</u>	<u>(22,493,166)</u>	<u>(19,438,748)</u>	<u>(19,370,661)</u>	<u>(20,837,639)</u>	<u>(129,800,459)</u>	<u>(130,286,516)</u>	<u>(145,555,971)</u>	<u>(170,442,605)</u>	<u>(182,069,967)</u>
<b>Total Governmental Activities</b>	<b>\$ (19,265,644)</b>	<b>\$ (19,829,851)</b>	<b>\$ (29,896,433)</b>	<b>\$ (35,871,730)</b>	<b>\$ (45,540,007)</b>	<b>\$ (157,928,549)</b>	<b>\$ (165,277,167)</b>	<b>\$ (174,534,481)</b>	<b>\$ (194,418,548)</b>	<b>\$ (202,918,521)</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 46,905,095	\$ 42,831,624	\$ 38,876,966	\$ 35,878,284	\$ 32,073,557	\$ 27,665,507	\$ 23,946,259	\$ 21,163,985	\$ 19,645,695	\$ 19,410,585
Restricted	-	812,614	698,324	-	-	-	-	-	-	-
Unrestricted	<u>4,960,027</u>	<u>4,045,965</u>	<u>3,098,670</u>	<u>3,188,554</u>	<u>4,727,886</u>	<u>4,988,893</u>	<u>5,241,306</u>	<u>4,273,785</u>	<u>2,477,439</u>	<u>1,912,046</u>
<b>Total Business-Type Activities</b>	<b>\$ 51,865,122</b>	<b>\$ 47,690,203</b>	<b>\$ 42,673,960</b>	<b>\$ 39,066,838</b>	<b>\$ 36,801,443</b>	<b>\$ 32,654,400</b>	<b>\$ 29,187,565</b>	<b>\$ 25,437,770</b>	<b>\$ 22,123,134</b>	<b>\$ 21,322,631</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 29,237,795	\$ 23,229,849	\$ 13,728,616	\$ 6,160,911	\$ (2,768,546)	\$ (8,314,689)	\$ (15,879,102)	\$ (12,188,793)	\$ (8,295,246)	\$ (5,222,234)
Restricted	15,724,685	23,077,704	15,388,989	13,216,304	10,139,735	7,852,106	4,834,710	4,374,268	3,964,998	3,784,265
Unrestricted	<u>(12,363,002)</u>	<u>(18,447,201)</u>	<u>(16,340,078)</u>	<u>(16,182,107)</u>	<u>(16,109,753)</u>	<u>(124,811,566)</u>	<u>(125,045,210)</u>	<u>(141,282,186)</u>	<u>(167,965,166)</u>	<u>(180,157,921)</u>
<b>Total Primary Government</b>	<b>\$ 32,599,478</b>	<b>\$ 27,860,352</b>	<b>\$ 12,777,527</b>	<b>\$ 3,195,108</b>	<b>\$ (8,738,564)</b>	<b>\$ (125,274,149)</b>	<b>\$ (136,089,602)</b>	<b>\$ (149,096,711)</b>	<b>\$ (172,295,414)</b>	<b>\$ (181,595,890)</b>

Note1 : GASB Standard 68 required 2014 Financial Statements be restated to include the recognition of the additional net pension liability.

Note2 : GASB Standard 75 required 2017 Financial Statements be restated to Establish the Total Other Post Employee Benefit (OPEB) liability instead of Net OPEB Obligation

