

# City of Berwyn, Illinois



**A Century of Progress with Pride**

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019



**CITY OF BERWYN, ILLINOIS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
For the Fiscal Year Ended December 31, 2019



Prepared by: Finance Department



CITY OF BERWYN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
December 31, 2019

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## INTRODUCTORY SECTION







**A Century of Progress with Pride**

July 27, 2020

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

We are pleased to present the Comprehensive Annual Financial Report for the fiscal year ending December 31, 2019. The purpose of the CAFR is to provide all of the City's stakeholder's relevant information of the community, 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., the City's auditors, has issued an unmodified ("clean") opinion on the City of Berwyn's financial statements for the year ended December 31, 2019. 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 54,000 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 along with 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 predominately 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) followed by Turano Baking Company. However in December 2018, Berwyn welcomed Tony's Fresh Market, one of Chicagoland's largest and popular grocery store chains. The City has observed significant growth in its state sales, home rule, and liquor taxes in 2019 as a result.

Many of the City's local businesses were able to rebound from the Great Recession of 2008 -2011 only to face another economic crisis resulting from the COVID-19 global pandemic. While the severity and duration of the COVID-19 global economic downturn is uncertain, the City has already planned for its local economy to be negatively impacted in 2020. There are early indicators of a 2020 economic downturn as evident with sales and home rule sales tax returns received by the Illinois Department of Revenue in March and April (State Sales taxes are lower than 2019 by at least 20%).

Also, property tax receipts could also be impacted as families and businesses weather the economic downturn. Cook County who administers property tax collections for the City has effectively delayed the due date of the remaining property taxes due in 2020 from August 1 to October 1. Further, there could be an increase in tax delinquencies as homeowners and banks may delay payment to the tax sale typically held in April of the following year (the Annual Tax Sale of 2018 taxes originally scheduled in April 2020 has been indefinitely delayed).

While it is presumed that economic prosperity prior to the shutdown will resume, it is uncertain when this will occur and how long it will take to recover to recent economic levels.

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

The City continues to focus on balancing its budget while moderating reliance on property taxes. The economic reality of the COVID-19 pandemic and resulting economic downturn could put the City in a difficult position to maintain balanced budgets if this COVID-19 related recession extends substantially into 2021.

The City is aggressively pursuing relief from federal, state, and local sources in the form of grants and loans to cushion the economic impact. Also, the City is working with staff and department management to identify more opportunities for cost reduction. In the short run, the City has significant resources through its fund balance and a \$15 million line of credit to absorb significant shortfalls. Once the economic crisis ends, the City will chart a course to restore fund balances and repay and restructure any debt incurred to maintain operations.

This economic reality emphasizes the need for the City to develop and five year financial budget plan incorporating historical trends with future economic and operational data. Maintaining municipal services, remaining committed to debt repayment, including the elimination of unfunded pension liability, and addressing capital needs are major components for the City's strategic planning.

### **Relevant Financial Policies**

The City has continued to adhere to the 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 the elimination of any other fund deficit. These policies will be tested with the impact of the COVID-19 pandemic.

As of December 31<sup>st</sup> 2019, the City's General Fund balance remained strong at over \$12 million which is consistent with the 2016-2018 fiscal years and well above the 16% fund balance policy requirement of \$9.0 million.

### **Major Initiatives**

The City remains staunchly proactive in achieving structural balance of its finances. The Administration and City Council promote conservative budgeting and fiscally responsible financial decisions to lay the foundation for a successful future. To attain solid financial results, the City has undertaken the following financial initiatives:

- **COVID-19 Pandemic Management and Related Expenses Reimbursement:** The Coronavirus pandemic has brought with it a number of challenges, including the unexpected expenditures required to keep our essential workers and supporting staff safe. Through FEMA and the CARES Act as administered by Cook County, the City of Berwyn has been allocated funding to reimburse the additional COVID expenses that have been incurred in 2020. City Administration and Department Heads have begun the strategic planning process to determine the potential impact to revenues and expenses budgeted for fiscal year 2020 and diligently tracking these expenses and will submit for reimbursement.

- **Fund Balance Maintenance:** The City continued to exceed the minimum fund balance target in 2019, and protected our strong and stable fund balance by managing its expenses to be just under the revenues recognized. Through a detailed analysis of every revenue and expenditure line item, the City is committed to full, long-term structural balance while continuing to provide residents with the high level of municipal services that they have come to expect.
- **Effective Debt Management:** 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:** Since 2013, the City has been able to make major progress in resolving the Police and Fire unfunded pension liability, which was an imminent threat to the City's financial fortitude. The Administration initiated a plan with the goal to fully fund the City's Police and Fire Pension Funds ahead of the State requirement. The City was able to provide another major funding disbursement of \$30 million in 2019 to the Police and Fire pension funds through bond securitization. Establishing the Berwyn Municipal Bond Securitization Fund (BMSC) allowed the City to issue pension bonds at very favorable interest rates compared to traditional general obligation bonds. As a result, the City improved the funding position by becoming 60% funded for the Fire Pension and 70% funded for the Police Department. This is substantially greater than funding in 2013 and was achieved without severe property tax increases as experienced by other governments.
- **2020 U.S. Census:** In 2020, the City launched a Complete Count Committee and dedicated personnel to collaborate with local groups and not-for-profits for the purpose of ensuring every resident is counted in the U.S. Census. An accurate count in the census is imperative in our municipality because it determines our fair share of the more than \$675 billion per year in federal funds. These funds are spent on schools, hospitals, roads, public works, affordable housing and other vital programs such as the Community Development Block Grant (CDBG). Due to COVID-19, our census team has needed to be creative in reaching residents through Census themed caravans, municipal events, food distribution events, and social media. The effort is being funded through two grants from the Illinois Department of Human Services (IDHS) and Cook County.

## **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 new TIF district along with a local small business loan fund. In 2019, the City entered into two Inter-Governmental Agreements 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 2020, City Council approved the creation of the Ridgeland TIF and expanded the Harlem TIF district further east on Cermak Road.

The extension of the Depot TIF, in combination with substantial infrastructure and streetscape projects set to begin within the next 12 months, will create new opportunity for development in the area in the coming years. Additionally, the extension of the Roosevelt TIF and launch of the Finish Line Grant, which issued \$87,000 in grant money and leveraged \$202,000 in private commercial investment, created new opportunity for development and continued to further sales, home rule, and income tax funding opportunities.

In 2019, the City and BDC welcomed 13 businesses including Old Navy and Pet Supplies Plus within Cermak Plaza along with Tony's Finer Foods' first full year of operations.

### **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, 2018. This is the 11<sup>th</sup> 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 2019 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.

Respectfully submitted,



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**

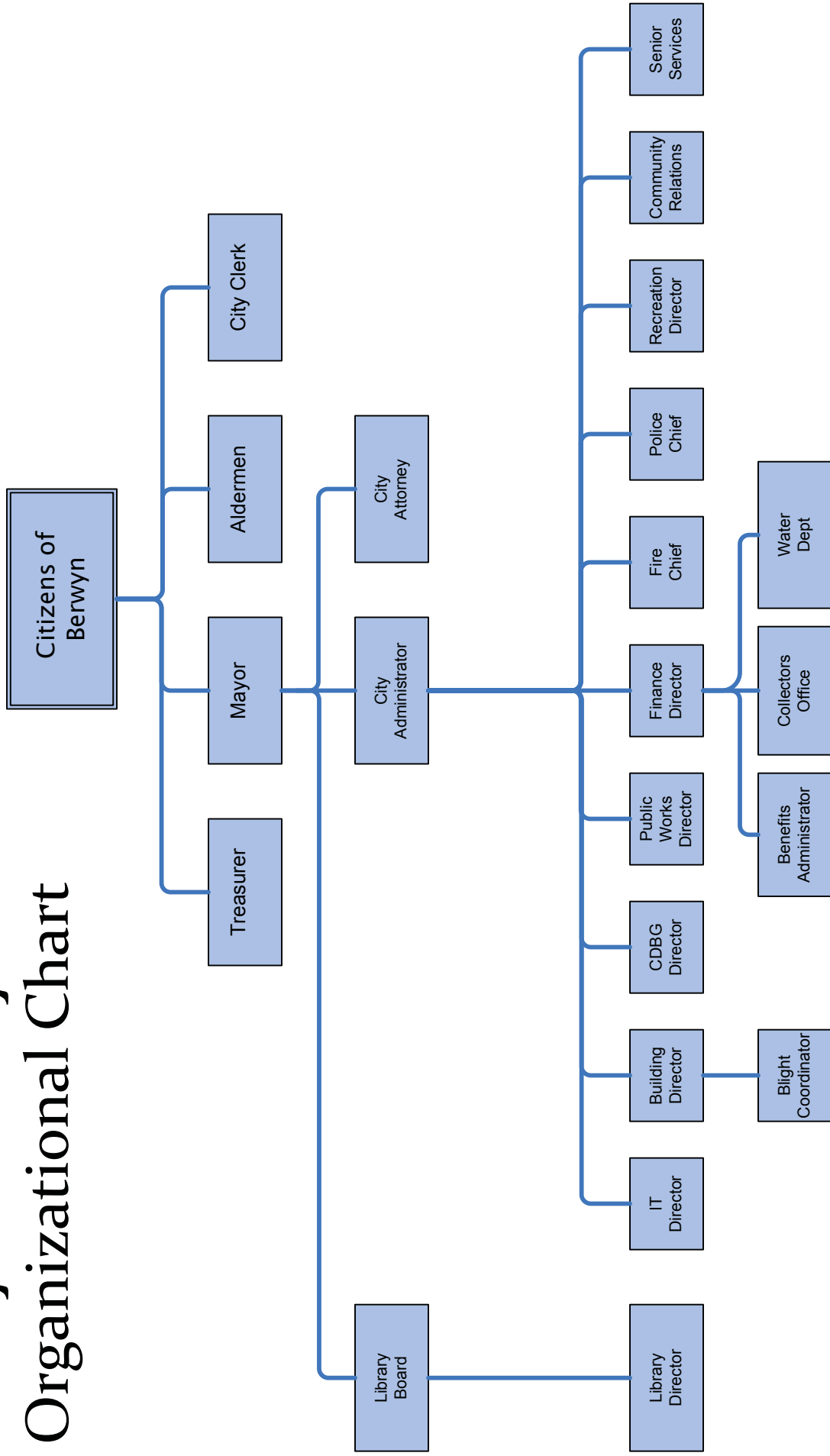
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# City of Berwyn Organizational Chart



**City of Berwyn**  
**List of Elected and Appointed Officials**  
**December 31, 2019**

**Elected Officials**

Robert J. Lovero	Mayor
Cynthia Miranda	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
Anthony Nowak	Alderman, 8 <sup>th</sup> Ward

**Appointed Officials**

Anthony Bertuca	City Attorney
Tammy Sheedy	Director, Library Services
Regina Mendicino	Director, Community Development
James Frank	Director, Information Technology
Charles Lazzara	Director, Building Department
Anthony Martinucci	Director, Recreation Department
Thomas Hayes	Fire Chief
Ruth Siaba Green	City Administrator
Michael Cimaglia	Police Chief
Robert Schiller	Director, Public Works
Benjamin Daish	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, 2019, 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, 2019, 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 1 to the financial statements, the City of Berwyn, Illinois established the Berwyn Municipal Securitization Corporation, a blended component unit and major fund, during the year. As also discussed in Note 1, the Public Safety Pension Funding Fund was created and is reported as a major fund. 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 11–28 and 106–118 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 July 27, 2020, 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  
July 27, 2020





## 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, 2019.

### Financial Highlights

The General Fund, which represents the main operating fund of the City, closed 2019 with a fund balance of approximately \$12.4 million by keeping its expenditures lower than incoming revenue streams. As a result, the City's experienced a surplus of \$95,000 versus the \$745,000 deficit in 2018. 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 \$9.0 million.

In 2019, the City's Utility Fund which accounts for the operations of the City's water, sewer and garbage services posted another year of favorable operating earnings. The operating income before depreciation of about \$1 million and \$400,000 for 2019 and 2018 respectively represents a dramatic improvement compared to \$100,000 in 2017. These operating metrics confirm that the Utility fund has reached a point of self-sustainability where revenues are able to absorb operating expenses and debt obligations. More explanation to the performance of the Utility fund is provided in Business Type Activities section of this report.

At year end, the City had a total deficit net position of \$210 million, a decrease of \$7 million compared to 2018'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.

### 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 29 and 30 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, Public Safety Pensions Funding Fund, the Berwyn Municipal Securitization Fund and the Debt Service Fund which are considered to be major funds. Data from the other thirteen governmental funds are

combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriations ordinance for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this ordinance.

The basic governmental fund financial statements can be found on pages 31-34 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 35-37 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 38 and 39 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 40-105 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 106 – 118 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 119-142 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 three 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 2019 Statement of Net Position versus 2018 for both governmental and business-type activities:

#### City of Berwyn Net Position

	Governmental activities		Business-Type activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Assets	\$ 50,201,928	\$ 51,028,257	\$ 26,306,425	\$ 26,404,981	\$ 76,508,353	\$ 77,433,238
Other Assets	69,440,590	61,457,632	6,332,647	6,614,490	75,773,237	68,072,122
Total assets	119,642,518	112,485,889	32,639,072	33,019,471	152,281,590	145,505,360
Total deferred outflows						
of resources	17,900,561	21,426,379	804,549	199,345	18,705,110	21,625,724
Current liabilities	8,695,345	5,977,139	2,269,123	2,276,989	10,964,468	8,254,128
Long-term liabilities	296,926,850	292,766,333	9,733,210	9,050,982	306,660,060	301,817,315
Total liabilities	305,622,195	298,743,472	12,002,333	11,327,971	317,624,528	310,071,443
Total deferred inflows						
of resources	41,863,195	38,087,317	260,736	568,214	42,123,931	38,655,531
Net investment in capital assets	(27,867,456)	(24,632,819)	19,451,290	19,410,585	(8,416,166)	(5,222,234)
Restricted	9,744,443	3,784,265			9,744,443	3,784,265
Unrestricted	(191,819,298)	(182,069,967)	1,729,262	1,912,046	(190,090,036)	(180,157,921)
Total net position	\$ (209,942,311)	\$ (202,918,521)	\$ 21,180,552	\$ 21,322,631	\$ (188,761,759)	\$ (181,595,890)

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

### **Governmental activities**

The City's governmental activities capital assets decreased in 2019 by approximately \$826,000 as a result of depreciation exceeding asset purchases during the year. Other assets increased by \$7.9 million primarily due to advance refunding of the 2007, 2008, and 2013 general obligation bonds. An escrow account have been established to facilitate principal maturity payments due through 2023.

Current liabilities increased by \$2.7 million. This was mainly due to higher accrued interest payable than at year end 12/31/2018. Long-term liabilities were higher by \$4.16 million due to higher actuarial pension obligations.

### **Business-Type activities**

Capital assets decreased by \$100,000 due to depreciation exceeding asset additions in 2019.

Long-term liabilities increased by over \$680,000 due to long term obligations incurred for pensions and Other Post Retirement Benefits (OPEB).

## **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**

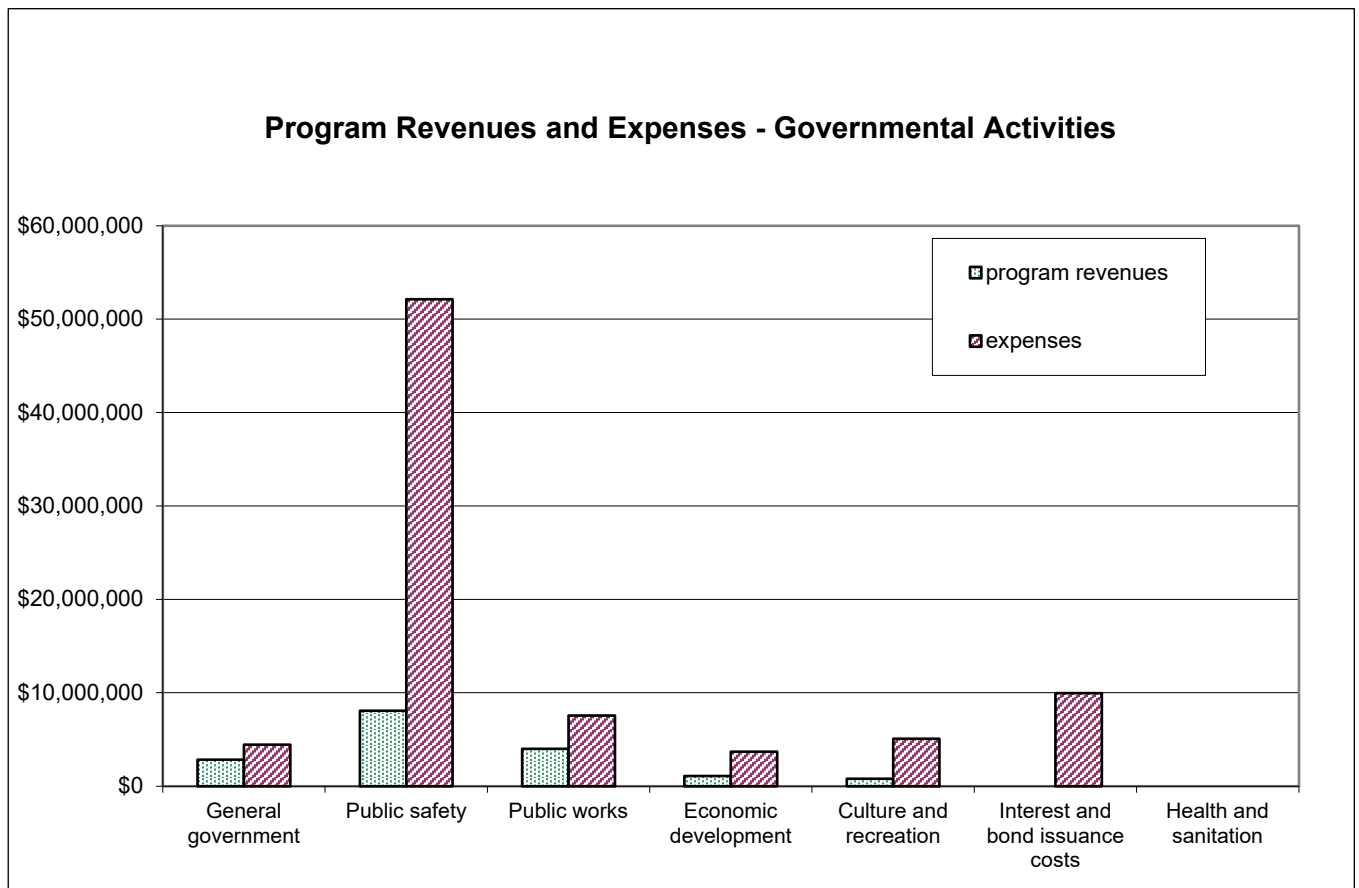
	Governmental activities		Business-Type activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 12,451,811	\$ 11,231,775	\$ 17,136,170	\$ 17,304,647	\$ 29,587,981	\$ 28,536,422
Operating grants & contributions	3,609,094	3,224,755	-	-	3,609,094	3,224,755
Capital grants & contributions	726,582	960,511	-	-	726,582	960,511
General revenues	-	-	-	-	-	-
Property taxes	34,742,608	34,029,213	-	-	34,742,608	34,029,213
Other taxes	23,722,634	21,679,729	-	-	23,722,634	21,679,729
Other revenues	1,029,559	792,967	1,151	3,084	1,030,710	796,051
Total revenues	<u>76,282,288</u>	<u>71,918,950</u>	<u>17,137,321</u>	<u>17,307,731</u>	<u>93,419,609</u>	<u>89,226,681</u>
Expenses:						
General government	4,444,154	4,322,035	-	-	4,444,154	4,322,035
Public safety	52,132,315	52,991,988	-	-	52,132,315	52,991,988
Public works	7,558,885	7,050,783	-	-	7,558,885	7,050,783
Economic development	3,685,048	2,948,818	-	-	3,685,048	2,948,818
Culture and recreation	5,074,881	5,288,508	-	-	5,074,881	5,288,508
Interest on long-term debt	9,960,909	7,410,680	-	-	9,960,909	7,410,680
Loss on debt refunding	-	-	-	-	-	-
Utilities	-	-	17,459,824	18,223,176	17,459,824	18,223,176
Parking garage	-	-	269,462	291,169	269,462	291,169
Total expenses	<u>82,856,192</u>	<u>80,012,812</u>	<u>17,729,286</u>	<u>18,514,345</u>	<u>100,585,478</u>	<u>98,527,157</u>
Change in Net Position Before Transfers	<u>(6,573,904)</u>	<u>(8,093,862)</u>	<u>(591,965)</u>	<u>(1,206,614)</u>	<u>(7,165,869)</u>	<u>(9,300,476)</u>
Transfers	<u>(449,886)</u>	<u>(406,111)</u>	<u>449,886</u>	<u>406,111</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(7,023,790)</u>	<u>(8,499,973)</u>	<u>(142,079)</u>	<u>(800,503)</u>	<u>(7,165,869)</u>	<u>(9,300,476)</u>
Net position Jan 1	<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>
Prior Period Adjustment		<u>\$ (16,582,646)</u>		<u>\$ (1,072,946)</u>	<u>\$ -</u>	<u>\$ (17,655,592)</u>
Net position Jan 1 (Restated)	<u>\$(202,918,521)</u>	<u>\$(194,418,548)</u>	<u>\$ 21,322,631</u>	<u>\$ 22,123,134</u>	<u>\$(181,595,890)</u>	<u>#####</u>
Net position Dec 31	<u>\$(209,942,311)</u>	<u>\$(202,918,521)</u>	<u>\$ 21,180,552</u>	<u>\$ 21,322,631</u>	<u>\$(188,761,759)</u>	<u>#####</u>

## Significant Changes in the Statement of Activities

### Government activities

The City's governmental activities net position decreased approximately \$7 million compared to an \$8.5 million decrease in 2018. 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 2019 to 2018:

	Governmental activities		Change	% Chg
	2019	2018		
Revenues:				
Program revenues:				
Charges for services	\$ 12,451,811	\$ 11,231,775	\$ 1,220,036	11%
Operating grants & contributions	3,609,094	3,224,755	384,339	12%
Capital grants & contributions	726,582	960,511	(233,929)	-24%
General revenues	-			
Property taxes	34,742,608	34,029,213	713,395	2%
Other taxes	23,722,634	21,679,729	2,042,905	9%
Other revenues	1,029,559	792,967	236,592	30%
Total revenues	<u>\$ 76,282,288</u>	<u>\$ 71,918,950</u>	<u>\$ 4,363,338</u>	<u>6%</u>

### Significant changes:

Charges for services were higher than 2018 by about \$1.2 million. This category primarily consists of vehicle stickers, building and compliance permits, interdepartmental charges, and paramedic service collections. Billing for ambulance/paramedic services was the primary driver of the revenue increase of about \$360,000 versus 2018. Building Inspections also provided about \$250,000 higher revenues than the prior year.

In 2019, operating grants and contributions increased by approximately \$384,000. 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 increase involved more funding compared to 2018 from the Department of Justice in addition to other various federal and state agencies.

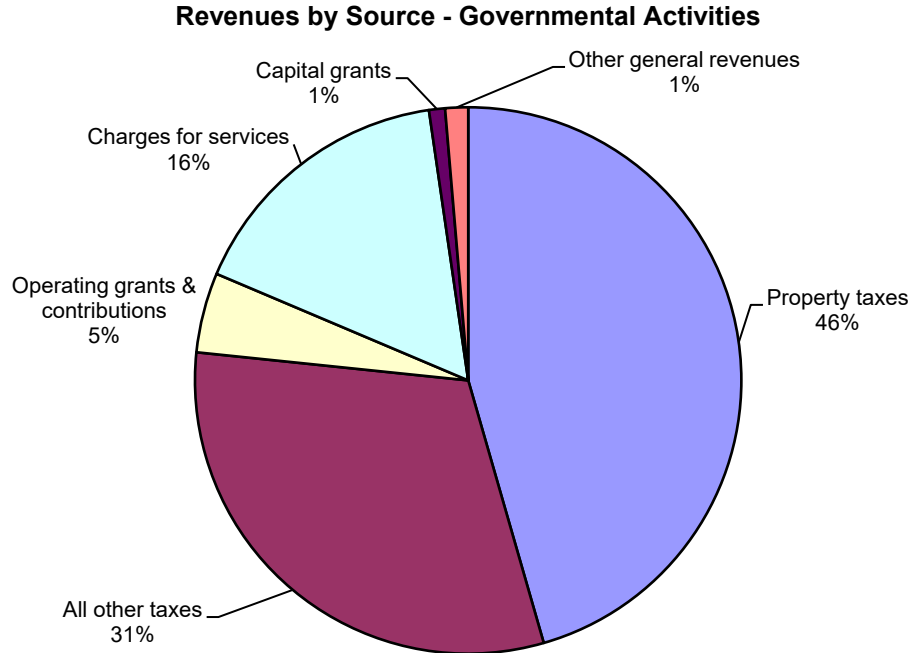
Capital grants and contributions declined again in 2019 by \$234,000 due to lower funding vs 2018 from the Federal Housing and Urban Development (HUD) agency.

Revenues from Other Taxes were significantly higher by \$2 million primarily due to State and Home Rule sales taxes. The combination of the home rule tax increase from 1% to 1.75% (effective July 1, 2019) along with the addition of the Tony's Fresh Foods grocery market help drive sales tax revenues higher than in 2018.



## 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 2018 when property taxes accounted for 47%, all other taxes were 30%, charges for services were 16%, operating grants were 5%, and capital grants were 1%, and other general revenues were 1%.

## Governmental activities - Expenses

The table below shows the change in expenses from 2019 versus 2018:

**Changes in Governmental Activities Expenses**

	Governmental activities		Change	% Chg
	2019	2018		
Expenses:				
General government	\$ 4,444,154	\$ 4,322,035	\$ 122,119	3%
Public safety	52,132,315	52,991,988	(859,673)	-2%
Public works	7,558,885	7,050,783	508,102	7%
Economic development	3,685,048	2,948,818	736,230	25%
Culture and recreation	5,074,881	5,288,508	(213,627)	-4%
Interest on long-term debt	9,960,909	7,410,680	2,550,229	34%
Total expenses	<u>\$ 82,856,192</u>	<u>\$ 80,012,812</u>	<u>\$ 2,843,380</u>	<u>4%</u>

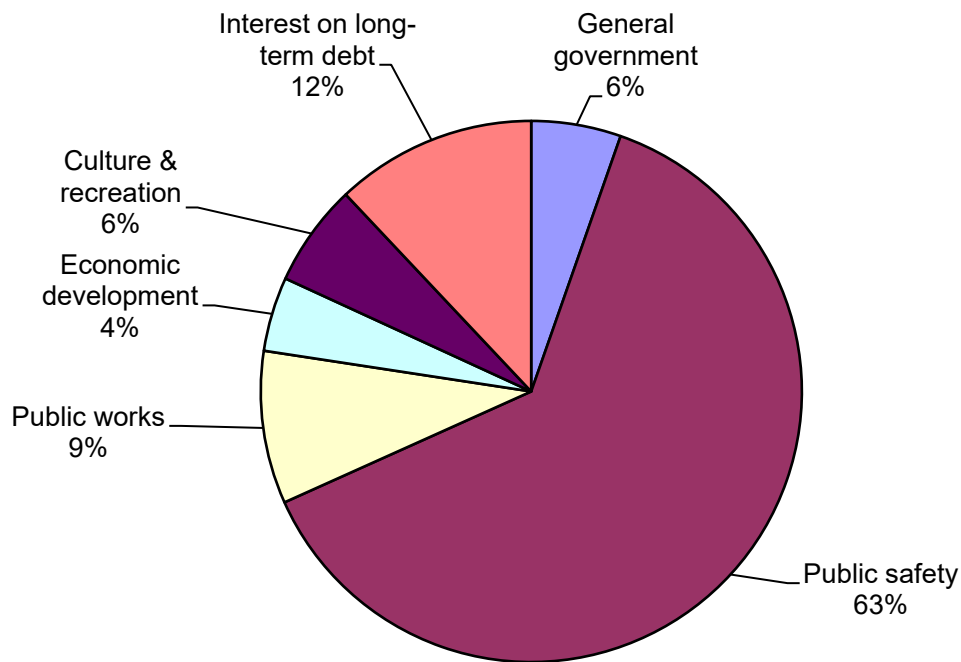
**Significant changes:**

Overall, expenses increased 4% or \$2.8 million as a result of the higher expenditures in long term interest debt. The securitization bond issued was the main contributing factor in higher interest costs of \$2.5 million.

Also, \$740,000 more in expenditures vs 2018 were incurred for economic development. The Harlem TIF was primarily responsible for the higher expenses related to Cermak Plaza making capital improvements.

Public Safety Expenses were lower by \$860,000 compared to 2018. This occurred primarily as a result of the Fire and Police Department’s internal service costs being \$450,000 lower than 2018. Also, Public Safety equipment purchases were also notably lower than 2018 by \$230,000.

**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 63% of governmental expenses vs 66% in 2018. The expense composition remained the same as 2018 when public works was 9% and economic development was 4%. Culture and recreation changed from 7% to 6%, interest on long-term debt changed 9% to 12%, and general government 5% to 6%.

## Business-Type activities

	Business-Type activities			
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Charges for services	\$ 17,136,170	\$ 17,304,647	\$ (168,477)	-1%
Other Income	<u>451,037</u>	<u>409,195</u>	<u>41,842</u>	<u>10%</u>
Total Revenues	<u>\$ 17,587,207</u>	<u>\$ 17,713,842</u>	<u>\$ (126,635)</u>	<u>-1%</u>
Expenses:				
Utilities	\$ 17,459,824	\$ 18,223,176	\$ (763,352)	-4%
Parking garage	<u>269,462</u>	<u>291,169</u>	<u>(21,707)</u>	<u>-7%</u>
Total Expenses	<u>\$ 17,729,286</u>	<u>\$ 18,514,345</u>	<u>\$ (785,059)</u>	<u>-4%</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. As mentioned in last year's report, the City Council approved a water rate ordinance adjusting the rates at 5% annually over five years to absorb rising operating and capital costs.

In 2019, higher revenues for billing (\$140,000 higher than 2018) were offset by lower penalties being assessed (\$350,000 lower than 2018 as customer payment performance improved vs prior years. Also, the City implemented processes to improve the collection of residential and commercial account balances that were beyond 90 days past due. As the statement of cash flow illustrates, receipts from customers and users improved by \$800,000 which helped decrease accounts receivable by \$500,000.

Expenses within the Utility fund were \$800,000 lower than 2018. Factors contributing to lower expenditures include City's bad debt expense being reduced by \$500,000. Also, the cost of water was lower than 2018 by \$225,000. Depreciation expense amounted to \$1.2 million in 2019 compared to \$1.4 million in 2018, a \$200,000 decrease.

As the table below illustrates, operating performance for the City's Utility Fund dramatically improved in 2018 and 2019 compared to 2017.

	Business-Type activities: Utility Fund			
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>
Operating Income (Loss)	\$ (224,023)	\$ (792,713)	\$ 568,690	\$ (2,366,525)
Depreciation	<u>1,242,300</u>	<u>1,203,245</u>	<u>39,055</u>	<u>2,504,233</u>
<b>Operating Income(Loss) Before Depreciation</b>	<u><b>\$ 1,018,277</b></u>	<u><b>\$ 410,532</b></u>	<u><b>\$ 607,745</b></u>	<u><b>\$ 137,708</b></u>

See Statement of Revenues, Expenses, and Changes in Net Position

## 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.

In 2019, there were two new major funds established as part of the creation of the entity called the Berwyn Municipal Securitization Corporation (BMSC). The BMSC fund was created in addition to the Public Safety Pension fund.

The purpose of the BMSC fund is to administer and account for sales and income tax receipts, and to allocate funds for the necessary debt service payments for the 2019 securitization bonds issued. The remaining balance after required interest and principal payments, or residuals, are then forwarded to the City's General Fund.

The Public Safety Fund was set up to accommodate the amortization of the \$30 million in bond proceeds used to fund the Police and Fire pensions. The Fund also functions to account for and distribute future property tax levies to the Police and Fire pension funds.

### Significant changes – Fund balances

	Fund				
	General Fund	Public Safety Pension	Debt Service	Berwyn Securitization (BMSC)	Nonmajor Governmental Funds
Revenues	\$ 39,834,342	\$ 2,740,604	\$ 7,121,265	\$ 16,059,774	\$ 10,526,303
Expenditures	47,506,205	32,739,962	24,018,038	2,132,572	9,935,679
Other Financing Sources (Uses)					
Net	<u>7,766,379</u>	<u>370,196</u>	<u>(30,324,947)</u>	<u>70,001,199</u>	<u>(605,370)</u>
Net change in fund balance	94,516	(29,629,162)	(47,221,720)	83,928,401	(14,746)
Fund balance, beginning	<u>12,275,461</u>	<u>-</u>	<u>64,873</u>	<u>-</u>	<u>6,141,018</u>
Fund balance, ending	<u>\$ 12,369,977</u>	<u>\$ (29,629,162)</u>	<u>\$ (47,156,847)</u>	<u>\$ 83,928,401</u>	<u>\$ 6,126,272</u>

General Fund revenues were notably lower than 2018 by 14.5 million. However the state income and sales taxes of over \$16 million are now listed in the BMSC Fund and represent the majority of the variance. Also, \$2.7 million in property taxes for Fire and Police pensions have been transferred to the City's Public Safety Pension Funding Fund.

General Fund expenditures were \$3.3 million lower than experienced in 2018. The driver of the decrease involved the normal pension costs of the Fire and Police pensions being recorded in the Public Safety Pension Funding Fund, rather than the General Fund.

Revenues in the Debt Service Fund increased from 2018 by \$269,000 as the City dedicated more tax revenue toward the repayment of debt in 2019. Debt Service expenditures were \$3 million lower than 2018 as a result of the 2013 bond refunding where scheduled interest payments were deferred to the BMSC fund.

With regard to the Non-major Governmental Funds, revenues from 2019 were nearly \$200,000 lower than 2018 due to lower property tax revenue from the Harlem TIF (\$300,000 lower than 2018).

Non-major Governmental Fund expenditures were \$625,000 higher than 2018 primarily due to \$454,000 more capital expenditures incurred by the Berwyn Library.

The aforementioned changes in Non-major Governmental revenues and expenditures resulted in an ending fund balance close to the \$6.1 million fund balance in 2018 (\$15,000 lower than 2018).

### **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.

Total net position of the Business-Type activities at the end of the 2019 amounted to \$21.2 million compared to the 2018 net position of \$22.3 million. The decrease in net position was primarily higher net pension obligations of \$750,000 vs 2018.

The breakdown of business activities net position at year-end was \$9.9 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 \$208,000. Expenses (excluding depreciation) amounted to about \$36,000. After depreciation of about \$233,000, the fund posted an operating loss of \$61,000.

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 2019, the fund's expenses decreased by \$900,000 to a total of \$1.1 million. The decrease is attributed primarily to lower claims incurred in 2019 compared to 2018. The net position in the ISF remained practically the same at \$100,000 as 2018's net position.

### **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.

In 2019, there were General Fund budget amendments approved by City Council reclassifying \$10.5 million in state income, state sales, and, home rule taxes revenues to residual transfers in revenue from the City's Berwyn Municipal Securitization Fund (BMSC).

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	21,960,811	19,222,973	\$ (2,737,838)	-12%
Other taxes	8,125,991	6,874,645	(1,251,346)	-15%
Licenses and permits	3,584,000	3,665,588	81,588	2%
Charges for services	1,902,000	2,627,777	725,777	38%
Fines and forfeitures	4,958,643	5,519,621	560,978	11%
Intergovernmental	281,870	589,205	307,335	109%
Investment income	60,400	218,457	158,057	262%
Miscellaneous	1,092,500	1,116,076	23,576	2%
<b>Total Revenues</b>	<b>\$ 41,966,215</b>	<b>\$ 39,834,342</b>	<b>\$ (2,131,873)</b>	<b>-5%</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	3,967,056	\$ 3,982,145	\$ (15,089)	0%
Public safety	\$ 68,706,261	35,261,336	33,444,925	49%
Public works	6,186,359	5,651,138	535,221	9%
Economic development	230,847	555,923	(325,076)	-141%
Culture and recreation	2,094,187	2,055,663	38,524	2%
<b>Debt Service</b>				
Bond issuance costs	500,000	-	500,000	-
<b>Total expenditures</b>	<b>\$ 81,684,710</b>	<b>\$ 47,506,205</b>	<b>\$ 34,178,505</b>	<b>42%</b>

The property taxes are \$2.7 million lower than the General Fund because the Police and Fire property taxes for normal pension costs are listed in the Public Safety Pension Funding Fund. General Fund public safety expenses are \$33 million lower than the budget because of the Police and Fire pension funding and normal cost are also captured in the Public Safety Pension Funding Fund. Please refer to page 38 of Statement of Revenues, Expenditures, and Changes in Fund Balances Government Funds.

## **Significant changes from budget**

### **Revenues**

Other taxes were lower by \$1.3 million because all but \$360,000 in actual state income taxes were conveyed to the BMSC fund.

There were other revenue categories that experienced revenue increases vs the 2019 Budget. Those categories with higher revenue than budgeted include:

- Ambulance Billing \$360,000
- Inspections \$250,000
- Fines \$560,000
- Grants \$190,000

### **Expenditures**

The primary contributors for lower than budgeted expenditures include:

- Public Works \$535,000 lower than the budget
  - Building/Public Works Salaries and benefits were \$350,000 lower than the budget.
  - Professional Services were \$180,000 lower than the budget.
- Budgeted Bond Issuance Costs of \$500,000 were not incurred in the General Fund
  - Instead, the Issuance Costs for the 2019 Securitization Bond were captured in the BMSC Fund.
- Economic Development \$325,000 higher than the budget
  - The sales tax rebate of \$370,000 was the primary catalyst for higher General Fund economic development costs. Previously, the rebate was listed in the general fund revenue section to offset sales tax revenues. The accounting was changed to recognize the rebate as an economic development expense because of the transition of sales taxes being assigned to the securitization fund (BMSC).

## Capital Asset and Debt Administration

### Significant change - Capital assets

The table below summarizes the City's capital asset balances at year end for 2019 with comparative figures for 2018.

	Governmental activities		Business-Type activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 10,310,603	\$ 10,310,603	\$ 24,600	\$ 24,600	\$ 10,335,203	\$ 10,335,203
CIP	662,954	602,696	520,196	90,076	1,183,150	692,772
Buildings	9,672,942	9,680,206	8,475,427	8,708,413	18,148,369	18,388,619
Equipment	891,983	933,527	705,656	779,125	1,597,639	1,712,652
Land improvements	7,369,033	7,409,594	-	-	7,369,033	7,409,594
Vehicles	3,145,035	3,657,997	540,783	349,728	3,685,818	4,007,725
Infrastructure	18,149,378	18,433,634	16,039,763	16,453,039	34,189,141	34,886,673
Total	<u>\$ 50,201,928</u>	<u>\$ 51,028,257</u>	<u>\$ 26,306,425</u>	<u>\$ 26,404,981</u>	<u>\$ 76,508,353</u>	<u>\$ 77,433,238</u>

At the end of 2019, capital assets in governmental activity were \$900,000 lower than 2018. The 2019 business activities capital assets were \$100,000 lower compared to 2018. For both governmental and business activities, depreciation expense and asset retirements exceeded 2019 asset additions. Additional information on the City's capital assets can be found in the notes to financial statements of this report on pages 64 – 65.



## Significant change – Long-term debt

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

	Governmental activities		Business-Type activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 95,040,000	\$ 129,995,000	\$ 7,465,000	\$ 7,615,000	\$ 102,505,000	\$ 137,610,000
Securitization bonds	79,970,000	-	-	-	79,970,000	-
Installment notes payable	-	-	-	-	-	-
Mortgage notes payable	457,648	614,104	-	-	457,648	614,104
Unamortized premiums	3,071,893	2,534,919	289,923	314,390	3,361,816	2,849,309
Unamortized discounts	(499,222)	(559,858)	(28,408)	(30,587)	(527,630)	(590,445)
Capital leases	362,711	559,614	-	-	362,711	559,614
Line of Credit	-	15,000,000	-	-	-	15,000,000
Claims payable	2,918,016	3,904,567	-	-	2,918,016	3,904,567
Net pension liability	90,970,948	119,558,184	799,670	50,916	91,770,618	119,609,100
Net OPEB obligation	19,396,363	16,304,422	1,080,984	1,014,994	20,477,347	17,319,416
Compensated absences	5,238,493	4,855,381	126,041	86,270	5,364,534	4,941,651
<b>Total</b>	<b>\$ 296,926,850</b>	<b>\$ 292,766,333</b>	<b>\$ 9,733,210</b>	<b>\$ 9,050,983</b>	<b>\$ 306,660,060</b>	<b>\$ 301,817,316</b>

In 2019, the City’s S&P credit rating was BBB+ with a “negative” outlook for the General Obligation Bonds.

In 2019, the total long-term liabilities increased by \$4 million primarily due to the Net OPEB obligation being \$3 million higher than 2018. Additionally, the unamortized premiums were \$600,000 higher than 2018. Compensated absences were about \$400,000 higher than 2018.

Further details on the City's long-term debt can be found in the notes to financial statements on pages 68 to 74.

Other significant changes in the governmental activities total long term debt during 2019 include:  
 1. a decrease in mortgage notes payable of almost \$160,000; 2. a decrease in claims payable by \$1 million.

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

Looking ahead to 2020, the economic reality of the COVID-19 pandemic poses as a major challenge to the City maintaining its strong fund balance position. Because of the pandemic, numerous local businesses had to shut down all or a portion of their operations. City Hall was closed for almost two months where only essential workers were allowed on the premises.

The Illinois Municipal League indicates an 8-15% possible decline of overall pre-pandemic revenues. The City's initial analysis of an unfavorable impact (revenues net of expenditures) on the City's balanced General Fund budget due to COVID-19 would be at least \$5 million as a result of a 9% reduction in revenues (the low end of the Illinois Municipal League estimate). The major revenue categories that are expected to have a severe downward decline include the following revenues:

- State Income Taxes
- State Sales Taxes
- Home Rule Taxes
- Fines
- Video Gaming

As explained in the Letter of Transmittal, the City is working diligently with department management and City staff to obtain emergency funding to absorb the COVID-19 related expenditures incurred. It's the City's objective to minimizing the impact on the City's General Fund balance.

### **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, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
<b>ASSETS</b>				
Cash and investments	\$ 24,648,698	\$ -	\$ 24,648,698	\$ 787,674
Restricted cash	303,186	871,380	1,174,566	835,745
Receivables, net of allowance where applicable				
Property tax	33,413,553	-	33,413,553	-
Sales tax	1,156,702	-	1,156,702	-
Home rule sales tax	1,363,881	-	1,363,881	-
Income tax	1,105,173	-	1,105,173	-
Personal property replacement tax	38,387	-	38,387	-
Utility tax	371,446	-	371,446	-
Accounts	3,151,068	5,856,355	9,007,423	5,237
Interest	232	-	232	-
Miscellaneous	-	-	-	33,210
Prepaid expenses	507,167	-	507,167	6,175
Internal balances	395,088	(395,088)	-	-
Due from other governments	291,376	-	291,376	-
Notes receivable	2,274,736	-	2,274,736	936,530
Land held for resale	305,000	-	305,000	-
Net pension asset	114,897	-	114,897	-
Capital assets, not being depreciated	10,973,557	544,796	11,518,353	-
Capital assets, being depreciated (net of accumulated depreciation)	39,228,371	25,761,629	64,990,000	14,996
Total Assets	<u>119,642,518</u>	<u>32,639,072</u>	<u>152,281,590</u>	<u>2,619,567</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	12,415,296	539,575	12,954,871	-
Pension contributions subsequent to measurement date	969,325	109,845	1,079,170	-
Deferred outflows related to OPEB	2,783,518	155,129	2,938,647	-
Deferred loss on refunding	1,732,422	-	1,732,422	-
Total Deferred Outflows of Resources	<u>17,900,561</u>	<u>804,549</u>	<u>18,705,110</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	1,406,532	1,757,086	3,163,618	39,143
Accrued payroll	1,029,505	51,036	1,080,541	-
Accrued interest payable	2,620,192	27,764	2,647,956	-
Due to fiduciary funds	8,693	-	8,693	-
Unearned revenues	2,256,514	424,035	2,680,549	15,065
Security deposits	-	9,202	9,202	-
Other liabilities	1,373,909	-	1,373,909	835,745
Noncurrent liabilities				
Due within one year	5,639,844	198,994	5,838,838	-
Due in more than one year	291,287,006	9,534,216	300,821,222	583,672
Total Liabilities	<u>305,622,195</u>	<u>12,002,333</u>	<u>317,624,528</u>	<u>1,473,625</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	7,710,730	217,124	7,927,854	-
Deferred inflows related to OPEB	782,549	43,612	826,161	-
Deferred revenue - property taxes	33,369,916	-	33,369,916	-
Total Deferred Inflows of Resources	<u>41,863,195</u>	<u>260,736</u>	<u>42,123,931</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	(27,867,456)	19,451,290	(8,416,166)	14,996
Restricted for				
Public safety	1,637,334	-	1,637,334	-
Public works	1,979,676	-	1,979,676	-
Economic development	318,534	-	318,534	-
Debt service	5,808,899	-	5,808,899	-
Unrestricted (deficit)	<u>(191,819,298)</u>	<u>1,729,262</u>	<u>(190,090,036)</u>	<u>1,130,946</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (209,942,311)</u>	<u>\$ 21,180,552</u>	<u>\$ (188,761,759)</u>	<u>\$ 1,145,942</u>

See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Change in Net Position							Component Unit
	Program Revenues			Primary Government				
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT</b>								
Governmental Activities								Berwyn Development Corporation
General government	\$ 4,444,154	\$ 2,832,766	-	-	\$ (1,611,388)	\$ -	\$ (1,611,388)	
Public safety	52,132,315	7,011,487	370,048	681,320	(44,069,460)	-	(44,069,460)	
Public works	7,558,885	1,955,806	1,995,370	45,262	(3,562,447)	-	(3,562,447)	
Economic development	3,685,048	-	1,084,176	-	(2,600,872)	-	(2,600,872)	
Culture and recreation	5,074,881	632,535	159,500	-	(4,282,846)	-	(4,282,846)	
Health and sanitation	-	19,217	-	-	19,217	-	19,217	
Interest & debt issuance costs	9,960,909	-	-	-	(9,960,909)	-	(9,960,909)	
Total Governmental Activities	<u>82,856,192</u>	<u>12,451,811</u>	<u>3,609,094</u>	<u>726,582</u>	<u>(66,068,705)</u>	<u>-</u>	<u>(66,068,705)</u>	
Business-Type Activities								
Utilities	17,459,824	16,928,161	-	-	(531,663)	-	(531,663)	
Parking Garage	269,462	208,009	-	-	(61,453)	-	(61,453)	
Total Business-Type Activities	<u>17,729,286</u>	<u>17,136,170</u>	<u>-</u>	<u>-</u>	<u>(593,116)</u>	<u>-</u>	<u>(593,116)</u>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 100,585,478</u>	<u>\$ 29,587,981</u>	<u>\$ 3,609,094</u>	<u>\$ 726,582</u>	<u>(66,068,705)</u>	<u>(593,116)</u>	<u>(66,661,821)</u>	
<b>COMPONENT UNIT</b>								(244,015)
Berwyn Development Corporation	<u>\$ 1,434,839</u>	<u>\$ 1,190,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	
General Revenues								
Taxes								
Property					34,742,608	-	34,742,608	
Sales					4,459,522	-	4,459,522	
Home rule sales					3,927,872	-	3,927,872	
Replacement					275,021	-	275,021	
Municipal utility					2,889,681	-	2,889,681	
Real estate transfer					2,107,324	-	2,107,324	
Other					2,072,583	-	2,072,583	
Income					7,990,631	-	7,990,631	
Investment income					346,821	1,151	347,972	3,374
Miscellaneous					682,738	-	682,738	
Transfers					(449,886)	449,886	-	
Total General Revenues and Transfers					<u>59,044,915</u>	<u>451,037</u>	<u>59,495,952</u>	3,374
CHANGE IN NET POSITION					(7,023,790)	(142,079)	(7,165,869)	(240,641)
NET POSITION (DEFICIT), JANUARY 1					(202,918,521)	21,322,631	(181,595,890)	1,386,583
<b>NET POSITION (DEFICIT), DECEMBER 31</b>					<u>\$ (209,942,311)</u>	<u>\$ 21,180,552</u>	<u>\$ (188,761,759)</u>	<u>\$ 1,145,942</u>