Data Source

Audited Financial Statements

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>					
<u>Governmental Activities</u>					
General government	\$ 3,985,591	\$ 4,039,444	\$ 4,474,679	\$ 3,143,434	\$ 3,636,642
Public safety	33,908,989	33,929,018	36,778,991	37,717,578	40,266,230
Public works	9,491,724	8,696,471	8,622,452	7,127,063	9,503,285
Economic development	7,524,769	5,934,648	11,210,313	5,295,179	8,341,981
Culture and recreation	4,422,112	4,604,469	5,065,032	4,786,867	4,853,831
Health and sanitation	4,004,624	4,265,730	4,086,307	-	-
Interest	4,644,552	4,588,249	4,891,883	4,989,927	5,555,103
Total Governmental Activities Expenses	<u>67,982,361</u>	<u>66,058,029</u>	<u>75,129,657</u>	<u>63,060,048</u>	<u>72,157,072</u>
<u>Business-Type Activities</u>					
Utilities	9,675,323	10,754,990	11,432,263	16,557,127	16,767,182
Parking garage	104,318	263,619	275,896	273,185	260,988
Total Business-Type Activities Expenses	<u>9,779,641</u>	<u>11,018,609</u>	<u>11,708,159</u>	<u>16,830,312</u>	<u>17,028,170</u>
Total Primary Government Expenses	<u>\$ 77,762,002</u>	<u>\$ 77,076,638</u>	<u>\$ 86,837,816</u>	<u>\$ 79,890,360</u>	<u>\$ 89,185,242</u>
<b>Program Revenues</b>					
<u>Governmental Activities</u>					
Charges for Services					
General government	\$ 2,281,261	\$ 2,565,532	\$ 2,691,846	\$ 2,052,284	\$ 2,182,551
Public safety	4,288,119	4,153,792	5,028,338	6,162,058	5,818,148
Public works	1,492,820	1,819,449	1,902,463	1,986,271	2,288,256
Culture and recreation	487,998	520,709	562,091	599,597	635,075
Health and sanitation	4,396,284	4,526,870	4,506,714	80,962	85,739
Economic development	-	-	-	-	-
Operating Grants and Contributions	4,254,621	4,699,635	4,684,682	3,636,003	3,035,643
Capital Grants and Contributions	2,906,195	4,178,890	1,641,462	660,589	1,746,077
Total Governmental Activities Program Revenues	<u>20,107,298</u>	<u>22,464,877</u>	<u>21,017,596</u>	<u>15,177,764</u>	<u>15,791,489</u>
<u>Business-Type Activities</u>					
Charges for Services					
Utilities	5,801,624	6,585,935	6,319,419	12,758,778	14,445,691
Parking garage	-	119,871	135,019	149,306	212,255
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>5,801,624</u>	<u>6,705,806</u>	<u>6,454,438</u>	<u>12,908,084</u>	<u>14,657,946</u>
Total Primary Government Program Revenues	<u>\$ 25,908,922</u>	<u>\$ 29,170,683</u>	<u>\$ 27,472,034</u>	<u>\$ 28,085,848</u>	<u>\$ 30,449,435</u>
Net (Expense) Revenue					
Governmental Activities	\$ (47,875,063)	\$ (43,593,152)	\$ (54,112,061)	\$ (47,882,284)	\$ (56,365,583)
Business-Type Activities	<u>(3,978,017)</u>	<u>(4,312,803)</u>	<u>(5,253,721)</u>	<u>(3,922,228)</u>	<u>(2,370,224)</u>
Total Primary Government Net (Expense) Revenue	<u>\$ (51,853,080)</u>	<u>\$ (47,905,955)</u>	<u>\$ (59,365,782)</u>	<u>\$ (51,804,512)</u>	<u>\$ (58,735,807)</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 Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Expenses</b>					
<u>Governmental Activities</u>					
General government	\$ 3,330,828	\$ 3,875,080	\$ 4,069,138	\$ 4,151,187	\$ 4,322,035
Public safety	38,409,364	45,477,225	48,121,837	47,884,063	52,991,988
Public works	9,692,933	8,365,920	9,574,448	8,030,594	7,050,783
Economic development	4,826,143	8,816,846	3,680,408	3,321,527	2,948,818
Culture and recreation	4,979,472	4,969,399	5,384,622	5,098,182	5,288,508
Health and sanitation	-	-	-	-	-
Interest	6,347,001	8,136,685	8,224,634	7,415,620	7,410,680
Total Governmental Activities Expenses	<u>67,585,741</u>	<u>79,641,155</u>	<u>79,055,087</u>	<u>75,901,173</u>	<u>80,012,812</u>
<u>Business-Type Activities</u>					
Utilities	18,895,002	19,533,100	20,206,762	18,418,318	18,223,176
Parking garage	264,787	268,197	299,391	273,938	291,169
Total Business-Type Activities Expenses	<u>19,159,789</u>	<u>19,801,297</u>	<u>20,506,153</u>	<u>18,692,256</u>	<u>18,514,345</u>
Total Primary Government Expenses	<u>\$ 86,745,530</u>	<u>\$ 99,442,452</u>	<u>\$ 99,561,240</u>	<u>\$ 94,593,429</u>	<u>\$ 98,527,157</u>
<b>Program Revenues</b>					
<u>Governmental Activities</u>					
Charges for Services					
General government	\$ 2,526,944	\$ 2,543,015	\$ 2,503,370	\$ 2,412,000	\$ 2,603,194
Public safety	6,142,547	6,177,670	6,994,123	6,305,832	6,040,508
Public works	2,358,620	2,150,174	2,083,000	2,094,248	1,919,016
Culture and recreation	498,633	572,002	565,083	611,512	604,146
Health and sanitation	85,412	87,188	85,724	76,818	64,911
Economic development	44,000	32,000	-	-	-
Operating Grants and Contributions	3,808,251	4,634,204	4,376,808	3,839,854	3,224,755
Capital Grants and Contributions	2,104,052	2,067,975	634,086	3,428,047	960,511
Total Governmental Activities Program Revenues	<u>17,568,459</u>	<u>18,264,228</u>	<u>17,242,194</u>	<u>18,768,311</u>	<u>15,417,041</u>
<u>Business-Type Activities</u>					
Charges for Services					
Utilities	13,786,437	15,850,671	15,999,846	15,720,377	17,100,085
Parking garage	283,996	282,774	231,366	225,613	204,562
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	1,100,000	-	65,877	-	-
Total Business-Type Activities Program Revenues	<u>15,170,433</u>	<u>16,133,445</u>	<u>16,297,089</u>	<u>15,945,990</u>	<u>17,304,647</u>
Total Primary Government Program Revenues	<u>\$ 32,738,892</u>	<u>\$ 34,397,673</u>	<u>\$ 33,539,283</u>	<u>\$ 34,714,301</u>	<u>\$ 32,721,688</u>
Net (Expense) Revenue					
Governmental Activities	\$ (50,017,282)	\$ (61,376,927)	\$ (61,812,893)	\$ (57,132,862)	\$ (64,595,771)
Business-Type Activities	<u>(3,989,356)</u>	<u>(3,667,852)</u>	<u>(4,209,064)</u>	<u>(2,746,266)</u>	<u>(1,209,698)</u>
Total Primary Government Net (Expense) Revenue	<u>\$ (54,006,638)</u>	<u>\$ (65,044,779)</u>	<u>\$ (66,021,957)</u>	<u>\$ (59,879,128)</u>	<u>\$ (65,805,469)</u>