CITY OF BERWYN, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

	General	Public Safety Pension Funding	Debt Service	Berwyn Municipal Securitization	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 13,696,245	\$ -	\$ 145,176	\$ 3,592,794	\$ 7,123,042	\$ 24,557,257
Restricted cash	-	-	302,307	-	879	303,186
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	19,610,866	2,765,046	7,612,465	-	3,425,176	33,413,553
Sales taxes	-	-	-	1,156,702	-	1,156,702
Home rule sales tax	61,353	-	-	1,302,528	-	1,363,881
Income taxes	-	-	-	1,105,173	-	1,105,173
Personal property replacement tax	38,387	-	-	-	-	38,387
Utility tax	371,446	-	-	-	-	371,446
Accounts	2,138,296	-	800,300	-	210,219	3,148,815
Interest	47	-	14	-	171	232
Prepaid items	140,882	-	-	-	43,291	184,173
Due from other funds	5,040,466	9,335	321,977	-	482,336	5,854,114
Due from other governments	-	-	-	-	291,376	291,376
Notes receivable	20,222	-	-	-	2,254,514	2,274,736
Advance to other funds	-	-	-	78,119,502	-	78,119,502
Land held for resale	-	-	-	-	305,000	305,000
<b>TOTAL ASSETS</b>	<b>\$ 41,118,210</b>	<b>\$ 2,774,381</b>	<b>\$ 9,182,239</b>	<b>\$ 85,276,699</b>	<b>\$ 14,136,004</b>	<b>\$ 152,487,533</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 987,726	\$ -	\$ -	\$ -	\$ 418,812	\$ 1,406,538
Accrued payroll	2,128,612	-	-	-	123,991	2,252,603
Unearned revenues	-	-	-	-	2,256,514	2,256,514
Due to other funds	5,014,511	-	-	1,348,298	1,698,408	8,061,217
Due to fiduciary funds	-	8,693	-	-	-	8,693
Other liabilities	1,008,483	-	246,227	-	119,199	1,373,909
Advance from other funds	-	29,629,804	48,489,698	-	-	78,119,502
<b>TOTAL LIABILITIES</b>	<b>9,139,332</b>	<b>29,638,497</b>	<b>48,735,925</b>	<b>1,348,298</b>	<b>4,616,924</b>	<b>93,478,976</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	19,608,901	2,765,046	7,603,161	-	3,392,808	33,369,916
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>19,608,901</b>	<b>2,765,046</b>	<b>7,603,161</b>	<b>-</b>	<b>3,392,808</b>	<b>33,369,916</b>
<b>FUND BALANCE</b>						
Nonspendable						
Notes receivable	20,222	-	-	-	-	20,222
Prepaid items	140,882	-	-	-	43,291	184,173
Land held for resale	-	-	-	-	-	-
Advance to other funds	-	-	-	78,119,502	-	78,119,502
Restricted						
Public safety	-	-	-	-	1,637,334	1,637,334
Public works	-	-	-	-	1,979,676	1,979,676
Culture and recreation	-	-	-	-	1,703,972	1,703,972
Economic development	-	-	-	-	318,534	318,534
Debt service	-	-	-	5,808,899	-	5,808,899
Committed						
Capital projects funded by bonds	-	-	-	-	1,141,030	1,141,030
Assigned						
Fuel surcharge for gas pump repairs	40,482	-	-	-	-	40,482
Future community events	1,054	-	-	-	-	1,054
Unassigned (deficit)	12,167,337	(29,629,162)	(47,156,847)	-	(697,565)	(65,316,237)
<b>TOTAL FUND BALANCE</b>	<b>12,369,977</b>	<b>(29,629,162)</b>	<b>(47,156,847)</b>	<b>83,928,401</b>	<b>6,126,272</b>	<b>25,638,641</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 41,118,210</b>	<b>\$ 2,774,381</b>	<b>\$ 9,182,239</b>	<b>\$ 85,276,699</b>	<b>\$ 14,136,004</b>	<b>\$ 152,487,533</b>

**CITY OF BERWYN, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION  
December 31, 2019**

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$	25,638,641
<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>		50,201,928
<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		16,168,145
Deferred inflows of resources		(8,493,279)
<p>Net pension asset is not receivable in the current year and therefore not reported in the governmental funds</p>		114,897
<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		(3,071,893)
Discount on bonds		499,222
Loss on refunding		1,732,422
<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>		
Bonded debt		(175,010,000)
Notes payable		(457,648)
Capital leases		(362,711)
Long-term compensated absences		(4,015,395)
Net pension liability		(90,970,948)
Total other postemployment benefit liability		(19,396,363)
Accrued interest on bonds		(2,620,192)
<p>The unrestricted net position of the internal service funds are included in the governmental activities in the statement of net position</p>		100,863
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>(209,942,311)</u></b>

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See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019**

	General	Public Safety Pension Funding	Debt Service	Berwyn Municipal Securitization	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 19,222,973	\$ 2,739,892	\$ 7,118,009	\$ -	\$ 5,661,734	\$ 34,742,608
Other taxes	6,874,645	-	-	16,013,214	834,775	23,722,634
Licenses and permits	3,665,588	-	-	-	-	3,665,588
Charges for services	2,627,777	-	-	-	-	2,627,777
Fines and forfeitures	5,519,621	-	-	-	37,113	5,556,734
Intergovernmental	589,205	-	-	-	3,746,471	4,335,676
Investment income	218,457	712	3,256	46,560	77,836	346,821
Miscellaneous	1,116,076	-	-	-	168,374	1,284,450
Total Revenues	<u>39,834,342</u>	<u>2,740,604</u>	<u>7,121,265</u>	<u>16,059,774</u>	<u>10,526,303</u>	<u>76,282,288</u>
<b>EXPENDITURES</b>						
Current						
General government	3,982,145	-	-	97,500	-	4,079,645
Public safety	35,261,336	32,739,962	-	-	1,467,500	69,468,798
Public works	5,651,138	-	-	-	1,989,620	7,640,758
Economic development	555,923	-	-	-	2,492,086	3,048,009
Culture and recreation	2,055,663	-	-	-	3,247,139	5,302,802
Capital outlay	-	-	-	-	551,171	551,171
Debt service						
Principal	-	-	18,501,691	-	107,800	18,609,491
Interest and fiscal charges	-	-	5,516,347	2,035,072	80,363	7,631,782
Total Expenditures	<u>47,506,205</u>	<u>32,739,962</u>	<u>24,018,038</u>	<u>2,132,572</u>	<u>9,935,679</u>	<u>116,332,456</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,671,863)</u>	<u>(29,999,358)</u>	<u>(16,896,773)</u>	<u>13,927,202</u>	<u>590,624</u>	<u>(40,050,168)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	9,866,379	370,196	3,361,783	-	224,192	13,822,550
Transfers (out)	(2,100,000)	-	-	(10,892,988)	(829,562)	(13,822,550)
Payment to refunded bond escrow agent	-	-	(33,686,730)	-	-	(33,686,730)
Bond Premium	-	-	-	924,187	-	924,187
Debt Issuance	-	-	-	79,970,000	-	79,970,000
Total Other Financing Sources (Uses)	<u>7,766,379</u>	<u>370,196</u>	<u>(30,324,947)</u>	<u>70,001,199</u>	<u>(605,370)</u>	<u>47,207,457</u>
NET CHANGE IN FUND BALANCES	94,516	(29,629,162)	(47,221,720)	83,928,401	(14,746)	7,157,289
FUND BALANCES, JANUARY 1	<u>12,275,461</u>	<u>-</u>	<u>64,873</u>	<u>-</u>	<u>6,141,018</u>	<u>18,481,352</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 12,369,977</u>	<u>\$ (29,629,162)</u>	<u>\$ (47,156,847)</u>	<u>\$ 83,928,401</u>	<u>\$ 6,126,272</u>	<u>\$ 25,638,641</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, 2019**

NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS	\$	7,157,289
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		1,313,323
Contributions of capital assets are only reported in the statement of activities		(520,688)
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		34,955,000
Line of credit		15,000,000
Mortgage notes		156,456
Capital leases		196,903
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		(80,894,187)
The loss on debt refunding is deferred and amortized in the statement of net position		1,973,996
Changes in net pension liabilities are reported only in the statement of activities		
Police pension		17,885,567
Firefighters' pension		15,891,306
IMRF		(5,009,040)
IMRF SLEP		(65,700)
Changes in certain deferred outflows and inflows are not included in the governmental funds		
Deferred outflow of resources related to pensions		(7,745,541)
Deferred inflow of resources related to pensions		(2,978,519)
Deferred outflow of resources related to OPEB		2,783,518
Deferred inflow of resources related to OPEB		74,558
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements		(3,091,941)
Changes in long-term accrued compensated absences are reported only in the statement of activities		260,734
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		(2,139,654)
Loss on disposal of capital assets		(773)
Change in accrued interest payable		(2,015,180)
Amortization of accounting loss on refunding		(537,791)
Amortization of bond premium and discount		326,578
The change in net position of certain activities of internal service funds is reported with governmental activities		(4)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(7,023,790)</u>



CITY OF BERWYN, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 December 31, 2019

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 91,441
Restricted cash	871,380	-	871,380	-
Receivables				
Accounts (net of allowance)	5,854,538	1,817	5,856,355	2,253
Prepaid expenses	-	-	-	322,994
Due from other funds	-	1,598,671	1,598,671	2,602,191
Total Current Assets	<u>6,725,918</u>	<u>1,600,488</u>	<u>8,326,406</u>	<u>3,018,879</u>
<b>NONCURRENT ASSETS</b>				
Capital assets				
Capital assets, not being depreciated	544,796	-	544,796	-
Capital assets, net of accumulated depreciation	17,440,155	8,321,474	25,761,629	-
Net Capital Assets	<u>17,984,951</u>	<u>8,321,474</u>	<u>26,306,425</u>	<u>-</u>
Total Noncurrent Assets	<u>17,984,951</u>	<u>8,321,474</u>	<u>26,306,425</u>	<u>-</u>
Total Assets	<u>24,710,869</u>	<u>9,921,962</u>	<u>34,632,831</u>	<u>3,018,879</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to OPEB	155,129	-	155,129	-
Deferred outflows related to pensions	539,575	-	539,575	-
Pension contributions subsequent to measurement date	109,845	-	109,845	-
Total Deferred Outflows of Resources	<u>804,549</u>	<u>-</u>	<u>804,549</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	1,757,086	-	1,757,086	-
Claims payable	-	-	-	685,134
Accrued payroll	51,036	-	51,036	-
Security deposits	-	9,202	9,202	-
Unearned revenue	424,035	-	424,035	-
Accrued interest payable	27,764	-	27,764	-
Bonds payable	175,000	-	175,000	-
Compensated absences	23,994	-	23,994	-
Due to other funds	1,993,759	-	1,993,759	-
Total Current Liabilities	<u>4,452,674</u>	<u>9,202</u>	<u>4,461,876</u>	<u>685,134</u>
<b>LONG-TERM LIABILITIES</b>				
Claims payable	-	-	-	2,232,882
Bonds payable	7,551,515	-	7,551,515	-
Net pension obligation	799,670	-	799,670	-
Total OPEB liability	1,080,984	-	1,080,984	-
Compensated absences payable	102,047	-	102,047	-
Total Long-Term Liabilities	<u>9,534,216</u>	<u>-</u>	<u>9,534,216</u>	<u>2,232,882</u>
Total Liabilities	<u>13,986,890</u>	<u>9,202</u>	<u>13,996,092</u>	<u>2,918,016</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	43,612	-	43,612	-
Deferred inflows related to pensions	217,124	-	217,124	-
Total Deferred Inflows of Resources	<u>260,736</u>	<u>-</u>	<u>260,736</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	11,129,816	8,321,474	19,451,290	-
Unrestricted	137,976	1,591,286	1,729,262	100,863
Total Net Position	<u>\$ 11,267,792</u>	<u>\$ 9,912,760</u>	<u>\$ 21,180,552</u>	<u>\$ 100,863</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, 2019**

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>OPERATING REVENUES</b>				
Charges for services				
Billings	\$ 15,144,667	\$ -	\$ 15,144,667	\$ -
Penalties	1,641,711	-	1,641,711	-
Meter sales	90,930	-	90,930	-
Internal service charges	-	-	-	1,056,451
Other revenue	<u>50,853</u>	<u>208,009</u>	<u>258,862</u>	<u>-</u>
Total Operating Revenues	<u>16,928,161</u>	<u>208,009</u>	<u>17,136,170</u>	<u>1,056,451</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	2,080,834	-	2,080,834	-
Internal service fund charge	145,588	2,369	147,957	-
Cost of water	6,982,485	-	6,982,485	-
Contractual services	4,919,728	114	4,919,842	625,820
Utilities and cost of fuel	114,817	17,020	131,837	-
Repairs and maintenance	83,423	14,287	97,710	-
Postage, printing and publications	38,552	-	38,552	-
Commodities and supplies	253,047	2,120	255,167	-
Interdepartmental charges	1,233,737	-	1,233,737	-
Other general	1,521	321	1,842	-
Equipment lease	23,127	-	23,127	-
Claims expense	-	-	-	430,635
Capital outlay	33,025	-	33,025	-
Depreciation	<u>1,242,300</u>	<u>233,231</u>	<u>1,475,531</u>	<u>-</u>
Total Operating Expenses	<u>17,152,184</u>	<u>269,462</u>	<u>17,421,646</u>	<u>1,056,455</u>
Operating Income (Loss)	<u>(224,023)</u>	<u>(61,453)</u>	<u>(285,476)</u>	<u>(4)</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Investment income	1,150	-	1,150	-
Interest expense	<u>(307,639)</u>	<u>-</u>	<u>(307,639)</u>	<u>-</u>
Total Non-operating Income (Expense)	<u>(306,489)</u>	<u>-</u>	<u>(306,489)</u>	<u>-</u>
Income (Loss) Before Capital Grants and Transfers	(530,512)	(61,453)	(591,965)	(4)
<b>CAPITAL GRANTS AND TRANSFERS</b>				
Capital contribution	<u>449,886</u>	<u>-</u>	<u>449,886</u>	<u>-</u>
Total Capital Grants and Transfers	<u>449,886</u>	<u>-</u>	<u>449,886</u>	<u>-</u>
CHANGE IN NET POSITION	(80,626)	(61,453)	(142,079)	(4)
NET POSITION, JANUARY 1	<u>11,348,418</u>	<u>9,974,213</u>	<u>21,322,631</u>	<u>100,867</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 11,267,792</u>	<u>\$ 9,912,760</u>	<u>\$ 21,180,552</u>	<u>\$ 100,863</u>

See accompanying notes to financial statements.

**CITY OF BERWYN, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2019**

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 17,492,995	\$ 206,192	\$ 17,699,187	\$ 1,605,748
Payments to employees	(2,132,296)	-	(2,132,296)	-
Payments to suppliers	(12,427,925)	(34,671)	(12,462,596)	(1,952,932)
Payments for interfund services used	(1,379,325)	(2,369)	(1,381,694)	-
Net cash from operating activities	<u>1,553,449</u>	<u>169,152</u>	<u>1,722,601</u>	<u>(347,184)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
(Increase) in interfund receivable	-	(169,152)	(169,152)	(125,304)
(Decrease) in interfund payable	(238,464)	-	(238,464)	-
Net cash from noncapital financing activities	<u>(238,464)</u>	<u>(169,152)</u>	<u>(407,616)</u>	<u>(125,304)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest paid on capital debt	(316,500)	-	(316,500)	-
Principal paid on debt	(172,288)	-	(172,288)	-
Purchase of capital assets	(927,086)	-	(927,086)	-
Net cash from capital and related financing activities	<u>(1,415,874)</u>	<u>-</u>	<u>(1,415,874)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	1,150	-	1,150	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(99,739)	-	(99,739)	(472,488)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>971,119</u>	<u>-</u>	<u>971,119</u>	<u>563,929</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 871,380</u>	<u>\$ -</u>	<u>\$ 871,380</u>	<u>\$ 91,441</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (224,023)	\$ (61,453)	\$ (285,476)	\$ (4)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,242,300	233,231	1,475,531	-
Changes in assets and liabilities				
Accounts receivable	553,815	(1,817)	551,998	549,297
Prepaid expense	37,722	-	37,722	90,074
Accounts payable	(15,922)	(809)	(16,731)	-
Accrued payroll and compensated absences	46,476	-	46,476	-
Unearned revenue	11,019	-	11,019	-
Net pension obligation	748,754	-	748,754	-
Net OPEB liability	65,990	-	65,990	-
Deferred outflow and inflow of resources	(912,682)	-	(912,682)	-
Claims payable	-	-	-	(986,551)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,553,449</u>	<u>\$ 169,152</u>	<u>\$ 1,722,601</u>	<u>\$ (347,184)</u>
<b>CASH AND INVESTMENTS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 91,441
Restricted cash	871,380	-	871,380	-
<b>TOTAL CASH AND INVESTMENTS</b>	<u>\$ 871,380</u>	<u>\$ -</u>	<u>\$ 871,380</u>	<u>\$ 91,441</u>
<b>NON-CASH TRANSACTIONS</b>				
Contribution of capital assets	\$ 449,886	\$ -	\$ 449,886	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
December 31, 2019

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**ASSETS**

Cash and investments	
Cash and cash equivalents	\$ 298,791
Investments	
U.S. Government and agency securities	26,334,038
Corporate bonds	31,976,267
Money market mutual funds	6,467,104
Equities	12,199,526
Equity mutual funds	89,088,823
State and local obligations	775,371
Insurance contracts	<u>174,855</u>

    Total Cash and Investments 167,314,775

Receivables	
Accrued interest	350,575
Due from governmental funds	<u>8,693</u>

    Total Receivables 359,268

Prepays	<u>2,745</u>
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    Total Assets 167,676,788

**LIABILITIES**

Accounts payable	<u>70,458</u>
Total Liabilities	<u>70,458</u>

**NET POSITION RESTRICTED FOR PENSIONS** \$ 167,606,330

CITY OF BERWYN, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

For the Year Ended December 31, 2019

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**ADDITIONS**

Contributions	
Employer	\$ 32,739,892
Participants	<u>1,757,777</u>
Total Contributions	<u>34,497,669</u>

Investment income	
Net appreciation in fair value of investments	19,241,356
Interest earned	3,937,085
Less investment expenses	<u>(348,267)</u>
Total Investment Income	<u>22,830,174</u>
Total Additions	<u>57,327,843</u>

**DEDUCTIONS**

Administrative	159,810
Pension benefits and refunds	<u>10,743,907</u>
Total Deductions	<u>10,903,717</u>

NET INCREASE 46,424,126

NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS - January 1 121,182,204

**NET POSITION HELD IN TRUST FOR  
PENSION BENEFITS - December 31** \$ 167,606,330

**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.

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

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

*Discretely Presented Component Unit – Berwyn Development Corporation (the BDC)* – The BDC provides low-interest lending assistance to local 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.

*Blended Component Unit – Berwyn Municipal Securitization Corporation (the BMSC)* - The BMSC was established on February 12, 2019 for the purpose of issuing bonds on behalf of the City in order to provide funding for any lawful purpose of the City including but not limited to the funding of capital and infrastructure projects, the refunding 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 BMSC, 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 BMSC 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 BMSC 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. Separately issued financial statements can be obtained on the City's website ([www.berwyn-il.gov](http://www.berwyn-il.gov)).

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.

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

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

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used between funds have not been eliminated in the process of consolidation. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not included among program revenues but are reported instead as general revenues.

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



## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2019

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

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.

Berwyn Municipal Securitization Fund is used to account for the activities of the Berwyn Municipal Securitization Corporation including the issuance of debt for the benefit of the City as well as the receipt of sales and income tax revenues pledged by the City in order to pay debt service related to the bonds issued.

Public Safety Pension Funding Fund was created in 2019 to account for revenues restricted for making the City's contributions to the police and fire pension funds and the related expenditures. This includes a restricted property tax levy and proceeds from bonds issued for pension funding.

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, 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.

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.

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

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.

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.

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

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.” Long term receivables and payables are classified as “advance from other funds” or “advance to other funds”.

Advances between funds 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.

**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.

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.

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

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

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, the OPEB plan 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, 2018) and before the end of the fiscal year. This amount is included in expense in the subsequent fiscal year. The third item is the effect of changes of assumptions of the OPEB plan. It is recognized in OPEB expense over the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the plan. Finally, the fourth 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.

**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, 2019, the City reported \$1,223,098 within its General Fund and \$23,994 within its Utilities Fund related to sick leave purchased back for 2019. 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 (\$58,856), the 911 dispatch center (\$981,941) and police (\$596,537). 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, 2019, 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, 2019, 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.

**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, 2019 is classified as restricted cash on the balance sheet because its use is limited by applicable bond covenants. The restricted cash balance is \$303,186 and is to be used to make future interest payments on June 1, 2020.

In addition, unspent bond proceeds in the amount of \$871,380 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, 2019

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

Deficit Fund Balances: The CDBG Fund had a deficit fund balance at December 31, 2019 of (\$238,037), the Ogden Avenue TIF has a deficit fund balance at December 31, 2019 of (\$64,299), the Harlem Avenue TIF has a deficit fund balance at December 31, 2019 of (\$217,202), the Debt Service Fund had a deficit fund balance at December 31, 2019 of (\$47,156,847), the Public Safety Pension Funding Fund had a deficit fund balance at December 31, 2019 of (\$29,629,162) and the NSP fund had a deficit fund balance at December 31, 2019 of (\$134,736). The deficits in the Debt Service and Public Safety Pension Funding Funds are a result of the advances stemming from the bond issuance by the Berwyn Municipal Securitization Corporation which will be amortized over the life of the related bonds. The City will evaluate the need to compensate for the deficits in the other funds through General Fund subsidies.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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**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
	<u>                    </u>	<u>                    </u>	
Demand Deposits	\$ 18,682,580	\$ 19,459,090	Custodial credit deposits
Illinois Funds	6,810,566	6,815,161	Credit rate risk
Certificates of deposit	628,909	628,909	Custodial credit deposits
U.S. Treasury	20,426,085	20,426,085	Custodial credit investments and interest rate risks
U.S. agencies	5,907,953	5,907,953	Custodial credit investments, credit, concentration of credit and interest rate risk
Insurance Company Contracts	174,855	174,855	Credit and interest rate
Corporate bonds	31,976,267	31,976,267	Custodial credit, credit, and interest rate risk
Equities	12,199,526	12,199,526	Custodial credit risk
Equity mutual funds	89,088,823	89,088,823	Custodial credit risk
State and local obligations	775,371	775,371	Custodial credit, credit, and interest rate risk
Money market mutual funds	<u>6,467,104</u>	<u>6,467,104</u>	Credit rate risk
	<u>\$ 193,138,039</u>	<u>\$ 193,919,144</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 24,648,698		
Restricted cash	1,174,566		
Per Statement of Net Position - Fiduciary funds			
Total Cash and Investments	<u>167,314,775</u>		
Total Cash and Investments	<u>\$ 193,138,039</u>		

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**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, 2019, \$1,013,300 of the City's bank balances were neither insured nor 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, 2019

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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, 2019, 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, 2019, 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, 2019

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

As of December 31, 2019, 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>
State & local obligations	\$ 429,325	\$ -	\$ 77,011	\$ 249,418	\$ 102,896
U.S. Treasury	13,123,117	1,575,014	4,405,960	7,142,143	-
U.S. Agencies	4,237,623	825,112	2,214,827	179,408	1,018,276
Corporate bonds	<u>18,538,070</u>	<u>835,632</u>	<u>11,463,463</u>	<u>5,518,234</u>	<u>720,741</u>
Total	<u>\$36,328,135</u>	<u>\$ 3,235,758</u>	<u>\$18,161,261</u>	<u>\$13,089,203</u>	<u>\$ 1,841,913</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 \$1,015,000 and total \$2,405,306. 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, 2019, 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, 2019

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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:

Vanguard 500 Index Admiral Fund	\$ 20,080,486
Vanguard Total International Stock Index Fund	8,794,814
Vanguard Emerging Markets Stock Index Fund	5,444,757
Tweedy Browne Global Value Fund	4,329,406
Thornburg International Growth Fund	4,183,303
Vanguard Small Cap Index Funds	3,425,292
Artisan Mid Cap Fund	2,733,383
Voya Real Estate Fund	2,634,792
Vanguard Mid Cap Index Funds	622,009
Putnam Insurance	21,576

The Police Pension Fund has the following recurring fair value measurements as of December 31, 2019:

	Total December 31, 2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Treasuries	\$ 13,123,117	\$ 13,123,117	\$ -	\$ -
U.S. Agencies	4,237,623	-	4,237,623	-
Corporate Bonds	18,538,070	-	18,538,070	-
State and Local Obligations	429,325	-	429,325	-
Equity Securities:				
Insurance Contracts	21,576	21,576	-	-
Equity Securities:	7,832,222	7,832,222	-	-
Mutual Funds	<u>52,247,638</u>	<u>52,247,638</u>	-	-
Total Investments	<u>\$ 96,429,571</u>	<u>\$ 73,224,553</u>	<u>\$ 23,205,018</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, 2019, 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, 2019