(Continued)

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>					
<u>Governmental Activities</u>					
Taxes					
Property	\$ 25,164,068	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955
Sales	2,295,513	2,401,276	2,606,543	2,782,794	2,922,555
Home Rule Sales	1,688,743	1,834,332	1,923,750	2,073,705	2,156,948
Municipal Utility	4,050,262	4,124,813	4,018,344	3,594,627	3,630,961
Real Estate Transfer	1,028,125	913,411	915,913	1,047,766	1,379,577
Other	967,893	877,660	835,216	1,032,829	1,275,332
Income taxes	5,036,828	4,961,602	5,214,365	5,914,847	6,439,536
Investment Earnings	330,184	216,629	88,309	64,149	61,432
Gain on sale of capital assets	-	-	222,500	69,195	4,953
Loss on debt refunding	-	-	-	-	-
Miscellaneous	198,975	56,177	75,321	182,917	579,565
Transfers	<u>(12,879,994)</u>	<u>(137,342)</u>	<u>(227,166)</u>	<u>(400,866)</u>	<u>(97,572)</u>
Total Governmental Activities	<u>27,880,597</u>	<u>43,028,945</u>	<u>44,045,479</u>	<u>43,627,904</u>	<u>46,512,242</u>
<u>Business-Type Activities</u>					
Investment Earnings	23,949	8,454	10,312	5,867	7,257
Miscellaneous	4,000	(7,912)	-	-	-
Transfers	<u>12,879,994</u>	<u>137,342</u>	<u>227,166</u>	<u>400,866</u>	<u>97,572</u>
Total Business-Type Activities	<u>12,907,943</u>	<u>137,884</u>	<u>237,478</u>	<u>406,733</u>	<u>104,829</u>
Total Primary Government	<u>\$ 40,788,540</u>	<u>\$ 43,166,829</u>	<u>\$ 44,282,957</u>	<u>\$ 44,034,637</u>	<u>\$ 46,617,071</u>
Change in Net Position					
Governmental Activities	\$ (19,994,466)	\$ (564,207)	\$ (10,066,582)	\$ (4,254,380)	\$ (9,853,341)
Business-Type Activities	<u>8,929,926</u>	<u>(4,174,919)</u>	<u>(5,016,243)</u>	<u>(3,515,495)</u>	<u>(2,265,395)</u>
Total Primary Government Change in Net Position	<u>\$ (11,064,540)</u>	<u>\$ (4,739,126)</u>	<u>\$ (15,082,825)</u>	<u>\$ (7,769,875)</u>	<u>\$ (12,118,736)</u>

Data Source

Audited Financial Statements



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Revenues and Other Changes in Net Position</b>					
<u>Governmental Activities</u>					
Taxes					
Property	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213
Sales	2,976,666	3,842,183	3,802,911	3,852,290	4,184,732
Home Rule Sales	2,180,628	2,733,826	2,761,930	2,683,029	2,810,011
Municipal Utility	3,700,906	3,277,911	3,090,740	2,994,314	2,996,948
Real Estate Transfer	1,788,150	1,838,263	1,905,205	1,890,665	2,317,555
Other	1,345,423	1,589,496	1,685,018	1,828,770	2,240,806
Income taxes	6,472,416	7,386,431	6,819,192	6,612,784	7,129,677
Investment Earnings	70,120	73,779	72,127	111,264	171,082
Gain on sale of capital assets	1,261	184,694	63,195	-	-
Loss on debt refunding	-	-	(671,960)	-	-
Miscellaneous	675,936	252,871	170,277	265,359	621,885
Transfers	-	-	(455,191)	(501,557)	(406,111)
Total Governmental Activities	<u>49,807,922</u>	<u>53,010,821</u>	<u>52,555,579</u>	<u>53,831,441</u>	<u>56,095,798</u>
<u>Business-Type Activities</u>					
Investment Earnings	6,707	6,312	4,080	3,019	3,084
Miscellaneous	-	70,000	-	-	-
Transfers	-	-	455,191	501,557	406,111
Total Business-Type Activities	<u>6,707</u>	<u>76,312</u>	<u>459,271</u>	<u>504,576</u>	<u>409,195</u>
Total Primary Government	<u>\$ 49,814,629</u>	<u>\$ 53,087,133</u>	<u>\$ 53,014,850</u>	<u>\$ 54,336,017</u>	<u>\$ 56,504,993</u>
Change in Net Position					
Governmental Activities	\$ (209,360)	\$ (8,366,106)	\$ (9,257,314)	\$ (3,301,421)	\$ (8,499,973)
Business-Type Activities	<u>(3,982,649)</u>	<u>(3,591,540)</u>	<u>(3,749,793)</u>	<u>(2,241,690)</u>	<u>(800,503)</u>
Total Primary Government Change in Net Position	<u>\$ (4,192,009)</u>	<u>\$ (11,957,646)</u>	<u>\$ (13,007,107)</u>	<u>\$ (5,543,111)</u>	<u>\$ (9,300,476)</u>

Data Source

Audited Financial Statements

(Continued)

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>										
Reserved	\$ 610,349	\$ 384,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(234,524)	1,596,284	-	-	-	-	-	-	-	-
Nonspendable	-	-	409,721	846,629	890,155	920,863	645,211	92,119	307,940	181,465
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	372	749	27,741	28,632	33,444	35,767	37,972	38,619
Unassigned	-	-	4,086,449	5,951,993	9,143,348	13,366,935	18,838,228	12,786,535	12,675,459	12,055,377
<b>Total General Fund</b>	<b>\$ 375,825</b>	<b>\$ 1,980,916</b>	<b>\$ 4,496,542</b>	<b>\$ 6,799,371</b>	<b>\$ 10,061,244</b>	<b>\$ 14,316,430</b>	<b>\$ 19,516,883</b>	<b>\$ 12,914,421</b>	<b>\$ 13,021,371</b>	<b>\$ 12,275,461</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 15,724,685	\$ 22,265,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	178,493	(129,390)	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	5,268,804	3,801,219	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	432,323	43,291	43,291
Restricted	-	-	17,546,853	14,301,432	10,250,023	7,966,584	5,567,670	5,340,814	5,463,764	5,697,050
Committed	-	-	1,732,894	2,184,339	2,138,978	1,557,221	1,471,876	1,643,877	1,085,968	1,027,117
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(420,533)	(365,851)	(666,134)	(287,608)	(143,074)	(1,052,201)	(1,125,978)	(561,567)
<b>Total All Other Governmental Funds</b>	<b>\$ 21,171,982</b>	<b>\$ 25,936,919</b>	<b>\$ 18,859,214</b>	<b>\$ 16,119,920</b>	<b>\$ 11,722,867</b>	<b>\$ 9,236,197</b>	<b>\$ 6,896,472</b>	<b>\$ 6,364,813</b>	<b>\$ 5,467,045</b>	<b>\$ 6,205,891</b>