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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, 2019, 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	\$ 7,302,968	\$ 178,706	\$ 2,884,379	\$ 4,206,727	\$ 33,156
U.S. Agencies	1,670,330	1,380,467	4,144	71,322	214,397
Corporate bonds	13,438,197	-	9,404,793	3,563,233	470,171
State and local obligations	<u>346,046</u>	<u>-</u>	<u>111,977</u>	<u>105,417</u>	<u>128,652</u>
Total	<u>\$ 22,757,541</u>	<u>\$ 1,559,173</u>	<u>\$ 12,405,293</u>	<u>\$ 7,946,699</u>	<u>\$ 846,376</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 \$90,000 and total \$340,815 as of December 31, 2019. 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, 2019, 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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**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:

Vanguard 500 Index Admiral Fund	\$ 14,787,397
Harding Loevner Emerging Markets Advisor Fund	4,660,356
Harding Loevner International Equity Portfolio	3,955,051
Vanguard Total International Stock Index Fund	3,809,698
Thornburg International Growth Fund	3,804,011
Vanguard Small Cap Index Funds	1,814,366
Vanguard REIT ETF Fund	1,804,951
Madison Mid Cap Growth Fund	1,722,148
Aston/Fairpointe Mid Cap Blend Fund	483,207
Prudential Insurance	153,279

The Firefighters’ Pension Fund has the following recurring fair value measurements as of December 31, 2019:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

Investment by Fair Value Level	December 31, <u>2019</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	\$ 7,302,968	\$ 7,302,968	\$ -	\$ -
U.S. Agencies	1,670,330	-	1,670,330	-
Corporate Bonds	13,438,197	-	13,438,197	-
State and Local Obligations	346,046	-	346,046	-
<b>Equity Securities</b>				
Insurance Contracts	153,279	153,279	-	-
Equity Securities	4,367,304	4,367,304	-	-
Mutual Funds	36,841,185	36,841,185	-	-
<b>Total Investments</b>	<b>\$ 64,119,309</b>	<b>\$ 48,664,736</b>	<b>\$ 15,454,573</b>	<b>\$ -</b>

**B. Receivables**

Property Taxes: Property taxes for 2019 attach as an enforceable lien on January 1, 2019 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 2019 tax levy is intended to finance operations for 2020 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	<u>0%</u>	<u>\$ 2,323,040</u>	<u>\$ 75,037</u>	<u>\$ 143,563</u>	<u>\$ -</u>	<u>\$ 2,254,514</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

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

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, 2019 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	\$ 907	\$ -	\$ 907	\$ -	\$ -
10,000	4,457	-	4,457	-	-
<u>35,000</u>	<u>22,320</u>	<u>-</u>	<u>2,098</u>	<u>20,222</u>	<u>1,367</u>
<u>\$ 48,000</u>	<u>\$ 27,684</u>	<u>\$ -</u>	<u>\$ 7,462</u>	<u>\$ 20,222</u>	<u>\$ 1,367</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 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, 2019

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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	\$ 1,682,082	\$ -
Utility billings	-	6,849,469
Allowance for uncollectible	(718,147)	(1,027,127)
Franchise fees	98,848	-
Grants	37,932	-
Escrow agent	800,300	-
Other	<u>1,250,053</u>	<u>34,013</u>
Total	<u>\$ 3,151,068</u>	<u>\$ 5,856,355</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>\$ 33,369,916</u>
<u>Unearned:</u>	
CDBG loan program	2,254,514
TIF repayment agreement	<u>2,000</u>
Total Unearned Revenue	<u>2,256,514</u>
Total	<u>\$ 35,626,430</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

Primary Government	Balance January 1	Additions	Retirements	Balance December 31
Government activities				
Capital assets not being depreciated				
Land	\$ 10,310,603	\$ -	\$ -	\$ 10,310,603
CIP	<u>602,696</u>	<u>580,454</u>	<u>520,196</u>	<u>662,954</u>
Total Capital Assets Not Being Depreciated	<u>10,913,299</u>	<u>580,454</u>	<u>520,196</u>	<u>10,973,557</u>
Capital assets being depreciated				
Vehicles	9,749,978	64,022	219,867	9,594,133
Equipment	3,286,765	144,411	-	3,431,176
Land improvements	12,184,065	389,037	-	12,573,102
Buildings	16,089,127	357,928	-	16,447,055
Infrastructure	<u>59,949,262</u>	<u>297,669</u>	<u>636,115</u>	<u>59,610,816</u>
Total Capital Assets Being Depreciated	<u>101,259,197</u>	<u>1,253,067</u>	<u>855,982</u>	<u>101,656,282</u>
Less accumulated depreciation for				
Vehicles	6,091,981	576,984	219,867	6,449,098
Equipment	2,353,238	185,955	-	2,539,193
Land improvements	4,774,471	429,598	-	5,204,069
Buildings	6,408,921	365,192	-	6,774,113
Infrastructure	<u>41,515,628</u>	<u>581,925</u>	<u>636,115</u>	<u>41,461,438</u>
Total Accumulated Depreciation	<u>61,144,239</u>	<u>2,139,654</u>	<u>855,982</u>	<u>62,427,911</u>
Total Capital Assets Being Depreciated, Net	<u>40,114,958</u>	<u>(886,587)</u>	<u>-</u>	<u>39,228,371</u>
Total Government Activities	<u>\$ 51,028,257</u>	<u>\$ (306,133)</u>	<u>\$ 520,196</u>	<u>\$ 50,201,928</u>

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

Function	Amount
Government Activities	
General government	\$ 139,997
Public safety	744,034
Public works	1,030,981
Economic development	72,134
Culture and recreation	<u>152,508</u>
Total Governmental Activities	<u>\$ 2,139,654</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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**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>90,076</u>	<u>520,196</u>	<u>90,076</u>	<u>520,196</u>
Total Capital Assets Not Being Depreciated	<u>114,676</u>	<u>520,196</u>	<u>90,076</u>	<u>544,796</u>
Capital assets being depreciated				
Vehicles	729,547	249,656	-	979,203
Land improvements	251,291	-	-	251,291
Buildings	11,203,924	-	-	11,203,924
Equipment	1,033,373	-	-	1,033,373
Infrastructure	<u>120,828,429</u>	<u>697,200</u>	<u>-</u>	<u>121,525,628</u>
Total Capital Assets Being Depreciated	<u>134,046,564</u>	<u>946,852</u>	<u>-</u>	<u>134,993,419</u>
Less accumulated depreciation for				
Vehicles	379,819	58,601	-	438,420
Land improvements	251,291	-	-	251,291
Buildings	2,495,511	232,986	-	2,728,497
Equipment	254,248	73,469	-	327,717
Infrastructure	<u>104,375,390</u>	<u>1,110,475</u>	<u>-</u>	<u>105,485,865</u>
Total Accumulated Depreciation	<u>107,756,259</u>	<u>1,475,531</u>	<u>-</u>	<u>109,231,790</u>
Total Capital Assets Being Depreciated, Net	<u>26,290,305</u>	<u>(528,679)</u>	<u>-</u>	<u>25,761,629</u>
Total Business-Type Activities	<u>\$26,404,981</u>	<u>\$ (8,483)</u>	<u>\$ 90,076</u>	<u>\$26,306,425</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	\$ 1,242,300
Parking garage	<u>233,231</u>
Total Business-Type Activities	<u>\$ 1,475,531</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

**D. Interfund Disclosures**

Major Governmental Fund

Receivable Fund	Payable Fund	Amount	Purpose
General fund	CDBG	\$ 216,703	Reimburse Op. Acct.
General fund	NSP	134,746	Reimburse Op. Acct.
General fund	MFT	342,797	Reimburse Op. Acct.
General fund	South Berwyn TIF	37,061	Reimburse Op. Acct.
General fund	Harlem TIF	261,347	Reimburse Op. Acct.
General fund	Roosevelt TIF	295,051	Reimburse Op. Acct.
General fund	Asset Forfeiture	410,135	Reimburse Op. Acct.
General fund	Emergency 911	566	Reimburse Op. Acct.
General fund	Foreign Fire Insurance	2	Reimburse Op. Acct.
General fund	BMSC	1,348,298	Reimburse Op. Acct.
General fund	Utilities Fund	1,993,759	Reimburse Op. Acct.
Total General fund		5,040,465	
Public Safety Pension Funding	General fund	9,335	Miscellaneous
Debt Service Fund	General fund	321,977	Transfer of funds

Non-Major Governmental Fund

Receivable Fund	Payable Fund	Amount	Purpose
Library fund	General fund	157,874	Tax Collections
Grants fund	General fund	1,538	Grant in op. acct
Capital Projects fund	General fund	321,018	Transfer of funds
Ogden Ave TIF fund	General fund	1,906	Miscellaneous
Total Non-major Governmental funds		482,336	
Total Governmental funds		5,854,113	

Proprietary Fund

Receivable Fund	Payable Fund	Amount	Purpose
Parking Garage	General fund	1,598,671	Permit revenues
Internal Service	General fund	2,602,191	Reimbursement of claims
Total Proprietary funds		4,200,862	

Fiduciary Fund

Receivable Fund	Payable Fund	Amount	Purpose
Police Pension	Public Safety Pension Funding	4,839	Tax Collections
Firefighters' Pension	Public Safety Pension Funding	3,854	Tax Collections
Total Fiduciary funds		8,693	



**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

These interfunds are expected to be repaid during 2020.

In addition, long term interfund balances are displayed as advances to/from other funds as follows:

<u>Advance from</u>	<u>Advance to</u>	<u>Amount</u>
Berwyn Municipal Securities	Public Safety Pension Funding	\$29,629,804
Berwyn Municipal Securities	Debt Service	<u>48,489,698</u>
Total		<u>\$78,119,502</u>

These advances represent the proceeds from the 2019 bond issue which are being amortized over the life of the bonds as discussed in Note 3K.

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

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
<u>Major Governmental Funds:</u>			
Debt Service Fund	Berwyn Municipal Securitization	\$ 656,413	Advance amortization
Debt Service Fund	General Fund	1,875,808	Debt service
Debt Service Fund	Roosevelt Road TIF	293,395	Debt service
Debt Service Fund	South Berwyn TIF	<u>536,167</u>	Debt service
Total Debt Service Fund		<u>3,361,783</u>	
Public Safety Pension Funding	Berwyn Municipal Securitization	<u>370,196</u>	Advance amortization
General Fund	Berwyn Municipal Securitization	<u>9,866,379</u>	Residual certificate
<u>Nonmajor Governmental Funds:</u>			
Capital Projects	General Fund	200,000	Funding for capital projects
CDBG	General Fund	<u>24,192</u>	Reimbursement of Program Expenditures
Total Nonmajor Funds		<u>224,192</u>	
Total		<u>13,822,550</u>	

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

**E. Long-Term Obligations**

Long-term obligations activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable:</b>					
General Obligation Debt	\$ 129,995,000	\$ -	\$ 34,955,000	\$ 95,040,000	\$ 3,390,000
Conveyed Tax Securitization Bonds	-	79,970,000	-	79,970,000	-
Mortgage Notes Payable	614,104	-	156,456	457,648	157,649
Unamortized premiums	2,534,919	924,188	387,214	3,071,893	-
Unamortized (discounts)	(559,858)	-	(60,636)	(499,222)	-
Total bonds and notes payable	<u>132,584,165</u>	<u>80,894,188</u>	<u>35,438,034</u>	<u>178,040,319</u>	<u>3,547,649</u>
<b>Other Liabilities:</b>					
Capital Leases	559,614	-	196,903	362,711	183,963
Line of Credit	15,000,000	-	15,000,000	-	-
Claims Payable	3,904,567	777,107	1,763,658	2,918,016	685,134
Net pension liability	119,738,781	-	28,767,833	90,970,948	-
Total OPEB Liability	16,304,422	3,091,941	-	19,396,363	-
Compensated absences	4,855,381	945,660	562,548	5,238,493	1,223,098
Total Other Liabilities	<u>160,362,765</u>	<u>4,814,708</u>	<u>46,290,942</u>	<u>118,886,531</u>	<u>2,092,195</u>
Total long-term obligations	<u>\$ 292,946,930</u>	<u>\$ 85,708,896</u>	<u>\$ 81,728,976</u>	<u>\$ 296,926,850</u>	<u>\$ 5,639,844</u>
<b>Business-Type Activities</b>					
General Obligation Debt	\$ 7,615,000	\$ -	\$ 150,000	\$ 7,465,000	\$ 175,000
Unamortized premiums	314,390	-	24,467	289,923	-
Unamortized (discounts)	(30,587)	-	(2,179)	(28,408)	-
Total OPEB Liability	1,014,994	65,990	-	1,080,984	-
Net pension liability	50,916	748,754	-	799,670	-
Compensated absences	86,270	89,180	49,409	126,041	23,994
Total long-term obligations	<u>\$ 9,050,983</u>	<u>\$ 903,924</u>	<u>\$ 221,697</u>	<u>\$ 9,733,210</u>	<u>\$ 198,994</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

Bonded debt currently outstanding is as follows:

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance 12/31/2019</u>
General obligation debt					
Corporate purpose	08/15/07	5.00%	12/01/27	\$ 28,165,000	\$ 900,000
	10/09/08	4.30-5.00%	12/01/28	7,830,000	2,100,000
	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	7,130,000
	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	18,305,000
Taxable bonds	08/15/07	5.62-5.71%	12/01/22	21,395,000	6,710,000
	06/16/15	4.25-6.00%	12/01/35	31,000,000	<u>31,000,000</u>
Conveyed Tax					
Securitization Bonds	3/13/19	5.00%	1/1/49	16,430,000	16,430,000
	3/13/19	5.73%	1/1/49	63,540,000	<u>63,540,000</u>
Total Governmental Activities Bonded Debt					<u>\$ 175,010,000</u>
<u>Business-type Activities</u>					
General obligation debt					
Corporate purpose	10/28/2010	2.00-5.00%	12/01/29	\$ 850,000	\$ 850,000
	10/27/2011	4.50%	12/01/31	2,095,000	1,570,000
	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>\$ 7,465,000</u>

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

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2019

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

The City reviews federal arbitrage requirements annually and has determined that no liability for rebatable arbitrage exists at December 31, 2019.

Conveyed Tax Securitization Bonds: On March 11, 2019, the Berwyn Municipal Securitization Corporation ("the BMSC") issued Conveyed Tax Securitization Bonds, Series 2019A, for the par amount of \$16,430,000 plus premium of \$924,187, and Conveyed Tax Securitization Bonds, Series 2019B, 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 BMSC. The BMSC will receive such revenues directly and will make all necessary debt service payments. The 2019A bonds mature on January 1, 2035 and have an interest rate of 5%. The 2019B bonds mature on January 1, 2049 and the interest rate is 5.73%.

Bond proceeds of \$21,185,298 were used to advance refund \$3,750,000 of the 2007B and \$15,100,000 of the 2013B bonds to eliminate balloon payment in 2023 and restructure outstanding debt repayments. The proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007B and 2013B maturities being refunded. Total remaining debt service payments on the 2007B and 2013B bonds that were refunded were \$4,190,040 and \$19,101,500, respectively.

The bond proceeds also currently refunded \$7,115,000 of the Series 2007B and \$5,645,000 of the Series 2008 bonds to restructure outstanding debt service. The bond proceeds also repaid the \$15,000,000 draw on the line of credit that funded the repayment of the December 1, 2018 payment on the Series 2013B bonds.

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, 2019 was \$157,648. Principal payments made in 2018 totaled \$156,457.

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 bears interest at the rate of 5% and is due upon the sale of the property.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

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

	Governmental Activities		Business-Type Activities	
	Bonded Debt		Bonded Debt	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	3,390,000	9,074,215	175,000	333,163
2021	3,255,000	8,886,615	250,000	327,038
2022	2,650,000	8,698,151	275,000	317,038
2023	3,255,000	8,573,906	200,000	306,038
2024	3,905,000	8,411,156	200,000	298,038
2025-2029	34,235,000	38,418,704	2,985,000	1,244,813
2030-2034	55,345,000	27,362,868	3,380,000	335,475
2035-2039	19,695,000	16,732,999	-	-
2040-2044	21,230,000	11,212,751	-	-
2045-2049	28,050,000	4,196,652	-	-
Totals	<u>175,010,000</u>	<u>141,568,015</u>	<u>7,465,000</u>	<u>3,161,600</u>

The annual requirements to maturity for installment and mortgage notes payable (except for the \$300,000 BDC loan) are as follows:

	Government Activities	
	Installment Notes Payable	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 157,649	\$ 2,777
Totals	<u>\$ 157,649</u>	<u>\$ 2,777</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, 2019, there were no outstanding amounts related to 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, 2019 was \$53,392.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

Principal payments made in 2019 totaled \$53,438. Debt service on the agreement is 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%. No outstanding balance remained as of December 31, 2019. Principal payments made in 2019 totaled \$18,318. Debt service on the agreement is an expenditure of the General Fund.

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, 2019 was \$217,698. Principal payments made in 2019 totaled \$68,233. Debt service on the agreement is an expenditure of the General 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, 2019 was \$91,621. Principal payments made in 2019 totaled \$56,914.

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	\$ 968,512	\$ 254,013	\$ 714,499
Equipment	87,494	26,248	61,246

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2019, are as follows:

	<u>Capital Leases Payable</u>	
	<u>Principal</u>	<u>Interest Accretion</u>
2020	\$ 183,963	\$ 12,897
2021	103,949	5,481
2022	74,799	2,326
Totals	<u>\$ 362,711</u>	<u>\$ 20,704</u>

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2019

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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 and by the public safety pension funding 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, 2019 is \$1,427,103.

#### Defeased Debt:

In the current and 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, 2019 is \$18,245,000.

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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. During the year ended December 31, 2019, the City incurred a loss on advanced refunding of debt for \$1,973,996 as a result of the issuance of the Conveyed Tax Securitization Bonds Series 2019A and 2019B. Amortization for 2019 was \$537,791, which is reported in the governmental activities. The balance of the unamortized loss at December 31, 2019 was \$1,732,422.

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, 2019, there was one series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding as of December 31, 2019 was \$366,847.

**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, 2019 was \$2,918,016 and is recorded as a portion of the noncurrent liabilities balance for governmental activities.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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
2018	\$ 3,990,753	\$ 1,469,185	\$ 1,555,371	\$ 3,904,567	\$ 916,771
2019	3,904,567	430,635	1,417,186	2,918,016	685,134

**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, 2019

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

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

During 2019, 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, 2019 is \$583,672. 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, 2019 membership consisted of:

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

The City does not have a funding policy.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

Actuarial Assumptions and Methods:

Actuarial Valuation Date	January 1, 2018
Actuarial Cost Method	Entry Age Normal
Assumptions	
Discount Rate	2.74%
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 2019, 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 PubS-2010(A) Study Improved to 2017 and improved generally using MP-2019 Improvement Rates. Retiree Firefighter and Police Mortality follows the L&A Assumption Study for Firefighters and Police 2020, respectively. These rates are experience weighted with the Raw Rates as developed in the PubS-2010(A) Study Improved to 2017 and improved generally using MP-2019 Improvement Rates.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

Disabled Firefighter Mortality follows the Lauterbach & Amen Assumption Study for Disabled Firefighters 2020, and Police Mortality follows the Lauterbach & Amen Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study Improved to 2017 using MP-2019 Improvement Rates.

Discount rate: The discount rate used to measure the total OPEB liability as of December 31, 2019 was 2.74 percent, which was a change from the discount rate of 4.10 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, 2019	\$ 17,319,415
Service cost	335,810
Interest on total OPEB liability	688,147
Differences between expected and actual experience of the total OPEB liability	-
Change of assumptions	3,210,744
Plan changes	-
Benefit payments, including refunds of employee contributions	(1,076,769)
Other (net transfer)	-
	<hr/>
Balances at December 31, 2019	<u>\$ 20,477,347</u>

Sensitivity of the City's total OPEB liability to changes in the discount rate: The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.74 percent) or 1-percentage-point higher (3.74 percent) than the current discount rate:

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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	\$ 22,402,618	\$ 20,477,347	\$ 18,792,707

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates: The following presents the City's total OPEB liability, as well as what the City's total 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	\$18,209,551	\$ 20,477,347	\$23,148,692

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB: For the year ended December 31, 2019, the City recognized OPEB expense of \$1,211,751. At December 31, 2019, 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	2,938,647	(826,161)
<b>Total Deferred Amounts Related to OPEB</b>	<b>\$ 2,938,647</b>	<b>\$ (826,161)</b>

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>
2020	\$ (187,794)
2021	(187,794)
2022	(187,794)
2023	(187,794)
2024	(187,794)
Thereafter	(1,173,516)

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2019:

Total Pension Liability	\$ 302,862,648
Plan Fiduciary Net Position	211,206,927
City's net pension liability	91,770,618
City's net pension asset	114,897
Deferred Inflows of Resources	7,927,854
Deferred Outflows of Resources	14,034,041
Pension Expense	15,604,326

**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.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2019 was 8.10% of covered payroll. The employer annual required contribution rate for calendar year 2019 was 8.10%.

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 2019 was 12.78%. For the year ended December 31, 2019, there was no covered payroll.

At December 31, 2018, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries	172	0
Inactive, Non-retired Members	115	2
Active Members	<u>199</u>	<u>0</u>
Total	486	2

**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, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.50%
Price Inflation:	2.50%
Salary Increases:	3.39% to 14.25% including inflation
Investment Rate of Return:	7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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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**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%	5.75%
International Equity	18.0%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash Equivalents	1%	1.85%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate of 7.25% was used to measure the total pension liability of both the regular IMRF plan and the SLEP plan. 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25% for the regular IMRF plan and SLEP plan.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2017</b>	\$ 46,708,965	\$ 46,335,708	\$ 373,257
<b>Changes for the year:</b>			
Service Cost	1,000,488	-	1,000,488
Interest on the Total Pension Liability	3,439,779	-	3,439,779
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(492,847)	-	(492,847)
Changes of Assumptions	1,397,922	-	1,397,922
Contributions - Employer	-	1,078,343	(1,078,343)
Contributions - Employees	-	464,670	(464,670)
Net Investment Income	-	(2,431,919)	2,431,919
Benefit Payments, including Refunds of Employee Contributions	(2,690,980)	(2,690,980)	-
Other (Net Transfer)	-	476,454	(476,454)
Net Changes	<u>2,654,362</u>	<u>(3,103,432)</u>	<u>5,757,794</u>
<b>Balances at December 31, 2018</b>	<u>\$ 49,363,327</u>	<u>\$ 43,232,276</u>	<u>\$ 6,131,051</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

**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, 2017</b>	\$ 191,971	\$ 372,568	\$ (180,597)
<b>Changes for the year:</b>			
Service Cost	-	-	-
Interest on the Total Pension Liability	14,398	-	14,398
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	45,399	-	45,399
Changes of Assumptions	1,637	-	1,637
Contributions - Employer	-	-	-
Contributions - Employees	-	-	-
Net Investment Income	-	(5,315)	5,315
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	1,049	(1,049)
Net Changes	61,434	(4,266)	65,700
<b>Balances at December 31, 2018</b>	<u>\$ 253,405</u>	<u>\$ 368,302</u>	<u>\$ (114,897)</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 7.25% for both IMRF and 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	\$12,475,761	\$ 6,131,051	\$ 925,175
SLEP Net Pension (Asset)	(108,174)	(114,897)	(121,350)

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2019, the City recognized pension expense of \$971,992 related to IMRF and \$(27,242) related to SLEP. At December 31, 2019, 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	\$ 178,661	\$ 783,675
Changes of assumptions	1,074,129	881,012
Net difference between projected and actual earnings on pension plan investments	<u>2,883,926</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	4,136,716	1,664,687
Pension Contributions made subsequent to the Measurement Date	<u>842,369</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 4,979,085</u></u>	<u><u>\$ 1,664,687</u></u>

SLEP:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 81,503
Changes of assumptions	53	231
Net difference between projected and actual earnings on pension plan investments	<u>18,173</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 18,226</u></u>	<u><u>\$ 81,734</u></u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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>
2020	\$ 772,218	\$(58,601)
2021	129,954	(13,926)
2022	3,311,151	2,358
2023	1,238,706	6,661
2024	-	-
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, 2019

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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, 2019, the City’s contribution was 154.33% of covered payroll.