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

	Note 1 <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	Note 2 <u>2013</u>
<b>Revenues</b>					
Property taxes	\$ 25,164,068	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955
Other taxes	14,692,004	14,819,782	15,214,946	16,622,978	17,933,118
Licenses and permits	2,368,969	2,896,170	3,005,807	2,885,225	3,143,853
Intergovernmental	5,983,259	7,842,004	5,980,498	3,707,916	4,191,527
Fines and forfeitures	3,810,712	4,156,023	4,932,053	5,668,874	5,398,149
Charges for services	7,936,434	5,665,356	5,668,389	1,783,072	1,743,419
Contributions	-	900,000	-	-	-
Investment income	329,883	216,629	88,284	64,149	61,432
Miscellaneous	1,456,353	1,308,948	1,805,376	1,139,184	1,611,112
Total Revenues	<u>61,741,682</u>	<u>65,585,299</u>	<u>65,067,737</u>	<u>59,137,339</u>	<u>62,241,565</u>
<b>Expenditures</b>					
General government	3,787,572	4,042,809	4,302,988	3,170,604	3,638,505
Public safety	31,337,122	33,410,292	34,166,965	36,316,079	66,411,752
Highways and streets	5,935,836	6,271,908	6,766,808	6,449,583	6,731,412
Health & welfare	4,004,624	4,265,730	4,086,307	-	-
Culture and recreation	4,095,092	4,370,606	5,020,555	4,788,958	4,769,354
Economic development	8,593,042	8,653,372	11,201,125	5,232,219	6,777,084
Capital outlay	14,730,640	789,294	1,380,811	1,921,092	2,140,402
Debt service					
Principal	2,702,084	5,180,161	3,520,161	4,949,818	4,490,658
Interest	4,414,093	4,353,525	4,660,159	4,718,742	4,842,213
Other charges	381,331	291,127	170,760	227,726	406,107
Total Expenditures	<u>79,981,436</u>	<u>71,628,824</u>	<u>75,276,639</u>	<u>67,774,821</u>	<u>100,207,487</u>
Excess (deficiency) of revenues over (under) expenditures	(18,239,754)	(6,043,525)	(10,208,902)	(8,637,482)	(37,965,922)
<b>Other Financing Sources (Uses)</b>					
Transfers in	5,030,945	4,540,465	5,468,574	5,812,370	2,537,321
Transfers (out)	(6,280,945)	(5,540,465)	(5,468,574)	(5,812,370)	(2,537,321)
Debt issued	13,315,594	13,150,000	5,469,719	8,500,000	36,315,532
Premium (discount) on bonds issued	117,032	258,302	(53,184)	(368,178)	170,408
Transfer to bond escrow agent	(9,317,377)	-	-	-	-
Sale of property	-	-	-	-	154,785
Sale of capital assets	139,298	5,251	230,288	69,195	4,953
<b>Total Other Financing Sources (Uses)</b>	<u>3,004,547</u>	<u>12,413,553</u>	<u>5,646,823</u>	<u>8,201,017</u>	<u>36,645,678</u>
<b>Net Change in Fund Balances</b>	<u>\$ (15,235,207)</u>	<u>\$ 6,370,028</u>	<u>\$ (4,562,079)</u>	<u>\$ (436,465)</u>	<u>\$ (1,320,244)</u>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditures	9.13%	13.97%	11.36%	14.89%	9.45%

Note 1: 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.

Note 2: The City issued \$30 million in 2013 and \$31 million in 2015 to fund fire and police pensions, which caused large increases in public safety expenditures.

Note 3: The City paid \$15 million of the maturity amount due for the Police and Fire Pension Bond issued in 2013. The payment was funded by the Long term Line of Credit exercised at BMO Harris.

Data Source

Audited Financial Statements

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Note 3 2018</u>
<b>Revenues</b>					
Property taxes	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213
Other taxes	18,548,751	20,739,219	20,053,166	19,911,224	21,679,729
Licenses and permits	3,755,478	3,692,357	3,625,012	3,672,370	3,552,298
Intergovernmental	3,893,088	3,903,745	4,219,375	3,770,003	4,185,264
Fines and forfeitures	5,238,180	5,563,051	6,365,397	5,215,889	4,966,251
Charges for services	2,077,548	1,616,795	1,690,521	1,819,564	1,966,890
Contributions	-	-	-	-	-
Investment income	70,122	73,779	72,002	110,891	170,672
Miscellaneous	2,045,778	1,942,151	1,403,193	4,506,474	1,368,221
Total Revenues	<u>66,225,361</u>	<u>69,362,464</u>	<u>70,740,801</u>	<u>73,100,938</u>	<u>71,918,538</u>
<b>Expenditures</b>					
General government	3,581,579	4,014,184	3,763,962	3,882,855	4,105,923
Public safety	36,389,011	67,047,018	39,487,804	38,157,125	39,448,318
Highways and streets	8,290,373	7,385,086	7,291,226	10,551,626	7,179,906
Health & welfare	-	-	-	-	-
Culture and recreation	4,922,054	5,007,073	5,057,693	4,924,183	2,762,155
Economic development	2,917,308	8,100,608	3,524,490	3,140,306	4,997,313
Capital outlay	2,497,137	727,843	680,942	568,136	1,198,017
Debt service					-
Principal	4,118,231	4,700,652	10,557,831	5,008,444	19,941,271
Interest	6,390,279	7,027,263	8,016,080	7,659,081	7,468,510
Other charges	91,210	1,019,575	268,395	-	-
Total Expenditures	<u>69,197,182</u>	<u>105,029,302</u>	<u>78,648,423</u>	<u>73,891,756</u>	<u>87,101,413</u>
Excess (deficiency) of revenues over (under) expenditures	(2,971,821)	(35,666,838)	(7,907,622)	(790,818)	(15,182,875)
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,278,235	1,595,966	5,852,329	4,108,815	5,246,047
Transfers (out)	(2,278,235)	(1,595,966)	(5,852,329)	(4,108,815)	(5,246,047)
Debt issued	4,390,000	38,811,860	19,483,528	-	15,175,811
Premium (discount) on bonds issued	349,073	(296,884)	2,278,565	-	-
Transfer to bond escrow agent	-	-	(21,016,667)	-	-
Sale of property	-	-	-	-	-
Sale of capital assets	1,261	12,514	28,075	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>4,740,334</u>	<u>38,527,490</u>	<u>773,501</u>	<u>-</u>	<u>15,175,811</u>
<b>Net Change in Fund Balances</b>	<u>\$ 1,768,513</u>	<u>\$ 2,860,652</u>	<u>\$ (7,134,121)</u>	<u>\$ (790,818)</u>	<u>\$ (7,064)</u>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditures	15.75%	11.45%	24.14%	18.45%	32.01%

Data Source

Audited Financial Statements

(Continued)

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

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<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>
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
2013	28,158,955	6,439,536	2,922,555	2,156,948	234,257	3,630,961	170,120	1,379,577	327,833	1,662,129	671,331
2014	30,596,416	6,472,416	2,976,666	2,180,628	227,550	3,700,906	173,090	1,788,150	286,111	1,679,392	743,234
2015	31,864,483	7,386,431	3,842,183	2,733,826	217,728	3,277,911	180,110	1,838,263	310,070	1,661,230	952,697
2016	33,312,135	6,819,192	3,802,911	2,761,930	224,044	3,090,740	189,612	1,905,205	333,273	1,620,255	927,259
2017	34,094,523	6,612,784	3,852,290	2,683,029	248,383	2,994,314	174,507	1,890,665	366,625	1,465,605	1,088,627
2018	34,029,213	7,129,677	4,184,732	2,810,011	212,872	2,996,948	160,586	2,317,555	378,477	1,511,320	1,488,901

Motor Fuel Tax is presented as Intergovernmental Revenue in the financial statements.

From 2010 through 2015, 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
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%
2012	644,134,872	134,070,282	38,470,545	129,040,439	687,635,260	3.82	2,062,905,780	33.333%
2013	600,937,260	128,184,812	38,721,765	120,423,467	647,420,370	4.47	1,942,261,110	33.333%
2014	571,286,154	133,567,513	5,932,685	114,682,852	596,103,500	5.09	1,788,310,500	33.333%
2015	552,120,527	129,607,940	5,897,697	106,876,916	580,749,248	5.48	1,742,247,744	33.333%
2016	573,727,381	133,610,746	3,840,149	112,401,198	598,777,078	5.30	1,796,331,234	33.333%
2017	744,086,744	155,943,001	6,134,462	170,704,510	735,459,697	4.49	2,206,379,091	33.333%

Note 1: 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.

Note 2: In prior years the County provided overstated Industrial values and understated Commercial/Residential values. There was no net impact on the total taxable assessed value and the appropriate allocation of values will be used going forward.

Note 3: Information for the 2018 levy year is not yet available.

Data Source  
 Office of the County Clerk

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

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<u>Tax Levy Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City Direct Rates									
General	1.29	1.34	2.18	2.33	2.65	2.99	3.25	3.24	2.69
Bond & Interest	0.54	0.53	0.26	0.30	0.71	0.98	1.10	1.07	0.94
City of Berwyn Library	0.28	0.32	0.40	0.45	0.48	0.56	0.58	0.58	0.48
Police Pension	0.22	0.21	0.26	0.36	0.31	0.30	0.27	0.21	0.20
Fire Pension	0.23	0.23	0.28	0.38	0.32	0.26	0.28	0.20	0.18
Total Direct Rate	2.56	2.63	3.38	3.82	4.47	5.09	5.48	5.30	4.49
Overlapping Rates									
Cook County	0.44	0.47	0.47	0.53	0.56	0.57	0.55	0.53	0.50
Metropolitan Water Rec.	0.26	0.27	0.32	0.37	0.42	0.43	0.43	0.41	0.41
School District #100	2.49	2.50	3.20	3.65	3.92	4.27	4.57	4.49	5.08
High School District #201	1.85	1.86	2.45	2.73	2.95	3.22	3.34	3.25	2.88
Berwyn Park District	0.31	0.31	0.32	0.37	0.40	0.44	0.46	0.44	0.38
Community College #527	0.39	0.39	0.50	0.56	0.61	0.67	0.70	0.68	0.58
Other	0.19	0.17	0.30	0.31	0.37	0.37	0.35	0.22	1.30