At December 31, 2019, the Police 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	0
Current employees	<u>113</u>
Total	<u><u>194</u></u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2019, 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, 2019 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	3.25%-16.89%	3.50%-17.14%
Projected Increase in Payroll	3.25%	3.50%
Inflation	2.25%	2.50%

Active mortality rates follow the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. Retired mortality follows the Lauterbach & Amen Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

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, 2019

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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%	7.62%
US Mid Cap Equity	3%	8.30%
US Small Cap Equity	3%	7.36%
Non US Developed Equity	16%	7.12%
Emerging Markets	8%	8.75%
Fixed Income	38%	3.70%
REITs	3%	6.87%
Cash Equivalents	2%	2.91%
	<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: 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, 2019

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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 2.74% 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 4.10% to 2.74% 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, 2018</b>	\$ 132,417,081	\$ 74,678,714	\$ 57,738,367
<b>Changes for the year:</b>			
Service Cost	2,642,769	-	2,642,769
Interest on the Total Pension Liability	8,755,072	-	8,755,072
Changes of Benefit Terms	725,111	-	725,111
Differences Between Expected and Actual Experience of the Total Pension Liability	1,276,302	-	1,276,302
Changes of Assumptions	(277,538)	-	(277,538)
Contributions - Employer	-	16,498,451	(16,498,451)
Contributions - Employees	-	1,058,824	(1,058,824)
Contributions - Other	-	5,063	(5,063)
Net Investment Income	-	13,529,061	(13,529,061)
Benefit Payments, including Refunds of Employee Contributions	(5,424,634)	(5,424,634)	-
Administrative Expenses	-	(84,116)	84,116
Net Changes	7,697,082	25,582,649	(17,885,567)
<b>Balances at December 31, 2019</b>	<u>\$ 140,114,163</u>	<u>\$ 100,261,363</u>	<u>\$ 39,852,800</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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	\$61,408,652	\$ 39,852,800	\$ 22,464,498

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, 2019, the City recognized pension expense of \$7,010,042 related to the police pension plan. At December 31, 2019, 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	\$ 1,707,694	\$ 131,265
Changes of assumptions	615,727	1,021,580
Net difference between projected and actual earnings on pension plan investments	-	<u>1,639,199</u>
Total Deferred Amounts Related to Pensions	<u>\$ 2,323,421</u>	<u>\$ 2,792,044</u>

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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	
2020	\$ 34,533
2021	(66,092)
2022	720,433
2023	(1,603,423)
2024	104,844
Thereafter	341,082

**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  
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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, 2019 the City's contribution was 223.13% of covered payroll.

At December 31, 2019, the Firefighters' 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	1
Current employees	<u>80</u>
Total	<u><u>159</u></u>

Net Pension Liability

The City's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2019, 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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**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, 2019 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	2.25%-10.19%	2.50%-10.44%
Projected Increase in Payroll	3.25%	3.50%
Inflation	2.25%	2.50%

Active mortality rates follow the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. Retiree mortality follows the Lauterbach & Amen Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved generationally using MP-2019 Improvement Rates. Disabled Mortality follows the Lauterbach & Amen Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010 Study for Disabled Participants improved to 2017 using MP-2019 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, 2019

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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%	7.62%
US Mid Cap Equity	3%	8.30%
US Small Cap Equity	3%	7.36%
Non US Developed Equity	16%	7.12%
Emerging Markets	8%	8.75%
Fixed Income	38%	3.70%
REITs	3%	6.87%
Cash Equivalent	2%	2.91%
	<u>100%</u>	

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 2.74% 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.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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, 2018</b>	\$ 108,181,563	\$ 46,503,490	\$ 61,678,073
<b>Changes for the year:</b>			
Service Cost	1,990,340	-	1,990,340
Interest on the Total Pension Liability	6,858,925	-	6,858,925
Changes of Benefit Terms	1,227,084	-	1,227,084
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,693,789)	-	(1,693,789)
Changes of Assumptions	1,886,904	-	1,886,904
Contributions - Employer	-	16,241,460	(16,241,460)
Contributions - Employees	-	692,418	(692,418)
Contributions - Other	-	1,472	(1,472)
Net Investment Income	-	9,301,114	(9,301,114)
Benefit Payments, including Refunds of Employee Contributions	(5,319,274)	(5,319,274)	-
Administrative Expenses	-	(75,694)	75,694
Net Changes	<u>4,950,190</u>	<u>20,841,496</u>	<u>(15,891,306)</u>
<b>Balances at December 31, 2019</b>	<u>\$ 113,131,753</u>	<u>\$ 67,344,986</u>	<u>\$ 45,786,767</u>

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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 (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net Pension Liability	\$62,335,511	\$ 45,786,767	\$ 32,355,408

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, 2019, the City recognized pension expense of \$7,649,534 related to the firefighters' pension plan. At December 31, 2019, 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	\$ 2,758,556	\$ 1,485,194
Changes of assumptions	3,954,753	118,333
Net difference between projected and actual earnings on pension plan investments	-	<u>1,785,862</u>
Total Deferred Amounts Related to Pensions	<u>\$ 6,713,309</u>	<u>\$ 3,389,389</u>

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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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	
2020	\$ 730,428
2021	771,294
2022	1,480,478
2023	(473,972)
2024	352,422
Thereafter	463,270

**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, 2019, there was no outstanding amount related to this line of credit.

**K. Sale of Future Tax Revenues**

As previously noted, the City entered into an agreement with the BMSC under which the City relinquishes to the BMSC 100% of its future home rule sales tax, local share sales tax, state use tax and state income tax revenues for the next 30 years. The City received from the BMSC a lump sum payment of \$79,146,111 of which \$49,146,111 was recorded in the Debt Service Fund and \$30,000,000 was recorded in the newly created Public Safety Pension Funding Fund as advances from other funds. The advances are amortized over the life of the bonds based on the tax revenues received net of residuals for the year by the BMSC divided by the total estimated tax revenues sold net of residuals. The City also received a residual certificate representing the City's ownership interest in excess tax revenues to be received by the BMSC during the term of the sale agreement. The total tax revenues sold is estimated to be \$ 458,131,230. Residuals are expected to be \$281,334,018. The estimated present value of the tax revenues sold, net of the expected residuals assuming a 5.75 percent interest rate at the time of the sale was \$222,190,752.

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

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

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

The BDC's primary functions are:

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

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

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

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

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

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## CITY OF BERWYN, ILLINOIS

Notes to financial statements  
December 31, 2019

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

for equipment. Depreciation expense for the year ended December 31, 2019 amounted to \$4,769.

During the year, the BDC did not dispose of any property resulting in a gain or loss. The BDC expended \$2,533 for asset purchases in 2019.

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:

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, 2019 of \$300,000. Notes receivable have a gross value of \$936,530 at December 31, 2019.

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

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:

	Original Loan	Beginning Balance	Loans Issued	Principal Payments	Defaulted Loans	Ending Balance	Current Portion
Berwyn/Roosevelt TIF	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
Windsor Partnership	462,864	83,674	-	-	-	83,674	2,941
Autre Monde	225,000	212,298	-	11,500	-	200,798	43,008
The Outta Space, Inc.	150,000	132,281	-	7,254	-	125,027	16,227
3D Collision Repair	205,000	196,330	-	196,330	-	-	-
Berwyn Bottega	150,000	147,940	-	3,608	-	144,332	26,306
Heritage Funeral Home	47,000	-	47,000	3,966	-	43,034	11,301
Capri Due, Inc.	10,000	-	10,000	-	-	10,000	-
Berwyn Eagles Aerie 2125	30,000	-	30,000	335	-	29,665	7,233
	<u>\$ 1,579,864</u>	<u>\$ 1,072,523</u>	<u>\$ 87,000</u>	<u>\$ 222,993</u>	<u>\$ -</u>	<u>\$ 936,530</u>	<u>\$ 107,016</u>

Notes outstanding have payment schedules and variable interest rates based on the original note agreements. Note terms are as follows:

- \$300,000 note receivable from the City of Berwyn related to the Berwyn/Roosevelt TIF. Payment of principal is due upon the closing of the sale of a property. Interest accrues on unpaid balances at a rate of 5% per annum and is paid monthly.
  - \$83,674 note receivable with monthly principal and interest payments of \$245 for the loan commencing in October, 2018 and final payment of all outstanding liabilities in September, 2023. Interest accrues on unpaid balances at a rate of 7% per annum.
  - \$200,798 note receivable with monthly principal and interest payments of \$3,584, for the loan commencing in June, 2010 with final payment of all outstanding liabilities in March, 2021. Interest accrues on unpaid balances at a rate of 7% per annum.
  - \$125,027 note receivable with monthly principal and interest payments of \$1,360 for the loan commencing in February, 2016 with final payment of all outstanding liabilities in January, 2021. Interest accrues on unpaid balances at a rate of 7% per annum.
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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

- \$144,332 note receivable with monthly principal and interest payments of \$2,192 for the loan commencing in June, 2018 with final payment of all outstanding liabilities in April, 2023. Interest accrues on unpaid balances at a rate of 7% per annum.
- \$43,034 note receivable with monthly principal and interest payments of \$942 for the loan commencing in July, 2019 with final payment of all outstanding liabilities on June 1, 2024. Interest accrues on unpaid balances at a rate of 7.5% per annum.
- \$10,000 note receivable commencing in November 2019 and accruing interest at a rate of 7% per annum. The principal and accrued interest are to be paid in one lump sum on December 1, 2024.
- \$29,665 note receivable with monthly principal and interest payments of \$603 for the loan commencing on January 1, 2020, with final payment of all outstanding liabilities on December 1, 2024. Interest accrues on unpaid balances at a rate of 7.5% per annum.

Long-Term Debt - Notes Payable: During 2019, 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, 2019 is \$583,672. 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>
2020	\$ -
2021	-
2022	166,727
2023	83,441
2024	333,504
2025 and Thereafter	<u>-</u>
Totals	<u>\$ 583,672</u>

Lease Commitments: The BDC rents office space under a lease, which had an original expiration date of December 31, 2019. During fiscal year 2019, this agreement was extended through December 31, 2024. Total rent paid during 2019 was \$12,720. Terms of the lease are effective

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**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

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 2019 was \$7,380. Future minimum annual rental and lease payments are:

	<u>Principal</u>
2020	\$ 20,112
2021	17,421
2022	13,512
2023	13,908
2024	<u>14,328</u>
Totals	<u>\$ 79,281</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.

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 \$11,330 in 2019. Effective January 1, 2020, the plan will be replaced by a 401(k) Profit Sharing Plan with eligibility after 6 months of service and an employer contribution of 4%.

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.

**CITY OF BERWYN, ILLINOIS**

Notes to financial statements  
December 31, 2019

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

**M. 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 2019 were \$66,946. The second agreement, between the City and Tony's Finer Foods Enterprises, Inc., requires the City to rebate 50% of the sales tax collected for 25 years up to a maximum amount of \$5,199,122. Total payments under this agreement in 2019 were \$304,307.





**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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes	\$ 21,960,811	\$ 21,960,811	\$ 19,222,973	\$ (2,737,838)
Other taxes	21,625,991	8,125,991	6,874,645	(1,251,346)
Licenses and permits	3,584,000	3,584,000	3,665,588	81,588
Charges for services	1,902,000	1,902,000	2,627,777	725,777
Fines and forfeitures	4,958,643	4,958,643	5,519,621	560,978
Intergovernmental	281,870	401,870	589,205	187,335
Investment income	60,400	60,400	218,457	158,057
Miscellaneous	1,092,500	1,092,500	1,116,076	23,576
Total Revenues	<u>55,466,215</u>	<u>42,086,215</u>	<u>39,834,342</u>	<u>(2,251,873)</u>
<b>EXPENDITURES</b>				
Current				
General government	3,968,556	3,967,056	3,982,145	(15,089)
Public safety	68,227,733	68,706,261	35,261,336	33,444,925
Public works	6,186,359	6,186,359	5,651,138	535,221
Economic development	225,847	230,847	555,923	(325,076)
Culture and recreation	2,094,287	2,094,187	2,055,663	38,524
Debt Service				
Bond issuance costs	500,000	500,000	-	500,000
Total Expenditures	<u>81,202,782</u>	<u>81,684,710</u>	<u>47,506,205</u>	<u>34,178,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,736,567)</u>	<u>(39,598,495)</u>	<u>(7,671,863)</u>	<u>31,926,632</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	30,500,000	30,500,000	-	(30,500,000)
Transfers in	-	10,500,000	9,866,379	(633,621)
Transfers (out)	(4,400,000)	(1,400,000)	(2,100,000)	(700,000)
Total Other Financing Sources (Uses)	<u>26,100,000</u>	<u>39,600,000</u>	<u>7,766,379</u>	<u>(31,833,621)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 363,433</u>	<u>\$ 1,505</u>	<u>94,516</u>	<u>\$ 93,011</u>
FUND BALANCE, JANUARY 1			<u>12,275,461</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 12,369,977</u>	

**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, 2019**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total pension liability</b>										
Service cost	\$ 1,000,488	\$ 1,045,930	\$ 1,053,865	\$ 954,026	\$ 1,033,322	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,439,779	3,454,319	3,241,622	3,071,951	2,866,257	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(492,847)	(738,854)	629,669	99,367	(899,200)	-	-	-	-	-
Changes of Assumptions	1,397,922	(1,546,791)	(113,651)	108,003	1,484,918	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,690,980)	(2,080,519)	(2,093,766)	(1,717,067)	(1,689,075)	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>2,654,362</b>	<b>134,085</b>	<b>2,717,739</b>	<b>2,516,280</b>	<b>2,796,222</b>	-	-	-	-	-
<b>Total Pension Liability - Beginning</b>	<b>46,708,965</b>	<b>46,574,880</b>	<b>43,857,141</b>	<b>41,340,861</b>	<b>38,544,639</b>	-	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 49,363,327</b>	<b>\$ 46,708,965</b>	<b>\$ 46,574,880</b>	<b>\$ 43,857,141</b>	<b>\$ 41,340,861</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,078,343	\$ 1,039,496	\$ 1,299,087	\$ 1,234,949	\$ 1,125,047	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	464,670	451,947	451,564	429,839	399,259	-	-	-	-	-
Net Investment Income	(2,431,919)	7,166,588	2,524,066	194,300	2,242,328	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(2,690,980)	(2,080,519)	(2,093,766)	(1,717,067)	(1,689,075)	-	-	-	-	-
Other	476,454	(1,196,968)	668,349	(922,213)	(33,365)	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (3,103,432)</b>	<b>\$ 5,380,544</b>	<b>\$ 2,849,300</b>	<b>\$ (780,192)</b>	<b>\$ 2,044,194</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>46,335,708</b>	<b>40,955,164</b>	<b>38,105,864</b>	<b>38,886,056</b>	<b>36,841,862</b>	-	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 43,232,276</b>	<b>\$ 46,335,708</b>	<b>\$ 40,955,164</b>	<b>\$ 38,105,864</b>	<b>\$ 38,886,056</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 6,131,051</b>	<b>\$ 373,257</b>	<b>\$ 5,619,716</b>	<b>\$ 5,751,277</b>	<b>\$ 2,454,805</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>87.58%</b>	<b>99.20%</b>	<b>87.93%</b>	<b>86.89%</b>	<b>94.06%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ 10,299,359</b>	<b>\$ 10,034,441</b>	<b>\$ 9,939,525</b>	<b>\$ 9,259,217</b>	<b>\$ 8,592,033</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>59.53%</b>	<b>3.72%</b>	<b>56.54%</b>	<b>62.11%</b>	<b>28.57%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**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, 2019**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total pension liability</b>										
Service cost	\$ -	\$ 27,014	\$ 25,187	\$ 24,702	\$ 24,781	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	14,398	25,793	24,713	20,729	17,582	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	45,399	(191,367)	(36,896)	7,689	(7,879)	-	-	-	-	-
Changes of Assumptions	1,637	137	(1,296)	1,537	7,511	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>61,434</b>	<b>(138,423)</b>	<b>11,708</b>	<b>54,657</b>	<b>41,995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>191,971</b>	<b>330,394</b>	<b>318,686</b>	<b>264,029</b>	<b>222,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 253,405</b>	<b>\$ 191,971</b>	<b>\$ 330,394</b>	<b>\$ 318,686</b>	<b>\$ 264,029</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<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	(5,315)	45,677	19,224	1,329	13,768	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	-	-	-	-	-	-	-	-	-	-
Other	1,049	(1,622)	(2,109)	(13,263)	(1,590)	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (4,266)</b>	<b>\$ 54,874</b>	<b>\$ 49,214</b>	<b>\$ 17,148</b>	<b>\$ 39,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>372,568</b>	<b>317,694</b>	<b>268,480</b>	<b>251,332</b>	<b>212,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 368,302</b>	<b>\$ 372,568</b>	<b>\$ 317,694</b>	<b>\$ 268,480</b>	<b>\$ 251,332</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ (114,897)</b>	<b>\$ (180,597)</b>	<b>\$ 12,700</b>	<b>\$ 50,206</b>	<b>\$ 12,697</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>145.34%</b>	<b>194.08%</b>	<b>96.16%</b>	<b>84.25%</b>	<b>95.19%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Covered Payroll</b>	<b>\$ -</b>	<b>\$ 46,915</b>	<b>\$ 143,817</b>	<b>\$ 132,733</b>	<b>\$ 130,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>0.00%</b>	<b>-384.95%</b>	<b>8.83%</b>	<b>37.82%</b>	<b>9.75%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total pension liability</b>										
Service cost	\$ 2,642,769	\$ 2,647,867	\$ 2,553,287	\$ 2,391,838	\$ 2,066,074	\$ 2,393,246	\$ -	\$ -	\$ -	\$ -
Interest	8,755,072	8,368,311	8,013,778	7,760,581	7,211,847	6,784,103	-	-	-	-
Changes of Benefit Terms	725,111	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	1,276,302	37,926	(222,006)	147,889	1,491,310	-	-	-	-	-
Changes of Assumptions	(277,538)	-	-	(1,702,436)	1,925,792	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,424,634)	(5,223,991)	(4,961,472)	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-
<b>Net Change in Total Pension Liability</b>	7,697,082	5,830,113	5,383,587	3,865,759	8,295,875	4,872,970	-	-	-	-
<b>Total Pension Liability - Beginning</b>	132,417,081	126,586,968	121,203,381	117,337,622	109,041,747	104,168,777	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 140,114,163</b>	<b>\$ 132,417,081</b>	<b>\$ 126,586,968</b>	<b>\$ 121,203,381</b>	<b>\$ 117,337,622</b>	<b>\$ 109,041,747</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 16,498,451	\$ 1,424,327	\$ 1,248,592	\$ 1,552,361	\$ 16,745,210	\$ 1,936,262	\$ -	\$ -	\$ -	\$ -
Contributions - member	1,058,824	1,041,410	1,031,688	1,023,659	956,689	1,227,194	-	-	-	-
Contributions - Other	5,063	7,263	30,829	62,939	-	-	-	-	-	-
Net Investment Income	13,529,061	(5,965,146)	10,465,494	4,388,789	(1,761,769)	1,788,907	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,424,634)	(5,223,991)	(4,961,472)	(4,732,113)	(4,399,148)	(4,304,379)	-	-	-	-
Administrative Expense	(84,116)	(94,288)	(97,823)	(86,813)	(74,978)	(74,328)	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 25,582,649</b>	<b>\$ (8,810,425)</b>	<b>\$ 7,717,308</b>	<b>\$ 2,208,822</b>	<b>\$ 11,466,004</b>	<b>\$ 573,656</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	74,678,714	83,489,139	75,771,831	73,563,009	62,097,005	61,523,349	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 100,261,363</b>	<b>\$ 74,678,714</b>	<b>\$ 83,489,139</b>	<b>\$ 75,771,831</b>	<b>\$ 73,563,009</b>	<b>\$ 62,097,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 39,852,800</b>	<b>\$ 57,738,367</b>	<b>\$ 43,097,829</b>	<b>\$ 45,431,550</b>	<b>\$ 43,774,613</b>	<b>\$ 46,944,742</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	71.56%	56.40%	65.95%	62.52%	62.69%	56.95%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 10,690,483	\$ 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>	372.79%	548.55%	331.14%	361.29%	470.59%	501.61%	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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total pension liability</b>										
Service cost	\$ 1,990,340	\$ 2,003,112	\$ 2,004,380	\$ 1,882,047	\$ 1,752,238	\$ 2,103,135	\$ -	\$ -	\$ -	\$ -
Interest	6,858,925	6,492,282	6,267,854	6,029,592	5,413,467	5,212,528	-	-	-	-
Changes of Benefit Terms	1,227,084	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,693,789)	2,395,580	235,467	693,572	1,050,247	-	-	-	-	-
Changes of Assumptions	1,886,904	8,536	-	(229,445)	5,676,793	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,319,274)	(5,198,406)	(4,911,540)	(4,508,834)	(4,318,960)	(4,129,646)	-	-	-	-
<b>Net Change in Total Pension Liability</b>	4,950,190	5,701,104	3,596,161	3,866,932	9,573,785	3,186,017	-	-	-	-
<b>Total Pension Liability - Beginning</b>	108,181,563	102,480,459	98,884,298	95,017,366	85,443,581	82,257,564	-	-	-	-
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 113,131,753</b>	<b>\$ 108,181,563</b>	<b>\$ 102,480,459</b>	<b>\$ 98,884,298</b>	<b>\$ 95,017,366</b>	<b>\$ 85,443,581</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 16,241,460	\$ 1,217,979	\$ 1,184,601	\$ 1,573,440	\$ 16,498,436	\$ 2,036,569	\$ -	\$ -	\$ -	\$ -
Contributions - member	692,418	700,615	692,937	685,432	664,862	639,271	-	-	-	-
Contributions - other	1,472	1,912	38,848	7,051	-	-	-	-	-	-
Net Investment Income	9,301,114	(3,939,327)	6,705,504	3,322,184	(1,457,332)	1,798,667	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(5,319,274)	(5,198,406)	(4,911,540)	(4,508,834)	(4,318,960)	(4,129,645)	-	-	-	-
Administrative Expense	(75,694)	(64,321)	(62,921)	(60,407)	(61,180)	(64,139)	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 20,841,496</b>	<b>\$ (7,281,548)</b>	<b>\$ 3,647,429</b>	<b>\$ 1,018,866</b>	<b>\$ 11,325,826</b>	<b>\$ 280,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position - Beginning</b>	46,503,490	53,785,038	50,137,609	49,118,743	37,792,917	37,512,194	-	-	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 67,344,986</b>	<b>\$ 46,503,490</b>	<b>\$ 53,785,038</b>	<b>\$ 50,137,609</b>	<b>\$ 49,118,743</b>	<b>\$ 37,792,917</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability - Ending (a)-(b)</b>	<b>\$ 45,786,767</b>	<b>\$ 61,678,073</b>	<b>\$ 48,695,421</b>	<b>\$ 48,746,689</b>	<b>\$ 45,898,623</b>	<b>\$ 47,650,664</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	59.53%	42.99%	52.48%	50.70%	51.69%	44.23%	0.00%	0.00%	0.00%	0.00%
<b>Covered Payroll</b>	\$ 7,279,060	\$ 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>	629.02%	737.76%	595.26%	616.74%	646.01%	687.20%	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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total OPEB Liability</b>										
Service cost	\$ 335,810	\$ 364,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	688,147	613,088	-	-	-	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-	-	-	-	-	-	-
Changes of Assumptions	3,210,744	(994,767)	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,076,769)	(971,935)	-	-	-	-	-	-	-	-
<b>Net Change in Total OPEB Liability</b>	<b>3,157,932</b>	<b>(988,859)</b>								
<b>Total OPEB Liability - Beginning</b>	<b>17,319,415</b>	<b>18,308,274</b>								
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 20,477,347</b>	<b>\$ 17,319,415</b>								
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,076,769	\$ 971,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(1,076,769)	(971,935)	-	-	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ -</b>	<b>\$ -</b>								
<b>Plan Fiduciary Net Position - Beginning</b>	<b>\$ -</b>	<b>\$ -</b>								
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>								
<b>Total OPEB Liability - Ending (a)-(b)</b>	<b>\$ 20,477,347</b>	<b>\$ 17,319,415</b>								
<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>	\$ 28,382,011	\$ 28,176,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Employer Total OPEB Liability as a Percentage of Covered Payroll</b>	72.15%	61.47%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 844,634	\$ 1,078,343	\$ 1,039,568	\$ 1,273,253	\$ 1,196,291	\$ 1,102,358	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	845,622	1,078,343	1,035,361	1,299,087	1,234,949	1,125,047	-	-	-	-
Contribution Deficiency (Excess)	(988)	-	4,207	(25,834)	(38,658)	(22,689)	-	-	-	-
Covered Payroll	10,440,467	10,299,359	10,034,441	9,939,525	9,259,217	8,592,033	-	-	-	-
Contributions as a Percentage of Covered Payroll	8.10%	10.47%	10.32%	13.07%	13.34%	13.09%	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: 2.50%  
Salary Increases: 3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014 to 2016  
Mortality: RP-2014 Blue Collar Healthy Annuitant Mortality Table, adjusted to match current IMRF experience. For men, 120% of the table rates were used. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).  
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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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%	0.00%	15.56%	14.82%	14.41%	13.17%	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: 2.50%  
Salary Increases: 3.35% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014 to 2016  
Mortality: RP-2014 Blue Collar Healthy Annuitant Mortality Table, adjusted to match current IMRF experience. For men, 120% of the table rates were used. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).  
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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 4,324,217	\$ 3,968,068	\$ 3,535,612	\$ 4,030,141	\$ 3,812,119	\$ 4,423,550	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	16,498,451	1,424,327	1,248,592	1,552,361	16,745,210	1,936,262	-	-	-	-
Contribution Deficiency (Excess)	(12,174,234)	2,543,741	2,287,020	2,477,780	(12,933,091)	2,487,288	-	-	-	-
Covered Payroll	10,690,483	10,525,569	13,014,854	12,574,738	9,302,154	9,358,883	-	-	-	-
Contributions as a Percentage of Covered Payroll	154.33%	13.53%	9.59%	12.35%	180.01%	20.69%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

The actuarially determined contribution is from the December 31, 2018 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 & Arnen, LLP 2016 Illinois Police Retirement Rates 85% Capped at age 62

Mortality: RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Other Information: In the current year, plan benefits changed under PA-101-0610 (SB 1300), which went into effect on

January 1, 2020. These legislative changes reflect modifications to the Tier II Plan Provisions.

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, 2019**

Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ 4,485,479	\$ 3,662,334	\$ 3,868,344	\$ 3,521,960	\$ 4,065,776	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	16,241,460	1,184,601	1,573,440	16,498,436	2,036,569	-	-	-	-
Contribution Deficiency (Excess)	(11,755,981)	2,477,733	2,294,904	(12,976,476)	2,029,207	-	-	-	-
Covered Payroll	7,279,060	8,180,510	7,903,875	7,104,897	6,934,001	-	-	-	-
Contributions as a Percentage of Covered Payroll	223.13%	14.57%	19.91%	232.21%	29.37%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

The actuarially determined contribution is from the December 31, 2018 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: RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Other Information: In the current year, plan benefits changed under PA-101-0610 (SB 1300), which went into effect on

January 1, 2020. These legislative changes reflect modifications to the Tier II Plan Provisions.

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, 2019**

Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution Contributions in Relation to the Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actuarially Determined Contribution Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	\$ 28,382,011	\$ 28,176,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	0.00%	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 \$1,076,769.

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 Public Safety Pension Funding, Grants, Police Seizure, NSP, Ogden Avenue TIF and Emergency 911 Telephone System Funds), Debt Service Fund (except the Berwyn Municipal Securitization Fund), Enterprise, Capital Projects and Pension Trust Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Mayor submits to the City Council Members a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the City to obtain taxpayer comments.
- c. Subsequently, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year.
- e. Budgets, as described above, are adopted on a basis consistent with generally accepted accounting principles.
- f. Legal level of budgetary control is at the department level in the general fund or fund level for all other funds.
- g. Budgetary authority lapses at year end.
- h. State law requires that "expenditures be made in conformity with the budget." Transfers between line items in cost centers may be made by administrative action. Any amount to be transferred between cost centers and/or funds would require 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. Amendments to the General Fund and Debt Service Fund budgets were approved in December, 2019.

**CITY OF BERWYN, ILLINOIS**

Notes to required supplementary information  
December 31, 2019

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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	\$ 356
Finance Department	72,285
Statutory	333,631
Fire and Police Commission	19,223
Committees & Planning	334,016
Senior Services	4,282
Debt Service Fund	15,109,635
Motor Fuel Tax	<u>294,886</u>
Total	<u>\$ 16,168,314</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Property taxes - debt service	\$ 7,103,161	\$ 7,103,161	\$ 7,118,009	\$ 14,848
Investment income	1,000	1,000	3,256	2,256
Total Revenues	<u>7,104,161</u>	<u>7,104,161</u>	<u>7,121,265</u>	<u>17,104</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,284,135	3,284,315	18,501,691	(15,217,376)
Interest and fiscal charges	8,624,088	5,624,088	5,516,347	107,741
Total Expenditures	<u>11,908,223</u>	<u>8,908,403</u>	<u>24,018,038</u>	<u>(15,109,635)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,804,062)</u>	<u>(1,804,242)</u>	<u>(16,896,773)</u>	<u>(15,092,531)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to refunded bond escrow agent	-	-	(33,686,730)	(33,686,730)
Transfer in - General Fund	5,435,371	1,375,808	1,875,808	500,000
Transfers in - Roosevelt Road TIF	269,999	293,395	293,395	-
Transfers in - South Berwyn TIF	(500,000)	536,167	536,167	-
Transfer in - Berwyn Municipal Securitization Fund	-	-	656,413	656,413
Total Other Financing Sources (Uses)	<u>5,205,370</u>	<u>2,205,370</u>	<u>(30,324,947)</u>	<u>(33,186,730)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 401,308</u>	<u>\$ 401,128</u>	<u>(47,221,720)</u>	<u>\$ (48,279,261)</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>64,873</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ (47,156,847)</u>	

**CITY OF BERWYN, ILLINOIS**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>PROPERTY TAXES</b>				
Property taxes - general	\$ 21,960,811	\$ 21,960,811	\$ 19,222,973	\$ (2,737,838)
<b>OTHER TAXES</b>				
Personal property replacement	213,000	213,000	275,021	62,021
State income	7,265,816	1,565,816	360,784	(1,205,032)
State sales	4,052,095	52,095	-	(52,095)
Home rule sales	3,953,130	153,130	4,027	(149,103)
Municipal utility	2,975,000	2,975,000	2,889,681	(85,319)
Liquor	155,000	155,000	183,829	28,829
Real estate transfer	2,000,000	2,000,000	2,107,324	107,324
Gas	366,000	366,000	341,869	(24,131)
Parking lot	1,200	1,200	4,975	3,775
Video	2,100	2,100	3,497	1,397
Video gaming	640,000	640,000	701,777	61,777
Miscellaneous	2,650	2,650	1,861	(789)
Total Other Taxes	<u>21,625,991</u>	<u>8,125,991</u>	<u>6,874,645</u>	<u>(1,251,346)</u>
<b>LICENSES AND PERMITS</b>				
<b>Vehicle</b>				
Passenger vehicles	1,300,000	1,300,000	1,465,012	165,012
Recreation vehicle	500	500	4,081	3,581
Motorcycle	16,000	16,000	19,038	3,038
Trucks	185,000	185,000	229,140	44,140
<b>Licenses</b>				
Business	550,000	550,000	622,887	72,887
Liquor	198,000	198,000	217,564	19,564
Pet	13,000	13,000	11,360	(1,640)
<b>Permits</b>				
Commuter parking	126,500	126,500	96,787	(29,713)
Electrical	65,000	65,000	375	(64,625)
Municipal parking	139,500	139,500	136,043	(3,457)
Building	165,000	165,000	127,595	(37,405)
Certificate of compliance	60,000	60,000	60,955	955
Local improvement	646,000	646,000	469,285	(176,715)
Service charge and escrow default	100,000	100,000	187,091	87,091
Electrical sign inspection	19,500	19,500	18,375	(1,125)
Total Licenses and Permits	<u>3,584,000</u>	<u>3,584,000</u>	<u>3,665,588</u>	<u>81,588</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CHARGES FOR SERVICES</b>				
Public safety				
Police reports	\$ 13,000	\$ 13,000	\$ 12,124	\$ (876)
Paramedic service collections	875,000	875,000	1,237,657	362,657
Miscellaneous charges for services	16,500	16,500	27,524	11,024
CPR training revenue	500	500	780	280
Public works				
Plumbing inspection	285,000	285,000	541,740	256,740
Sanitation				
Recycling rebate	10,000	10,000	19,217	9,217
Recreation				
Athletics	80,000	80,000	86,716	6,716
Adult programs	20,000	20,000	24,368	4,368
Children's programs	370,000	370,000	405,556	35,556
Pool	37,000	37,000	42,344	5,344
Concession stand	1,000	1,000	(1,432)	(2,432)
Rental	500	500	-	(500)
Other fees for service	-	-	2,355	2,355
Senior services				
Senior breakfast	1,000	1,000	2,473	1,473
Other fees for service	31,500	31,500	44,882	13,382
Other				
Commuter parking meters	33,500	33,500	30,854	(2,646)
Sale of gas	77,500	77,500	82,359	4,859
Sidewalk construction	50,000	50,000	68,260	18,260
<b>Total Charges For Services</b>	<u>1,902,000</u>	<u>1,902,000</u>	<u>2,627,777</u>	<u>725,777</u>
<b>FINES AND FORFEITURES</b>				
Towing fees	10,000	10,000	-	(10,000)
Impound vehicles	100,000	100,000	148,150	48,150
Booting	25,000	25,000	50,908	25,908
Cannabis tickets	5,000	5,000	7,516	2,516
Court fines	48,500	48,500	47,538	(962)
Violation fines	1,950,000	1,950,000	1,826,722	(123,278)
Compliance tickets	62,500	62,500	113,390	50,890
Local ordinance fines	240,000	240,000	277,534	37,534
Red Light photo enforcement	2,517,643	2,517,643	3,047,863	530,220
<b>Total Fines and Forfeitures</b>	<u>4,958,643</u>	<u>4,958,643</u>	<u>5,519,621</u>	<u>560,978</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2019**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>INTERGOVERNMENTAL</b>				
Highway maintenance	120,000	\$ 120,000	\$ 126,548	\$ 6,548
Grants	<u>281,870</u>	<u>281,870</u>	<u>462,657</u>	<u>180,787</u>
 Total Intergovernmental	 <u>281,870</u>	 <u>401,870</u>	 <u>589,205</u>	 <u>187,335</u>
 <b>INVESTMENT INCOME</b>	 <u>60,400</u>	 <u>60,400</u>	 <u>218,457</u>	 <u>158,057</u>
 <b>OTHER REVENUES</b>				
Franchises	415,000	415,000	406,447	(8,553)
Cell tower rental	222,000	222,000	287,441	65,441
Reimbursements	342,500	342,500	314,271	(28,229)
Contributions & sponsorships	4,000	4,000	5,658	1,658
Other	<u>109,000</u>	<u>109,000</u>	<u>102,259</u>	<u>(6,741)</u>
 Total Other Revenues	 <u>1,092,500</u>	 <u>1,092,500</u>	 <u>1,116,076</u>	 <u>23,576</u>
 <b>TOTAL REVENUES</b>	 <u>\$ 55,466,215</u>	 <u>\$ 42,086,215</u>	 <u>\$ 39,834,342</u>	 <u>\$ (2,251,873)</u>

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**CITY OF BERWYN, ILLINOIS**

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

**For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT</b>				
Mayor's Office				
Salaries and benefits	\$ 148,514	\$ 148,514	\$ 146,556	\$ 1,958
Internal service fund charges	649	649	1,321	(672)
Administrative expenditures	7,500	7,500	4,358	3,142
Supplies	1,000	1,000	1,772	(772)
Postage and printing	845	845	220	625
Training, dues and publications	-	-	305	(305)
Other general	1,000	1,000	5,466	(4,466)
Copier maintenance	919	919	785	134
Total Mayor's Office	<u>160,427</u>	<u>160,427</u>	<u>160,783</u>	<u>(356)</u>
City Administrator's Office				
Salaries and benefits	455,728	455,728	393,128	62,600
Internal service fund charges	1,907	1,907	3,807	(1,900)
Training, dues and publications	20,000	20,000	15,867	4,133
Supplies	1,600	1,600	4,905	(3,305)
Postage and printing	805	805	1,698	(893)
Repairs and maintenance	500	500	-	500
Professional services	60,000	60,000	60,000	-
Other general	9,500	9,500	8,432	1,068
Copier maintenance	919	919	785	134
Total City Administrator's Office	<u>550,959</u>	<u>550,959</u>	<u>488,622</u>	<u>62,337</u>
City Clerk's Office				
Salaries and benefits	163,528	163,528	123,481	40,047
Internal service fund charges	1,096	1,096	2,115	(1,019)
Administrative expenditures	4,500	4,500	4,300	200
Training, dues and publications	2,500	2,500	4,294	(1,794)
Supplies	1,500	1,500	875	625
Postage and printing	750	750	526	224
Codification	4,000	4,000	4,193	(193)
Record retention	2,500	2,500	-	2,500
Other general	2,000	2,000	200	1,800
Copier maintenance	4,500	4,500	4,348	152
Total City Clerk's Office	<u>186,874</u>	<u>186,874</u>	<u>144,332</u>	<u>42,542</u>
Treasurer's Office				
Salaries and benefits	48,176	48,176	46,053	2,123
Internal service fund charges	203	203	416	(213)
Supplies	250	250	-	250
Postage, printing and publications	5,000	5,000	2,756	2,244
Other general	250	250	150	100
Total Treasurer's Office	<u>53,879</u>	<u>53,879</u>	<u>49,375</u>	<u>4,504</u>
City Council				
Salaries and benefits	249,419	249,419	241,599	7,820
Internal service fund charges	974	974	2,161	(1,187)
Ward expenditures	36,000	36,000	32,693	3,307
Other general	250	250	-	250
Total City Council	<u>286,643</u>	<u>286,643</u>	<u>276,453</u>	<u>10,190</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>GENERAL GOVERNMENT (CONTINUED)</b>				
Legal Department				
Salaries and benefits	\$ 296,044	\$ 296,044	\$ 286,406	\$ 9,638
Internal service fund charges	4,382	4,382	8,905	(4,523)
Supplies	1,000	1,000	-	1,000
Postage and printing	500	500	9	491
Adjudication program	35,000	35,000	15,750	19,250
Other general	500	500	25	475
Professional services	650,000	650,000	419,178	230,822
Copier maintenance	919	919	-	919
Total Legal Department	<u>988,345</u>	<u>988,345</u>	<u>730,273</u>	<u>258,072</u>
Finance Department				
Salaries and benefits	1,117,398	1,117,398	1,074,423	42,975
Internal service fund charges	6,699	6,699	12,933	(6,234)
Other general	64,000	64,000	170,769	(106,769)
Postage, printing and publications	26,000	26,000	28,163	(2,163)
Telephone	2,500	2,500	-	2,500
Supplies	12,000	12,000	13,794	(1,794)
Training, dues and publications	6,500	6,500	8,700	(2,200)
Professional services	308,500	308,500	309,551	(1,051)
Capital outlay	3,000	3,000	1,022	1,978
Copier maintenance	3,200	3,200	2,727	473
Total Finance Department	<u>1,549,797</u>	<u>1,549,797</u>	<u>1,622,082</u>	<u>(72,285)</u>
Information Technology Department				
Salaries and benefits	757,222	757,222	805,143	(47,921)
Internal service fund charges	5,397	5,397	10,709	(5,312)
Network infrastructure	265,000	265,000	225,071	39,929
Hardware purchases	80,000	80,000	65,059	14,941
Hardware maintenance	37,500	37,500	47,077	(9,577)
Software purchases	35,000	35,000	26,786	8,214
Software maintenance	27,500	27,500	28,734	(1,234)
Equipment lease	19,019	19,019	19,018	1
Vehicle, gas and oil	1,500	1,500	-	1,500
Training, dues and publications	3,000	1,500	4,631	(3,131)
Supplies	2,500	2,500	4,270	(1,770)
Repairs & maintenance	2,500	2,500	-	2,500
Other general	72,000	72,000	59,979	12,021
Postage, printing and publications	-	-	346	(346)
Professional services	20,000	20,000	16,277	3,723
Total Information Technology Department	<u>1,328,138</u>	<u>1,326,638</u>	<u>1,313,100</u>	<u>13,538</u>
Statutory				
Auditing/accounting expenditures	52,144	52,144	55,969	(3,825)
Bad debt expenditure	3,500	3,500	-	3,500
Unallocated employee benefits	7,000	7,000	225,072	(218,072)
Interdepartmental charges-water	(1,250,000)	(1,250,000)	(1,233,737)	(16,263)
Other	5,000	5,000	104,785	(99,785)
City wide software applications	45,850	45,850	45,036	814
Total Statutory	<u>(1,136,506)</u>	<u>(1,136,506)</u>	<u>(802,875)</u>	<u>(333,631)</u>
Total General Government	<u>3,968,556</u>	<u>3,967,056</u>	<u>3,982,145</u>	<u>(15,089)</u>

(Continued)

**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY</b>				
Fire Department				
Salaries and benefits	\$ 11,077,075	\$ 11,077,075	\$ 10,996,989	\$ 80,086
Pension expenditures	16,255,220	16,255,220	-	16,255,220
Internal service fund charges	151,570	151,570	190,327	(38,757)
Collection service fees	40,300	40,300	43,600	(3,300)
Other general	42,000	42,000	33,962	8,038
Supplies	13,000	13,000	17,506	(4,506)
Telephone	12,500	12,500	7,916	4,584
Utilities	12,000	12,000	11,411	589
Training, dues, and education	47,500	47,500	35,719	11,781
Repairs and maintenance	160,000	160,000	145,003	14,997
Vehicle gas & oil	55,000	55,000	52,375	2,625
Copier maintenance	2,500	2,500	2,116	384
Equipment purchases/capital outlay	(402,028)	76,500	75,023	1,477
Equipment lease	142,000	142,000	141,733	267
Turnout gear	50,000	50,000	58,453	(8,453)
Total Fire Department	<u>27,658,637</u>	<u>28,137,165</u>	<u>11,812,133</u>	<u>16,325,032</u>
Police Department				
Salaries and benefits	21,368,636	21,368,636	20,698,502	670,134
Pension expenditures	16,509,826	16,509,826	-	16,509,826
Internal service fund charges	567,198	567,198	555,492	11,706
Other general	163,503	163,503	188,469	(24,966)
Postage, printing, and publications	24,400	24,400	31,369	(6,969)
Telephone	66,900	66,900	48,528	18,372
Utilities	23,500	23,500	23,907	(407)
Training, dues, and education	80,000	80,000	86,153	(6,153)
Vehicle gas & oil	195,000	195,000	181,639	13,361
Supplies	46,900	46,900	40,752	6,148
Repairs and maintenance	418,000	418,000	408,223	9,777
Red light camera enforcement	979,365	979,365	1,065,185	(85,820)
Capital outlay	38,500	38,500	16,066	22,434
Copier maintenance	17,000	17,000	15,327	1,673
Total Police Department	<u>40,498,728</u>	<u>40,498,728</u>	<u>23,359,612</u>	<u>17,139,116</u>
Fire and Police Commission				
Salaries and benefits	21,343	21,343	23,448	(2,105)
Training, dues, and education	2,500	2,500	6,173	(3,673)
Other general	46,525	46,525	59,970	(13,445)
Total Fire and Police Commission	<u>70,368</u>	<u>70,368</u>	<u>89,591</u>	<u>(19,223)</u>
Total Public Safety	<u>68,227,733</u>	<u>68,706,261</u>	<u>35,261,336</u>	<u>33,444,925</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>PUBLIC WORKS</b>				
Building Department				
Salaries and benefits	\$ 1,116,574	\$ 1,116,574	\$ 1,014,499	\$ 102,075
Internal service fund charges	7,426	7,426	14,570	(7,144)
Other general	1,500	1,500	2,148	(648)
Postage, printing, and publications	17,000	17,000	18,507	(1,507)
Utilities	12,000	12,000	11,736	264
Telephone	15,000	15,000	14,749	251
Training, dues, and publications	2,500	2,500	3,579	(1,079)
Supplies	14,500	14,500	14,405	95
Vehicle gas & oil	10,000	10,000	10,552	(552)
Professional services	430,000	430,000	434,949	(4,949)
Repairs and maintenance	175,000	175,000	161,080	13,920
Copier maintenance	2,000	2,000	1,703	297
Total Building Department	<u>1,803,500</u>	<u>1,803,500</u>	<u>1,702,477</u>	<u>101,023</u>
Street Department				
Salaries and benefits	2,585,822	2,585,822	2,335,694	250,128
Internal service fund charges	37,432	37,432	42,806	(5,374)
Other general	5,000	5,000	7,493	(2,493)
Telephone	3,500	3,500	7,108	(3,608)
Training, dues & publications	5,500	5,500	28,723	(23,223)
Utilities	18,500	18,500	16,737	1,763
Vehicle gas and oil	86,000	86,000	82,541	3,459
Supplies	144,450	144,450	144,788	(338)
Postage & printing	10,000	10,000	6,040	3,960
Equipment lease	135,000	135,000	56,910	78,090
Equipment	2,500	2,500	1,384	1,116
Repairs and maintenance	372,000	372,000	462,341	(90,341)
Copier maintenance	1,400	1,400	1,242	158
Professional services	590,000	590,000	408,959	181,041
Total Street Department	<u>3,997,104</u>	<u>3,997,104</u>	<u>3,625,166</u>	<u>371,938</u>
Fleet Department				
Salaries and benefits	112,457	112,457	112,409	48
Internal service fund charges	1,298	1,298	3,028	(1,730)
Other general	-	-	1,500	(1,500)
Supplies	142,000	142,000	155,637	(13,637)
Professional services	45,000	45,000	43,680	1,320
Postage & printing	-	-	1,309	(1,309)
Equipment	2,500	2,500	-	2,500
Vehicle gas and oil	9,000	9,000	3,332	5,668
Repairs and maintenance	73,500	73,500	2,600	70,900
Repairs and maintenance parts	-	-	-	-
Total Fleet Department	<u>385,755</u>	<u>385,755</u>	<u>323,495</u>	<u>62,260</u>
Total Public Works	<u>6,186,359</u>	<u>6,186,359</u>	<u>5,651,138</u>	<u>535,221</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>ECONOMIC DEVELOPMENT</b>				
Zoning Boards of Appeals				
Salaries and benefits	\$ 6,847	\$ 6,847	\$ 6,907	\$ (60)
Postage & printing	3,000	3,000	-	3,000
Other general	6,000	6,000	-	6,000
Total Zoning Boards of Appeals	<u>15,847</u>	<u>15,847</u>	<u>6,907</u>	<u>8,940</u>
Committees and Planning Department				
Berwyn Historical Society	-	5,000	-	5,000
West Central Municipal Conference	26,000	26,000	25,362	638
Historical Preservation Commission	5,000	5,000	334	4,666
Utility tax rebate	85,000	85,000	63,195	21,805
Sales tax rebate		-	371,253	(371,253)
Community programs	3,500	3,500	1,667	1,833
Berwyn Development Corporation Administrative Fee	86,000	86,000	86,000	-
Other general	4,500	4,500	1,205	3,295
Total Committees and Planning Department	<u>210,000</u>	<u>215,000</u>	<u>549,016</u>	<u>(334,016)</u>
Total Economic Development	<u>225,847</u>	<u>230,847</u>	<u>555,923</u>	<u>(325,076)</u>
<b>CULTURE AND RECREATION</b>				
Recreation Department				
Salaries and benefits	1,114,413	1,114,413	1,002,236	112,177
Internal service fund charges	14,196	14,196	17,132	(2,936)
Special events	65,000	65,000	65,104	(104)
Other general	85,000	85,000	77,440	7,560
Postage, printing, and publications	4,500	4,500	1,886	2,614
Telephone	8,000	8,000	9,661	(1,661)
Utilities	28,000	28,000	31,012	(3,012)
Equipment		-	220	(220)
Vehicle gas & oil	13,000	13,000	12,353	647
Supplies	115,000	115,000	119,343	(4,343)
Repairs and maintenance	155,000	155,000	219,773	(64,773)
Copier maintenance	1,300	1,300	1,243	57
Total Recreation Department	<u>1,603,409</u>	<u>1,603,409</u>	<u>1,562,003</u>	<u>41,406</u>

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>CULTURE AND RECREATION (CONTINUED)</b>				
Community Relations Department				
Salaries and benefits	\$ 5,383	\$ 5,383	\$ 5,383	\$ -
Other general	<u>1,500</u>	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total Community Relations Department	<u>6,883</u>	<u>6,783</u>	<u>5,383</u>	<u>1,400</u>
Senior Services Department				
Salaries and benefits	337,728	337,728	323,986	13,742
Special events - senior breakfast	7,400	7,400	6,847	553
Vehicle, gas, and oil	17,500	17,500	20,941	(3,441)
Telephone	4,000	4,000	4,776	(776)
Supplies	1,000	1,000	916	84
Postage and printing	6,000	6,000	7,848	(1,848)
Professional services	1,750	1,750	2,875	(1,125)
Repairs and maintenance	96,000	96,000	104,446	(8,446)
Equipment lease	6,000	6,000	8,326	(2,326)
Copier maintenance	1,050	1,050	905	145
Internal service fund charges	5,067	5,067	6,153	(1,086)
Other general	<u>500</u>	<u>500</u>	<u>258</u>	<u>242</u>
Total Senior Services Department	<u>483,995</u>	<u>483,995</u>	<u>488,277</u>	<u>(4,282)</u>
Total Culture and Recreation	<u>2,094,287</u>	<u>2,094,187</u>	<u>2,055,663</u>	<u>38,524</u>
<b>DEBT SERVICE</b>				
Bond expenditures				
Bond issuance costs	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Debt Service	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 81,202,782</u>	<u>\$ 81,684,710</u>	<u>\$ 47,506,205</u>	<u>\$ 34,178,505</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.