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value</u>	<u>2017 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>2008 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
MacNeal Memorial Hospital, MacNeal	\$ 20,670,007	1	1.15%	\$ 13,729,197	1	0.50%
Cermak Plaza Associates	10,830,911	2	0.60%	5,406,214	2	0.20%
Berwyn Gateway Partners	5,737,583	3	0.23%	N/A	N/A	0.00%
Meijer	4,183,457	4	0.32%	N/A	N/A	0.00%
McDonald's Corporation	3,675,770	5	0.23%	860,110	7	
Shurgard	3,347,712	7	0.19%	1,460,072	3	0.05%
Fairfax	3,068,028	6	0.15%	1,093,752	5	0.04%
Ryan LLC	2,731,231	8	0.17%	N/A	N/A	0.00%
Byline Bank, Illinois	2,192,792	9	0.12%	906,013	6	0.03%
BMO Harris Bank NA	1,496,359	10	0.08%	640,129	10	0.02%
Turano Baking Company	N/A	N/A	0.00%	702,856	8	0.03%
SKS & Associates	N/A	N/A	0.00%	1,108,790	4	0.04%
Vranas & Assoc.	N/A	N/A	0.00%	646,348	9	0.02%
<b>TOTAL</b>	<b>\$ 57,933,850</b>		<b>3.25%</b>	<b>\$ 26,553,481</b>		<b>0.87%</b>

Note 1: 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.

Note 2: Information for the 2018 taxpayers is not yet available.

N/A - not applicable

Data Source

Office of the County Clerk

ENTER TOTAL 2017  
EAV HERE

ENTER TOTAL 2008  
EAV HERE



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
2008	20,382,055	19,773,142	97.01%	(7,334)	19,765,808	96.98%
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%	201,115	24,843,267	97.68%
2012	26,236,151	25,210,666	96.09%	237,806	25,448,472	97.00%
2013	28,903,844	27,866,441	96.41%	468,277	28,334,718	98.03%
2014	30,319,466	29,019,276	95.71%	519,466	29,538,742	97.43%
2015	31,810,683	30,835,036	96.93%	(36,882)	30,798,154	96.82%
2016	31,810,683	30,670,640	96.42%	425,434	31,096,073	97.75%
2017	32,960,811	31,225,268	94.73%	-	31,225,268	94.73%

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

Data Source

Office of the County Clerk

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 **	Line of Credit***	Installment & Mortgage Notes Payable ****	Capital Leases	General Obligation Bonds	Installment Notes Payable	Capital Leases		Personal Income*	Per Capita*
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
2013	132,476,956		3,096,854	439,123	2,946,153	-	-	138,959,086	11.62%	2,453
2014	133,162,889		2,698,621	355,082	4,991,102	-	-	141,207,694	11.81%	2,492
2015	164,754,374		2,207,969	759,924	7,054,194	-	194,450	174,970,911	13.92%	3,088
2016	155,937,891		1,792,579	899,500	8,218,379	-	131,409	166,979,758	13.29%	2,947
2017	151,693,118		922,979	591,265	8,071,091	-	66,609	161,345,062	12.22%	2,848
2018	131,970,061	15,000,000	614,104	559,614	7,898,803	-	-	156,042,582	12.42%	2,754

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 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.

\*\*\*BMO Line of Credit Draw December 2018. Maturity Date 8/31/2020

\*\*\*\* Included in Installment & Mortgage Notes Payable is a \$4 million note related to property acquired by the City in 2010

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

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Fiscal Year	General Obligation Bonds	Less: Amounts Available		Percentage of Estimated Actual Taxable Value of Property*	Per Capita
		In Debt Service Fund	Total		
2009	96,588,310	646,714	95,941,596	3.50%	1,707.75
2010	94,246,518	432,650	93,813,868	3.35%	1,655.82
2011	98,228,005	500,884	97,727,121	4.33%	1,724.89
2012	103,439,320	521,329	102,917,991	4.99%	1,816.51
2013	135,423,109	641,874	134,781,235	6.94%	2,378.90
2014	133,198,951	669,905	132,529,046	7.41%	2,339.15
2015	171,808,568	1,138,754	170,669,814	9.80%	3,012.33
2016	164,156,270	1,138,254	163,018,016	9.08%	2,877.28
2017	159,764,209	64,873	159,699,336	7.24%	2,818.70
2018	154,868,864	64,873	154,803,991	N/A	2,732.30

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 for property value data.