**CITY OF BERWYN, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2019**

	NSP	Special Revenue						Harlem Avenue TIF
		Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF		
<b>ASSETS</b>								
Cash and investments	10	\$ 1,646,418	\$ 2,430,121	\$ 159,903	\$ 159,135	\$ -	\$ 854	
Restricted cash	-	-	-	-	879	-	-	
Receivables	-	-	-	-	-	-	-	
Property taxes	-	3,399,459	-	-	25,717	-	-	
Notes	-	-	-	-	-	-	-	
Interest	-	7	-	-	12	-	-	
Accounts	-	51	-	-	2,000	-	-	
Land held for resale	-	-	-	-	305,000	-	-	
Prepaid items	-	-	-	-	-	-	43,291	
Due from other funds	-	157,874	-	-	-	1,906	-	
Due from other governments	-	-	248,706	-	-	-	-	
<b>TOTAL ASSETS</b>	<b>10</b>	<b>\$ 5,203,809</b>	<b>\$ 2,678,827</b>	<b>\$ 159,903</b>	<b>\$ 492,743</b>	<b>\$ 1,906</b>	<b>\$ 44,145</b>	
<b>LIABILITIES</b>								
Accounts payable	-	\$ 30,963	\$ 356,354	\$ -	\$ -	\$ -	\$ -	
Accrued payroll	-	74,011	-	-	-	-	-	
Unearned revenues	-	-	-	-	2,000	-	-	
Due to other funds	134,746	-	342,797	37,061	295,051	-	261,347	
Other liabilities	-	2,055	-	-	-	66,205	-	
<b>TOTAL LIABILITIES</b>	<b>134,746</b>	<b>107,029</b>	<b>699,151</b>	<b>37,061</b>	<b>297,051</b>	<b>66,205</b>	<b>261,347</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes	-	3,392,808	-	-	-	-	-	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>3,392,808</b>						
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	-	-	-	-	-	-	43,291	
Prepaid items	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	
Public works	-	-	1,979,676	-	-	-	-	
Culture and recreation	-	1,703,972	-	-	-	-	-	
Economic development	-	-	-	122,842	195,692	-	-	
Committed	-	-	-	-	-	-	-	
Capital projects funded by bonds	-	-	-	-	-	-	-	
Unassigned	(134,736)	-	-	-	-	(64,299)	(260,493)	
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(134,736)</b>	<b>1,703,972</b>	<b>1,979,676</b>	<b>122,842</b>	<b>195,692</b>	<b>(64,299)</b>	<b>(217,202)</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>	<b>10</b>	<b>\$ 5,203,809</b>	<b>\$ 2,678,827</b>	<b>\$ 159,903</b>	<b>\$ 492,743</b>	<b>\$ 1,906</b>	<b>\$ 44,145</b>	

**CITY OF BERWYN, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2019**

	Special Revenue				Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Projects	
<b>ASSETS</b>							
Cash and investments	\$ 105,359	\$ 941,697	\$ 774,339	\$ 58,858	\$ 100	\$ 846,248	\$ 7,123,042
Restricted cash	-	-	-	-	-	-	879
Receivables	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	3,425,176
Notes	-	-	-	-	2,254,514	-	2,254,514
Interest	-	133	-	-	19	-	171
Accounts	-	-	208,168	-	-	-	210,219
Land held for resale	-	-	-	-	-	-	305,000
Prepaid items	-	-	-	-	-	-	43,291
Due from other funds	1,538	-	-	-	-	321,018	482,336
Due from other governments	-	-	-	-	42,670	-	291,376
<b>TOTAL ASSETS</b>	<b>\$ 106,897</b>	<b>\$ 941,830</b>	<b>\$ 982,507</b>	<b>\$ 58,858</b>	<b>\$ 2,297,303</b>	<b>\$ 1,167,266</b>	<b>\$ 14,136,004</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 4,884	\$ -	\$ -	\$ 375	\$ 26,236	\$ 418,812
Accrued payroll	-	37,171	-	-	12,809	-	123,991
Unearned revenues	-	-	-	-	2,254,514	-	2,256,514
Due to other funds	-	410,135	566	2	216,703	-	1,698,408
Other liabilities	-	-	-	-	50,939	-	119,199
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>\$ 452,190</b>	<b>\$ 566</b>	<b>\$ 2</b>	<b>\$ 2,535,340</b>	<b>\$ 26,236</b>	<b>\$ 4,616,924</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	3,392,808
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,392,808</b>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	-	-	-	43,291
Prepaid items	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Public safety	106,897	489,640	981,941	58,856	-	-	1,637,334
Public works	-	-	-	-	-	-	1,979,676
Culture and recreation	-	-	-	-	-	-	1,703,972
Economic development	-	-	-	-	-	-	318,534
Committed	-	-	-	-	-	-	-
Capital projects funded by bonds	-	-	-	-	-	1,141,030	1,141,030
Unassigned	-	-	-	-	(238,037)	-	(697,565)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>106,897</b>	<b>489,640</b>	<b>981,941</b>	<b>58,856</b>	<b>(238,037)</b>	<b>1,141,030</b>	<b>6,126,272</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)</b>	<b>\$ 106,897</b>	<b>\$ 941,830</b>	<b>\$ 982,507</b>	<b>\$ 58,858</b>	<b>\$ 2,297,303</b>	<b>\$ 1,167,266</b>	<b>\$ 14,136,004</b>

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2019

	NSP	Special Revenue					
		Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Ogden Avenue TIF	Harlem Avenue TIF
<b>REVENUES</b>							
Property taxes	\$ -	\$ 3,385,280	\$ -	\$ 988,351	\$ 591,193	\$ -	\$ 696,910
Other taxes	-	-	-	-	-	-	-
Fines and forfeitures	-	25,273	-	-	-	-	-
Intergovernmental	-	50,000	1,868,822	-	-	-	-
Investment income	-	7,362	46,138	2,214	1,026	-	1,666
Miscellaneous	-	24,811	-	-	-	-	-
Total Revenues	-	3,492,726	1,914,960	990,565	592,219	-	698,576
<b>EXPENDITURES</b>							
Current							
Public safety	-	-	-	-	-	-	-
Public works	-	-	1,989,620	-	-	-	-
Economic development	-	-	-	206,553	90,850	20,811	942,122
Culture and recreation	-	3,247,139	-	-	-	-	-
Capital outlay	-	454,400	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	107,800
Interest and fiscal charges	-	-	-	-	15,000	-	65,363
Total Expenditures	-	3,701,539	1,989,620	206,553	105,850	20,811	1,115,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(208,813)	(74,660)	784,012	486,369	(20,811)	(416,709)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	(536,167)	(293,395)	-	-
Total Other Financing Sources (Uses)	-	-	-	(536,167)	(293,395)	-	-
NET CHANGE IN FUND BALANCES	-	(208,813)	(74,660)	247,845	192,974	(20,811)	(416,709)
FUND BALANCES (DEFICIT), JANUARY 1	(134,736)	1,912,785	2,054,336	(125,003)	2,718	(43,488)	199,507
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<b>\$ (134,736)</b>	<b>\$ 1,703,972</b>	<b>\$ 1,979,676</b>	<b>\$ 122,842</b>	<b>\$ 195,692</b>	<b>\$ (64,299)</b>	<b>\$ (217,202)</b>

**CITY OF BERWYN, ILLINOIS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2019**

	Special Revenue					Capital Projects		Totals
	Grants	Police Seizure	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Projects	Capital Projects	
<b>REVENUES</b>								
Property taxes	-	-	-	-	-	-	-	\$ 5,661,734
Other taxes	-	-	780,740	54,035	-	-	-	834,775
Fines and forfeitures	11,840	-	-	-	-	-	-	37,113
Intergovernmental	-	743,473	-	-	1,084,176	-	-	3,746,471
Investment income	391	1,622	13,127	22	122	-	4,146	77,836
Miscellaneous	-	-	-	-	143,563	-	-	168,374
Total Revenues	<u>12,231</u>	<u>745,095</u>	<u>793,867</u>	<u>54,057</u>	<u>1,227,861</u>	<u>4,146</u>	<u>4,146</u>	<u>10,526,303</u>
<b>EXPENDITURES</b>								
Current								
Public safety	-	490,491	920,744	56,265	-	-	-	1,467,500
Public works	-	-	-	-	-	-	-	1,989,620
Economic development	-	-	-	-	1,231,750	-	-	2,492,086
Culture and recreation	-	-	-	-	-	-	-	3,247,139
Capital outlay	6,538	-	-	-	-	90,233	-	551,171
Debt service	-	-	-	-	-	-	-	107,800
Principal	-	-	-	-	-	-	-	80,363
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,538</u>	<u>490,491</u>	<u>920,744</u>	<u>56,265</u>	<u>1,231,750</u>	<u>90,233</u>	<u>90,233</u>	<u>9,935,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,693</u>	<u>254,604</u>	<u>(126,877)</u>	<u>(2,208)</u>	<u>(3,889)</u>	<u>(86,087)</u>	<u>(86,087)</u>	<u>590,624</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	24,192	200,000	-	224,192
Transfers (out)	-	-	-	-	-	-	-	(829,562)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,192</u>	<u>200,000</u>	<u>200,000</u>	<u>(605,370)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>5,693</u>	<u>254,604</u>	<u>(126,877)</u>	<u>(2,208)</u>	<u>20,303</u>	<u>113,913</u>	<u>113,913</u>	<u>(14,746)</u>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<u>101,204</u>	<u>235,036</u>	<u>1,108,818</u>	<u>61,064</u>	<u>(258,340)</u>	<u>1,027,117</u>	<u>1,027,117</u>	<u>6,141,018</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 106,897</u>	<u>\$ 489,640</u>	<u>\$ 981,941</u>	<u>\$ 58,856</u>	<u>\$ (238,037)</u>	<u>\$ 1,141,030</u>	<u>\$ 1,141,030</u>	<u>\$ 6,126,272</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - Library	\$ 3,392,808	\$ 3,385,280	\$ (7,528)
Fines and forfeitures			
Book fines	16,000	10,800	(5,200)
Copier fees - maintenance fund	13,000	14,473	1,473
Intergovernmental revenue - Per Capita Grant	70,821	-	(70,821)
Intergovernmental revenue - Grants	20,000	50,000	30,000
Investment income	750	7,362	6,612
Contributions	-	-	-
Miscellaneous revenues			
Donations - building fund	7,000	12,810	5,810
Other revenues	-	12,001	12,001
Total Revenues	<u>3,520,379</u>	<u>3,492,726</u>	<u>(27,653)</u>
<b>EXPENDITURES</b>			
Library			
Salaries and benefits	2,611,260	2,420,888	190,372
Internal service fund charges	13,904	25,805	(11,901)
Books	253,500	263,385	(9,885)
Periodicals	16,660	13,297	3,363
Audio visual	40,500	40,243	257
Computer system	60,000	46,265	13,735
Dues and subscriptions	18,800	26,207	(7,407)
Computer support databases	67,000	30,513	36,487
Programs adult/children	31,000	41,660	(10,660)
Reciprocal borrowing	1,800	592	1,208
Promotions	22,400	17,574	4,826
Director expense	800	40	760
Board expense	10,000	1,730	8,270
Other general	20,000	14,351	5,649
Postage, printing, and publications	2,500	2,451	49
Vehicle gas & oil	1,500	99	1,401
Telephone	22,000	23,098	(1,098)
Utilities	14,000	14,467	(467)
Supplies	67,000	131,199	(64,199)
Repairs and maintenance	150,000	133,275	16,725
Capital improvement	397,500	454,400	(56,900)
Total Expenditures	<u>3,822,124</u>	<u>3,701,539</u>	<u>120,585</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(301,745)</u>	<u>(208,813)</u>	<u>92,932</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (301,745)</u>	<u>(208,813)</u>	<u>\$ 92,932</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>1,912,785</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,703,972</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, 2019**

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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	\$ 1,700,000	\$ 1,868,822	\$ 168,822
Investment income	35,000	46,138	11,138
Total Revenues	<u>1,735,000</u>	<u>1,914,960</u>	<u>179,960</u>
 <b>EXPENDITURES</b>			
Public Works			
Rock salt	247,000	162,655	84,345
Utilities	366,000	413,448	(47,448)
Professional services	58,012	127,626	(69,614)
Capital outlay	218,000	229,241	(11,241)
Supplies	-	8,181	(8,181)
Repairs and maintenance			
Streets & Sidewalks	417,000	615,099	(198,099)
Traffic control	388,722	433,370	(44,648)
Total Expenditures	<u>1,694,734</u>	<u>1,989,620</u>	<u>(294,886)</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>40,266</u>	<u>(74,660)</u>	<u>(114,926)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 40,266</u>	<u>(74,660)</u>	<u>\$ (114,926)</u>
 <b>FUND BALANCE, JANUARY 1</b>		<u>2,054,336</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,979,676</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, 2019**

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 929,192	\$ 988,351	\$ 59,159
Miscellaneous income	-	-	-
Investment income	-	2,214	2,214
 Total Revenues	<u>929,192</u>	<u>990,565</u>	<u>61,373</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	123,334	86,259	37,075
TIF management services - BDC	114,654	120,294	(5,640)
Debt Service			
Principal	-	-	-
Interest - notes payable	-	-	-
 Total Expenditures	<u>237,988</u>	<u>206,553</u>	<u>31,435</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>691,204</u>	<u>784,012</u>	<u>92,808</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(536,167)</u>	<u>(536,167)</u>	-
 Total Other Financing Sources (Uses)	<u>(536,167)</u>	<u>(536,167)</u>	-
 <b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 155,037</u>	<u>247,845</u>	<u>\$ 92,808</u>
 <b>FUND BALANCE, JANUARY 1</b>		<u>(125,003)</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 122,842</u>	





CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 ROOSEVELT ROAD TIF FUND  
 For the Year Ended December 31, 2019

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Property taxes - increment	\$ 605,533	\$ 591,193	\$ (14,340)
Investment income	-	1,026	1,026
Miscellaneous	-	-	-
Total Revenues	<u>605,533</u>	<u>592,219</u>	<u>(13,314)</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	123,334	90,850	32,484
TIF management services - BDC	-	-	-
Debt Service			
Principal	-	-	-
Interest - notes payable	15,000	15,000	-
Total Expenditures	<u>138,334</u>	<u>105,850</u>	<u>32,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>467,199</u>	<u>486,369</u>	<u>19,170</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	<u>(293,395)</u>	<u>(293,395)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(293,395)</u>	<u>(293,395)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 173,804</u>	<u>192,974</u>	<u>\$ 19,170</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>2,718</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 195,692</u>	

**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, 2019**

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	Original and Final Budget	Actual	Variance with Final Budget
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Property taxes - increment	\$ 1,119,351	\$ 696,910	\$ (422,441)
Investment income	<u>                    -</u>	<u>                    1,666</u>	<u>                    1,666</u>
 Total Revenues	 <u>                    1,119,351</u>	 <u>                    698,576</u>	 <u>                    (420,775)</u>
<b>EXPENDITURES</b>			
Economic Development			
TIF expenditures	300,471	246,939	53,532
TIF management services - BDC	663,845	695,183	31,338
Debt Service			
Principal	109,089	107,800	1,289
Interest - notes payable	<u>          64,074</u>	<u>          65,363</u>	<u>          (1,289)</u>
Total Expenditures	<u>          1,137,479</u>	<u>          1,115,285</u>	<u>          84,870</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>          (18,128)</u>	 <u>          (416,709)</u>	 <u>          (398,581)</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>          \$ (18,128)</u>	 <u>          (416,709)</u>	 <u>          \$ (398,581)</u>
 <b>FUND BALANCE, JANUARY 1</b>		 <u>          199,507</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		 <u>          \$ (217,202)</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, 2019

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	Original and Final Budget	Actual	Variance with Final Budget
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Other taxes	\$ 57,000	\$ 54,035	\$ (2,965)
Investment income	-	22	(22)
	<u>57,000</u>	<u>54,057</u>	<u>(2,987)</u>
Total Revenues			
<b>EXPENDITURES</b>			
Public Safety			
Supplies	7,000	15,121	(8,121)
Tools and equipment	20,000	32,559	(12,559)
Repairs and maintenance	6,000	711	5,289
Other general	5,000	7,874	(2,874)
Training, dues, and publications	9,000	-	9,000
Capital Outlay	10,000	-	10,000
Total Expenditures	<u>57,000</u>	<u>56,265</u>	<u>735</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(2,208)</u>	<u>(2,208)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>(2,208)</u>	<u>\$ (2,208)</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>61,064</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 58,856</u>	

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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, 2019**

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Intergovernmental revenues	\$ 1,528,701	\$ 1,084,176	\$ (444,525)
Investment income	-	122	122
Miscellaneous	-	143,563	143,563
<b>Total Revenues</b>	<b>1,528,701</b>	<b>1,227,861</b>	<b>(300,840)</b>
<b>EXPENDITURES</b>			
Economic Development			
Salaries and benefits	265,484	258,310	7,174
Internal service fund charges	6,574	10,814	(4,240)
Utilities	-	3,242	(3,242)
Copier maintenance	600	907	(307)
Telephone	1,500	738	762
Supplies	1,500	513	987
Postage and printing	1,500	640	860
Professional services	34,400	1,430	32,970
Training, dues and publications	3,650	1,859	1,791
Repairs and maintenance	1,159,477	792,230	367,247
Vehicle gas and oil	750	-	750
Other general	188	3,106	(2,918)
Bad debt	-	-	-
Program	77,270	157,961	(80,691)
Contingency	-	-	-
Public works			
Capital outlay	-	-	-
Professional services	-	-	-
Repairs and maintenance	-	-	-
<b>Total Expenditures</b>	<b>1,552,893</b>	<b>1,231,750</b>	<b>321,143</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(24,192)</b>	<b>(3,889)</b>	<b>20,303</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	24,192	24,192	-
<b>Total Other Financing Sources (Uses)</b>	<b>24,192</b>	<b>24,192</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>20,303</b>	<b>\$ 20,303</b>
<b>FUND BALANCE (DEFICIT), JANUARY 1</b>		<b>(258,340)</b>	
<b>FUND BALANCE (DEFICIT), DECEMBER 31</b>		<b>\$ (238,037)</b>	

**CITY OF BERWYN, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2019**

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	Original and Final Budget	Actual	Variance with Final Budget
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Intergovernmental revenue	\$ -	\$ -	\$ -
Investment income	<u>-</u>	<u>4,146</u>	<u>4,146</u>
Total Revenues	<u>-</u>	<u>4,146</u>	<u>4,146</u>
 <b>EXPENDITURES</b>			
Capital outlay			
Public safety projects	339,500	90,233	249,267
Culture and recreational projects	100,000	-	100,000
Public works projects	<u>310,500</u>	<u>-</u>	<u>310,500</u>
Total Expenditures	<u>750,000</u>	<u>90,233</u>	<u>659,767</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>(750,000)</u>	<u>(86,087)</u>	<u>663,913</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>200,000</u>	<u>200,000</u>
 <b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (750,000)</u>	<u>113,913</u>	<u>\$ 863,913</u>
 <b>FUND BALANCE, JANUARY 1</b>		<u>1,027,117</u>	
 <b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 1,141,030</u>	

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## **FIDUCIARY FUNDS**





CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF NET POSITION  
PENSION TRUST FUNDS  
December 31, 2019

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and investments			
Cash and cash equivalents	\$ 160,378	\$ 138,413	\$ 298,791
Investments			
U.S Government and agency securities	17,360,740	8,973,298	26,334,038
Corporate bonds	18,538,070	13,438,197	31,976,267
Money market mutual funds	3,498,361	2,968,743	6,467,104
Equities	7,832,222	4,367,304	12,199,526
Equity mutual fund	52,247,638	36,841,185	89,088,823
State and local obligations	429,325	346,046	775,371
Insurance contracts	21,576	153,279	174,855
Total Cash and Investments	<u>100,088,310</u>	<u>67,226,465</u>	<u>167,314,775</u>
Receivables			
Accrued interest	212,960	137,615	350,575
Due from governmental funds	4,839	3,854	8,693
Total Receivables	<u>217,799</u>	<u>141,469</u>	<u>359,268</u>
Prepays	1,690	1,055	2,745
Total Assets	<u>100,307,799</u>	<u>67,368,989</u>	<u>167,676,788</u>
<b>LIABILITIES</b>			
Accounts payable	46,729	23,729	70,458
Total Liabilities	<u>46,729</u>	<u>23,729</u>	<u>70,458</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 100,261,070</u>	<u>\$ 67,345,260</u>	<u>\$ 167,606,330</u>

CITY OF BERWYN, ILLINOIS

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

**For the Year Ended December 31, 2019**

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 16,498,158	\$ 16,241,734	\$ 32,739,892
Participants	<u>1,063,887</u>	<u>693,890</u>	<u>1,757,777</u>
Total Contributions	<u>17,562,045</u>	<u>16,935,624</u>	<u>34,497,669</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	11,275,115	7,966,241	19,241,356
Interest earned	2,467,997	1,469,088	3,937,085
Less investment expenses	<u>(214,052)</u>	<u>(134,215)</u>	<u>(348,267)</u>
Total Investment Income	<u>13,529,060</u>	<u>9,301,114</u>	<u>22,830,174</u>
Total Additions	<u>31,091,105</u>	<u>26,236,738</u>	<u>57,327,843</u>
<b>DEDUCTIONS</b>			
Administrative	84,116	75,694	159,810
Pension benefits and refunds	<u>5,424,633</u>	<u>5,319,274</u>	<u>10,743,907</u>
Total Deductions	<u>5,508,749</u>	<u>5,394,968</u>	<u>10,903,717</u>
<b>NET INCREASE</b>	25,582,356	20,841,770	46,424,126
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - JANUARY 1</b>	<u>74,678,714</u>	<u>46,503,490</u>	<u>121,182,204</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - DECEMBER 31</b>	<u>\$ 100,261,070</u>	<u>\$ 67,345,260</u>	<u>\$ 167,606,330</u>

**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.	143 - 147
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	148 - 152
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.	153 - 156
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.	157 - 158
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.	159 - 161

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
	2010	2011	2012	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019	
<b>Governmental Activities</b>											
Net investment in capital assets	\$ (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)	\$ (27,867,456)	
Restricted	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	9,744,443	
Unrestricted	(22,493,166)	(19,438,748)	(19,370,661)	(20,837,639)	(129,800,459)	(130,286,516)	(145,555,971)	(170,442,605)	(182,069,967)	(191,819,298)	
Total Governmental Activities	\$ (19,829,851)	\$ (29,896,433)	\$ (35,871,730)	\$ (45,540,007)	\$ (157,928,549)	\$ (165,277,167)	\$ (174,534,481)	\$ (194,418,548)	\$ (202,918,521)	\$ (209,942,311)	
<b>Business-Type Activities</b>											
Net investment in capital assets	\$ 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	\$ 19,451,290	
Restricted	812,614	698,324	-	-	-	-	-	-	-	-	
Unrestricted	4,045,965	3,098,670	3,188,554	4,727,886	4,988,893	5,241,306	4,273,785	2,477,439	1,912,046	1,729,262	
Total Business-Type Activities	\$ 47,690,203	\$ 42,673,960	\$ 39,066,838	\$ 36,801,443	\$ 32,654,400	\$ 29,187,565	\$ 25,437,770	\$ 22,123,134	\$ 21,322,631	\$ 21,180,552	
<b>Primary Government</b>											
Net investment in capital assets	\$ 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)	\$ (8,416,166)	
Restricted	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	9,744,443	
Unrestricted	(18,447,201)	(16,340,078)	(16,182,107)	(16,109,753)	(124,811,566)	(125,045,210)	(141,282,186)	(167,965,166)	(180,157,921)	(190,090,036)	
Total Primary Government	\$ 27,860,352	\$ 12,777,527	\$ 3,195,108	\$ (8,738,564)	\$ (125,274,149)	\$ (136,089,602)	\$ (149,096,711)	\$ (172,295,414)	\$ (181,595,890)	\$ (188,761,759)	