N/A - not available

CITY OF BERWYN, ILLINOIS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2018

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<u>Governmental unit</u>	<u>Gross Debt</u>	<u>Percentage Debt Applicable to the City (1)</u>	<u>City Share of Debt</u>
City of Berwyn	\$ 153,753,718	100.00%	\$ 153,753,718
Cook County	2,950,121,750	44.00%	1,298,053,570
Cook County Forest Preserve District	140,910,000	44.00%	62,000,400
Metropolitan Water Reclamation District	3,135,891,000	45.00%	1,411,150,950
Berwyn Park District	1,865,000	100.00%	1,865,000
North Berwyn Park District	2,175,000	100.00%	2,175,000
Schools			
Elementary District No. 100	32,380,000	100.00%	32,380,000
High School District No. 201	64,944,586	42.34%	27,497,538
Community College District No. 527	<u>2,550,000</u>	42.34%	<u>1,079,670</u>
	<u>6,330,837,336</u>		<u>2,836,202,128</u>
	<u>\$ 6,484,591,054</u>		<u>\$ 2,989,955,846</u>

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

Data Source

Cook County Clerk

CITY OF BERWYN, ILLINOIS  
SCHEDULE OF LEGAL DEBT MARGIN  
December 31, 2018

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

CITY OF BERWYN, ILLINOIS  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
Last Ten Fiscal Years

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<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2018	56,657	\$ 1,330,476,331	\$ 23,483	4.3%
2017	56,657	\$ 1,319,824,815	23,295	5.3%
2016	56,657	1,256,652,260	22,180	6.3%
2015	56,657	1,256,652,260	22,180	5.3%
2014	56,657	1,195,519,357	21,101	6.4%
2013	56,657	1,195,519,357	21,101	10.0%
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%

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

2018			2009		
Employer	Number of Employees	% of Total City Employment	Employer	Number of Employees	% of Total City Employment
MacNeal Memorial Hospital	1,500	11.26%	MacNeal Memorial Hospital	2,200	16.52%
Morton West High School (District 201)	1,000	7.51%	Morton West High School (District 201)	1,000	7.51%
City of Berwyn	544	4.08%	Berwyn South School (District 100)	506	3.80%
Berwyn South School (District 100)	450	3.38%	Berwyn South School (District 98)	370	2.78%
Berwyn North School (District 98)	370	2.78%	City of Berwyn	344	2.58%
Campagna-Turano Baking Company, Inc.	320	2.40%	Campagna-Turano Baking Company, Inc.	300	2.25%
Fairfax Nursing Home (The Grove)	150	1.13%	Pillars-The Fillmore Center	140	1.05%
Jewel Food Store	150	1.13%	BP Amoco	90	0.68%
The Buona Companies	150	1.13%	Rosin Eyecare	85	0.64%
			Anderson Ford, Inc	45	0.34%

Data Source

Community Survey and 2018 Dun and Bradstreet Regional Business  
 Chicago Metropolitan Area

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

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<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Administration	16	15	15	15	13	16	16	17	17	19
Finance	12	12	16	15	15	15	16	14	14	14
Community Development	16	18	17	16	17	18	17	17	18	17
Public Safety										
Police										
Officers	104	106	107	110	107	109	108	111	113	110
Civilians	56	34	38	34	39	41	49	49	49	49
Fire										
Firefighters and officers	68	66	78	80	80	80	80	80	80	80
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	44	38	36	34	39	38	43	41	41	42
Culture & Recreation	58	44	41	41	41	41	41	45	46	42

Data Source

City payroll office



CITY OF BERWYN, ILLINOIS  
 OPERATING INDICATORS BY FUNCTION  
 Last Ten Fiscal Years

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<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety										
Police										
Physical arrests	2,815	3,971	2,237	2,189	1,995	1,493	1,050	991	566	513
Parking violations	67,941	41,641	44,569	61,046	64,778	62,980	59,143	52,044	52,389	52,451
Traffic tickets issued	11,020	20,762	19,057	16,084	14,129	12,343	9,878	7,257	5,776	5,294
Fire										
Emergency responses	8,413	6,557	6,624	6,642	7,076	7,179	6,897	7,587	7,519	7,795
Fires extinguished	139	199	146	174	151	131	119	112	139	131
Public Works										
Street resurfacing (miles)	2.0	-	-	-	1.1	0.5	0.7	0.3	0.7	0.2
Pothole repairs	1,692	2,769	3,500	4,100	4,500	4,200	4,300	4,500	4,950	6,450
Water										
New connections	1	14	13	9	17	21	30	50	67	97
Water main breaks	233	168	142	129	107	96	82	91	97	88
Average daily consumption	5.88 MGD	5.41 MGD	5.13 MGD	5.08 MGD	4.98 MGD	5.17 MGD	4.93 MGD	4.77 MGD	4.99 MGD	5.20 MGD
Peak daily consumption	9.03 MGD	6.50 MGD	6.67 MGD	6.91 MGD	5.79 MGD	6.31 MGD	6.90 MGD	5.48 MGD	6.59 MGD	5.86 MGD

MGD = million gallons per day

Data Source

Various city departments

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	47	58	78	74	81	81	90	87	89	83
Fire										
Fire stations	2	3	3	3	3	3	3	3	3	3
Fire engines and trucks	4	4	4	4	5	5	5	5	5	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

N/A - not available

Data Source

Various city departments