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 4,039,444	\$ 4,474,679	\$ 3,143,434	\$ 3,636,642	\$ 3,330,828	\$ 3,875,080	\$ 4,089,138	\$ 4,151,187	\$ 4,322,035	\$ 4,444,154
Public safety	33,929,018	36,778,991	37,717,578	40,266,230	39,409,364	45,477,225	48,121,837	47,884,063	52,991,988	52,132,315
Public works	8,696,471	8,622,452	7,127,063	9,503,285	9,692,933	8,365,920	9,574,448	8,030,594	7,050,783	7,556,885
Economic development	5,934,648	11,210,313	5,295,179	8,341,981	4,826,143	8,816,846	3,680,408	3,321,527	2,848,818	3,685,048
Culture and recreation	4,604,469	5,065,032	4,786,867	4,853,831	4,979,472	4,969,399	5,384,622	5,098,182	5,288,508	5,074,881
Health and sanitation	4,265,730	4,086,307	-	-	-	-	-	-	-	-
Interest	4,588,249	4,891,883	4,989,927	5,555,103	6,347,001	8,136,685	8,224,634	7,415,620	7,410,680	9,960,909
Total Governmental Activities Expenses	<u>66,058,029</u>	<u>75,129,657</u>	<u>63,060,048</u>	<u>72,157,072</u>	<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>82,856,192</u>
<b>Business-Type Activities</b>										
Utilities	10,754,990	11,432,263	16,557,127	16,767,182	18,895,002	19,533,100	20,206,762	18,418,318	18,223,176	17,459,824
Parking garage	263,619	275,896	273,185	260,988	264,787	288,197	299,391	273,838	291,169	269,462
Total Business-Type Activities Expenses	<u>11,018,609</u>	<u>11,708,159</u>	<u>16,830,312</u>	<u>17,028,170</u>	<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>	<u>17,729,286</u>
Total Primary Government Expenses	\$ <u>77,076,638</u>	\$ <u>86,837,816</u>	\$ <u>79,890,360</u>	\$ <u>89,185,242</u>	\$ <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>	\$ <u>100,585,478</u>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services	\$ 2,565,532	\$ 2,691,846	\$ 2,052,284	\$ 2,182,551	\$ 2,526,944	\$ 2,543,015	\$ 2,503,370	\$ 2,412,000	\$ 2,603,194	\$ 2,832,766
General government	4,153,792	5,028,338	6,162,058	5,818,148	6,142,547	6,177,670	6,994,123	6,305,832	6,040,508	7,011,487
Public safety	1,819,449	1,902,463	1,986,271	2,288,256	2,358,620	2,150,174	2,083,000	2,094,248	1,919,016	1,955,806
Culture and recreation	520,709	562,091	599,597	635,075	498,633	572,002	585,083	611,512	604,146	632,535
Health and sanitation	4,526,870	4,506,714	80,962	85,739	85,412	87,188	85,724	76,818	64,911	19,217
Economic development	-	-	-	-	44,000	32,000	-	-	-	-
Operating Grants and Contributions	4,699,635	4,684,682	3,636,003	3,035,643	3,808,251	4,634,204	4,376,808	3,839,854	3,224,755	-
Capital Grants and Contributions	4,178,890	1,641,462	660,589	1,746,077	2,104,052	2,087,975	634,086	3,428,047	960,511	-
Total Governmental Activities Program Revenues	<u>22,484,877</u>	<u>21,017,596</u>	<u>15,177,764</u>	<u>15,791,489</u>	<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>12,451,811</u>
<b>Business-Type Activities</b>										
Charges for Services	6,585,935	6,319,419	12,758,778	14,445,691	13,786,437	15,850,671	15,999,846	15,720,377	17,100,085	16,928,161
Utilities	119,871	135,019	149,306	212,255	283,996	282,774	231,366	225,613	204,562	208,009
Parking garage	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	1,100,000	-	65,877	-	-	-
Capital Grants and Contributions	6,705,806	6,454,438	12,908,084	14,657,946	15,170,433	16,133,445	16,297,089	15,945,990	17,304,647	17,136,170
Total Business-Type Activities Program Revenues	<u>13,411,612</u>	<u>12,908,876</u>	<u>26,015,168</u>	<u>29,315,892</u>	<u>29,250,866</u>	<u>32,367,031</u>	<u>32,528,388</u>	<u>31,892,060</u>	<u>34,609,254</u>	<u>34,272,340</u>
Total Primary Government Program Revenues	\$ <u>29,170,683</u>	\$ <u>27,472,034</u>	\$ <u>28,085,948</u>	\$ <u>30,449,435</u>	\$ <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>	\$ <u>29,587,981</u>
Net (Expense) Revenue	\$ (43,583,152)	\$ (54,112,061)	\$ (47,882,284)	\$ (56,365,583)	\$ (50,017,282)	\$ (61,376,927)	\$ (61,812,893)	\$ (64,595,771)	\$ (64,595,771)	\$ (70,404,381)
Governmental Activities	(43,583,152)	(54,112,061)	(47,882,284)	(56,365,583)	(50,017,282)	(61,376,927)	(61,812,893)	(64,595,771)	(64,595,771)	(70,404,381)
Business-Type Activities	(4,312,803)	(5,253,721)	(3,922,228)	(2,370,224)	(3,989,356)	(3,687,852)	(4,209,064)	(2,746,266)	(1,209,698)	(593,116)
Total Primary Government Net (Expense) Revenue	\$ (47,905,955)	\$ (59,365,782)	\$ (51,804,512)	\$ (58,735,807)	\$ (54,006,638)	\$ (65,044,779)	\$ (66,021,957)	\$ (69,879,128)	\$ (65,805,469)	\$ (70,997,497)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes</b>										
Property	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213	\$ 34,742,608
Sales	2,401,276	2,606,543	2,782,794	2,922,555	2,976,666	3,842,183	3,802,911	3,852,290	4,184,732	4,459,522
Home Rule Sales	1,834,332	1,923,750	2,073,705	2,156,948	2,180,628	2,733,826	2,761,930	2,683,029	2,810,011	3,927,872
Municipal Utility	4,124,813	4,018,344	3,594,627	3,630,961	3,700,906	3,277,911	3,090,740	2,994,314	2,996,948	2,889,681
Real Estate Transfer	913,411	915,913	1,047,766	1,379,577	1,788,150	1,838,263	1,905,205	1,890,665	2,317,555	2,107,324
Other	877,860	835,216	1,032,829	1,275,332	1,345,423	1,589,496	1,685,018	1,828,770	2,240,806	2,347,604
Income taxes	4,961,602	5,214,365	5,914,847	6,439,536	6,472,416	7,386,431	6,819,192	6,612,784	7,129,677	7,990,631
Investment Earnings	216,629	88,309	64,149	61,432	70,120	73,779	72,127	111,264	171,082	346,821
Gain on sale of capital assets	-	-	69,195	4,953	1,261	184,694	63,195	-	-	-
Loss on debt refunding	-	-	-	-	-	-	(671,960)	-	-	-
Miscellaneous	56,177	75,321	182,917	579,565	675,936	252,871	170,277	285,359	621,885	682,738
Transfers	(137,342)	(227,166)	(400,866)	(97,572)	-	-	(455,191)	(501,557)	(406,111)	(449,886)
Total Governmental Activities	<u>43,028,945</u>	<u>44,045,479</u>	<u>43,627,904</u>	<u>46,512,242</u>	<u>49,807,922</u>	<u>53,010,821</u>	<u>52,556,579</u>	<u>53,831,441</u>	<u>56,095,798</u>	<u>59,044,915</u>
<b>Business-Type Activities</b>										
Investment Earnings	8,454	10,312	5,867	7,257	6,707	6,312	4,080	3,019	3,084	1,151
Miscellaneous	(7,912)	-	-	-	-	70,000	-	-	-	-
Transfers	137,342	227,166	400,866	97,572	-	-	455,191	501,557	406,111	449,886
Total Business-Type Activities	<u>137,884</u>	<u>237,478</u>	<u>406,733</u>	<u>104,829</u>	<u>6,707</u>	<u>76,312</u>	<u>459,271</u>	<u>504,576</u>	<u>409,195</u>	<u>451,037</u>
Total Primary Government	\$ <u>43,166,829</u>	\$ <u>44,282,957</u>	\$ <u>44,034,637</u>	\$ <u>46,617,071</u>	\$ <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>	\$ <u>59,495,952</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (564,207)	\$ (10,066,582)	\$ (4,254,380)	\$ (9,853,341)	\$ (209,360)	\$ (8,366,106)	\$ (9,257,314)	\$ (3,301,421)	\$ (8,499,973)	\$ (11,359,466)
Business-Type Activities	(4,174,919)	(5,016,243)	(3,515,495)	(2,265,395)	(3,982,649)	(3,591,540)	(3,749,793)	(2,241,690)	(800,503)	(142,079)
Total Primary Government Change in Net Position	\$ (4,739,126)	\$ (15,082,825)	\$ (7,769,875)	\$ (12,118,736)	\$ (4,192,009)	\$ (11,957,646)	\$ (13,007,107)	\$ (5,543,111)	\$ (9,300,476)	\$ (11,501,545)

Data Source

Audited Financial Statements

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 384,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,596,284	-	-	-	-	-	-	-	-	-
Nonspendable	-	409,721	846,629	890,155	920,863	645,211	92,119	307,940	181,465	161,104
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	372	749	27,741	28,632	33,444	35,767	37,972	38,619	41,536
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	12,167,337
<b>Total General Fund</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>\$ 12,369,977</b>
All Other Governmental Funds										
Reserved	\$ 22,265,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	(129,390)	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	3,801,219	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	432,323	43,291	43,291	78,162,793
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	11,448,415
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	1,141,030
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(420,533)	(365,851)	(666,134)	(287,608)	(143,074)	(1,052,201)	(1,125,978)	(561,567)	(697,565)
<b>Total All Other Governmental Funds</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>	<b>\$ 90,054,673</b>

Data Source

Audited Financial Statements

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

	Note 1					Note 1			Note 2			Note 3	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010	2011	2012
<b>Revenues</b>													
Property taxes	\$ 27,780,387	\$ 28,372,384	\$ 27,265,941	\$ 28,158,955	\$ 30,596,416	\$ 31,831,367	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213	\$ 34,742,608			
Other taxes	14,819,782	15,214,946	16,622,978	17,933,118	18,548,751	20,739,219	20,063,166	19,911,224	21,679,729	23,722,634			
Licenses and permits	2,896,170	3,005,807	2,895,225	3,143,853	3,755,478	3,692,357	3,625,012	3,672,370	3,552,298	3,665,588			
Intergovernmental	7,842,004	5,980,498	3,707,916	4,191,527	3,893,088	3,903,745	4,219,375	3,770,003	4,185,264	4,335,676			
Fines and forfeitures	4,156,023	4,932,053	5,668,874	5,398,149	5,238,180	5,563,051	6,365,397	5,215,889	4,966,251	5,556,734			
Charges for services	5,665,356	5,668,389	1,783,072	1,743,419	2,077,548	1,616,795	1,690,521	1,819,564	1,966,890	2,627,777			
Contributions	900,000	-	-	-	-	-	-	-	-	-			
Investment income	216,629	88,284	64,149	61,432	70,122	73,779	72,002	110,891	170,672	346,821			
Miscellaneous	1,308,948	1,805,376	1,139,184	1,611,112	2,045,778	1,942,151	1,403,193	4,506,474	1,368,221	1,284,450			
<b>Total Revenues</b>	<b>65,585,299</b>	<b>65,067,737</b>	<b>59,137,339</b>	<b>62,241,565</b>	<b>66,225,361</b>	<b>69,362,464</b>	<b>70,740,801</b>	<b>73,100,938</b>	<b>71,918,538</b>	<b>76,282,288</b>			
<b>Expenditures</b>													
General government	4,042,809	4,302,988	3,170,604	3,638,505	3,681,579	4,014,184	3,763,962	3,882,855	4,105,923	4,079,645			
Public safety	33,410,292	34,166,965	36,316,079	66,411,752	36,389,011	67,047,018	39,487,804	38,157,125	39,448,318	69,468,798			
Highways and streets	6,271,908	6,766,808	6,449,583	6,731,412	8,290,373	7,385,086	7,291,226	10,551,626	7,179,906	7,640,758			
Health & welfare	4,265,730	4,086,307	-	-	-	-	-	-	-	-			
Culture and recreation	4,370,606	5,020,555	4,788,958	4,769,354	4,922,054	5,007,073	5,057,693	4,924,183	2,762,155	5,302,802			
Economic development	8,653,372	11,201,125	5,232,219	6,777,084	2,917,308	8,100,608	3,524,490	3,140,306	4,997,313	3,048,009			
Capital outlay	789,294	1,380,811	1,921,092	2,140,402	2,497,137	727,843	680,942	568,136	1,198,017	551,171			
Debt service													
Principal	5,180,161	3,520,161	4,949,818	4,490,658	4,118,231	4,700,652	10,557,831	5,008,444	19,941,271	18,609,491			
Interest	4,353,525	4,660,159	4,718,742	4,842,213	6,390,279	7,027,263	8,016,080	7,659,081	7,468,510	7,631,782			
Other charges	291,127	170,760	227,726	406,107	91,210	1,019,575	268,395	-	-	-			
<b>Total Expenditures</b>	<b>71,628,824</b>	<b>75,276,639</b>	<b>67,774,821</b>	<b>100,207,487</b>	<b>69,197,182</b>	<b>105,029,302</b>	<b>76,648,423</b>	<b>73,891,756</b>	<b>87,101,413</b>	<b>116,332,456</b>			
Excess (deficiency) of revenues over (under) expenditures	(6,043,525)	(10,208,902)	(8,637,482)	(37,965,922)	(2,971,821)	(35,666,838)	(7,907,622)	(790,818)	(15,182,875)	(40,050,168)			
Other Financing Sources (Uses)													
Transfers in	4,540,465	5,468,574	5,812,370	2,537,321	2,278,235	1,595,966	5,852,329	4,108,815	5,246,047	13,822,550			
Transfers (out)	(5,540,465)	(5,468,574)	(5,812,370)	(2,537,321)	(2,278,235)	(1,595,966)	(5,852,329)	(4,108,815)	(5,246,047)	(13,822,550)			
Debt issued	13,150,000	5,469,719	8,500,000	36,315,632	4,390,000	38,811,860	19,483,528	-	15,175,811	79,970,000			
Premium (discount) on bonds issued	258,302	(53,184)	(368,178)	170,408	349,073	(296,884)	2,278,565	-	-	924,187			
Transfer to bond escrow agent	-	-	-	-	-	-	(21,016,667)	-	-	(33,686,730)			
Sale of property	-	-	-	154,785	-	-	-	-	-	-			
Sale of capital assets	5,251	230,288	69,195	4,953	1,261	12,514	28,075	-	-	-			
<b>Total Other Financing Sources (Uses)</b>	<b>12,413,553</b>	<b>5,646,823</b>	<b>8,201,017</b>	<b>36,645,678</b>	<b>4,740,334</b>	<b>38,527,490</b>	<b>773,501</b>	<b>(790,818)</b>	<b>15,175,811</b>	<b>47,207,457</b>			
<b>Net Change in Fund Balances</b>	<b>\$ 6,370,028</b>	<b>\$ (4,562,079)</b>	<b>\$ (436,465)</b>	<b>\$ (1,320,244)</b>	<b>\$ 1,768,513</b>	<b>\$ 2,860,652</b>	<b>\$ (7,134,121)</b>	<b>\$ (790,818)</b>	<b>\$ (7,064)</b>	<b>\$ 7,157,289</b>			
Debt Service as a Percentage of Noncapital Expenditures	13.97%	11.36%	14.89%	9.45%	15.75%	11.45%	24.14%	18.45%	32.01%	22.81%			

Note 1: 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 2: 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 BMO Long term Line of Credit. The City repaid the Line of Credit in 2019.

Note 3: The City issued about \$80 million in Securitization Bonds to refund 2007-2008, 2013 GO bonds (\$50 million) along with funding the Police and Fire Pension Funds (\$30 million).

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

Fiscal Year	Property Tax	Income Tax	Sales Tax	Home Rule Sales Tax	Personal Prop. Replacement	Municipal Utility Tax	Liquor Tax	Real Estate Transfer Tax	Gas Tax	Motor Fuel Tax	Other Taxes
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
2019	34,742,608	7,990,631	4,459,522	3,927,872	275,021	2,889,681	183,829	2,107,324	341,869	1,868,822	1,546,885

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
2009	1,044,236,418	175,398,379	7,238,245	312,780,439	914,092,603	2.56	2,742,277,809	33.3333%
2010	1,017,493,141	164,126,542	7,408,599	254,326,179	934,702,103	2.63	2,804,106,309	33.3333%
2011	722,934,325	141,302,119	6,580,811	118,146,785	752,670,470	3.38	2,258,011,410	33.3333%
2012	677,495,863	134,070,282	5,109,954	129,040,439	687,635,660	3.82	2,062,906,980	33.3333%
2013	633,177,670	128,184,812	6,481,355	120,423,467	647,420,370	4.47	1,942,261,110	33.3333%
2014	571,286,154	133,567,513	5,932,685	114,682,852	596,103,500	5.09	1,788,310,500	33.3333%
2015	552,120,527	129,607,940	5,897,697	106,876,916	580,749,248	5.48	1,742,247,744	33.3333%
2016	573,727,381	133,610,746	3,840,149	112,401,198	598,777,078	5.30	1,796,331,234	33.3333%
2017	744,086,744	155,943,001	6,134,462	170,704,510	735,459,697	4.49	2,206,379,091	33.3333%
2018	565,892,987	135,285,510	5,933,814	149,889,541	557,222,770	4.74	1,671,668,310	33.3333%
2019	N/A	N/A	N/A	N/A	689,990,767	4.99	2,069,972,301	33.3333%

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 2019 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

<u>Tax Levy Year</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>	<u>2019</u>
<b>City Direct Rates</b>										
General	1.34	2.18	2.33	2.65	2.99	3.25	3.24	2.69	2.80	2.92
Bond & Interest	0.53	0.26	0.30	0.71	0.98	1.10	1.07	0.94	1.05	1.16
City of Berwyn Library	0.32	0.40	0.45	0.48	0.56	0.58	0.58	0.48	0.49	0.50
Police Pension	0.21	0.26	0.36	0.31	0.30	0.27	0.21	0.20	0.22	0.22
Fire Pension	0.23	0.28	0.38	0.32	0.26	0.28	0.20	0.18	0.18	0.19
<b>Total Direct Rate</b>	<b>2.63</b>	<b>3.38</b>	<b>3.82</b>	<b>4.47</b>	<b>5.09</b>	<b>5.48</b>	<b>5.30</b>	<b>4.49</b>	<b>4.74</b>	<b>4.99</b>
<b>Overlapping Rates</b>										
Cook County	0.47	0.47	0.53	0.56	0.57	0.55	0.53	0.50	0.55	0.54
Metropolitan Water Rec.	0.27	0.32	0.37	0.42	0.43	0.43	0.41	0.41	0.40	0.39
School District #100	2.50	3.20	3.65	3.92	4.27	4.57	4.49	5.08	4.54	5.02
High School District #201	1.86	2.45	2.73	2.95	3.22	3.34	3.25	2.88	3.04	3.13
Berwyn Park District	0.31	0.32	0.37	0.40	0.44	0.46	0.44	0.38	0.41	0.43
Community College #527	0.39	0.50	0.56	0.61	0.67	0.70	0.68	0.58	0.62	0.65
Other	0.17	0.30	0.31	0.37	0.37	0.35	0.22	0.34	0.27	0.31

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2018			2009		
	<u>Taxable Assessed Value</u>	<u>2019 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>2010 Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
MacNeal Memorial Hospital	\$ 19,964,399	1	1.19%	\$ 13,729,197	1	0.50%
Cermak Plaza Associates	14,326,423	2	0.86%	5,406,214	2	0.20%
Berwyn Gateway Partners	5,456,463	3	0.33%	N/A	N/A	0.00%
McDonald's Corporation	3,790,453	4	0.23%	860,110	7	
Shurgard	3,289,180	5	0.20%	1,460,072	3	0.05%
Grove of Berwyn (formerlyFairfax)	3,748,665	6	0.16%	1,093,752	5	0.04%
Ryan LLC	2,683,477	7	0.22%	N/A	N/A	0.00%
Byline Bank, Illinois	2,213,047	8	0.13%	906,013	6	0.03%
BMO Harris Bank NA	1,470,198	9	0.09%	640,129	10	0.02%
Turano Baking Company	1,238,439	10	0.07%	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>\$ 58,180,744</b>		<b>3.48%</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 2019 taxpayers is not yet available.

N/A - not applicable

Data Source

Office of the County Clerk

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

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	839,585	29,858,861	98.48%
2015	31,810,683	30,835,036	96.93%	610,613	31,445,649	98.85%
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%	570,879	31,796,147	96.47%
2018	33,532,547	32,511,965	96.96%	-	32,511,965	96.96%

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				Percentage of		
	General Obligation Bonds **	Municipal Securitization Bonds ****	Line of Credit**	Installment & Mortgage Notes Payable ***	Capital Leases	General Obligation Bonds	Installment Notes Payable	Capital Leases	Total Primary Government	Personal Income*	Per Capita*
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	12.49%	2,848
2018	131,970,061		15,000,000	614,104	559,614	7,898,803	-	-	156,042,582	12.12%	2,754
2019	97,612,671	79,970,000	-	457,648	362,711	7,726,515	-	-	186,129,545	13.84%	3,285

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.

\*\*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	Gen Oblig/ Securitization Bonds	Less: Amounts Available		Percentage of Estimated Actual Taxable Value of Property*	Per Capita
		In Debt Service Fund**	Total		
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	9.26%	2,732.30
2019**	185,309,186	1,332,851	183,976,335	N/A	3,247.20

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.

\*\*Advance to Debt Service should be added back to obtain indicative Debt Service Fund Balance Availability ( See Balance Sheet Government Funds, Advance from Other Funds)  
N/A - not available

CITY OF BERWYN, ILLINOIS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 December 31, 2019

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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	\$ 178,403,030	100.00%	\$ 178,403,030
Cook County	2,950,121,750	0.44%	12,980,536
Cook County Forest Preserve District	140,910,000	0.44%	620,004
Metropolitan Water Reclamation District	3,135,891,000	0.45%	14,111,510
Berwyn Park District	2,390,000	100.00%	2,390,000
North Berwyn Park District	4,025,000	100.00%	4,025,000
Schools			
Elementary District No. 100	28,890,000	100.00%	28,890,000
High School District No. 201	64,944,586	42.34%	27,497,538
Community College District No. 527	<u>8,335,000</u>	42.34%	<u>3,529,039</u>
	<u>6,335,507,336</u>		<u>94,043,627</u>
	<u>\$ 6,513,910,366</u>		<u>\$ 272,446,657</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, 2019

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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>
2019	54,391	\$ 1,345,306,994	24,734	4.4%
2018	54,821	1,287,361,543	23,483	4.3%
2017	55,435	1,291,358,325	23,295	5.3%
2016	55,986	1,241,769,480	22,180	6.3%
2015	56,436	1,251,750,480	22,180	5.3%
2014	56,777	1,198,051,477	21,101	6.4%
2013	56,914	1,200,942,314	21,101	10.0%
2012	56,886	1,167,190,857	20,601	9.6%
2011	56,791	1,167,190,857	20,601	9.8%
2010	56,671	1,167,190,857	20,601	11.8%

Data Source

\*Restated 2010-2018

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		2010	
	Employer	Number of Employees % of Total City Employment	Employer	Number of Employees % of Total City Employment
Loyola (MacNeal Memorial) Hospital	1,500 11.26%	MacNeal Memorial Hospital	2,200 16.52%	
Morton West High School (District 201)	985 7.39%	Morton West High School (District 201)	1,000 7.51%	
City of Berwyn	549 4.12%	Berwyn South School (District 100)	480 3.60%	
Berwyn South School (District 100)	479 3.60%	Berwyn South School (District 98)	382 2.87%	
Berwyn North School (District 98)	370 2.78%	City of Berwyn	550 4.13%	
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	50 0.38%	
The Buona Companies	150 1.13%	BP Amoco	90 0.68%	
		Rosin Eyecare	85 0.64%	
		Physician's Record Company	35 0.26%	

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	15	15	15	13	16	16	17	17	19	18
Finance	12	16	15	15	15	16	14	14	14	15
Community Development	18	17	16	17	18	17	17	18	17	17
Public Safety										
Police										
Officers	106	107	110	107	109	108	111	113	110	113
Civilians	34	38	34	39	41	49	49	49	49	40
Fire										
Firefighters and officers	66	78	80	80	80	80	80	80	80	79
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	38	36	34	39	38	43	41	41	42	40
Culture & Recreation	44	41	41	41	41	41	45	46	42	43

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS  
 OPERATING INDICATORS  
 Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Physical arrests	3,971	2,237	2,189	1,995	1,493	1,050	991	979	913	946
Parking violations	41,641	44,569	61,046	64,778	62,980	59,143	52,044	52,389	52,451	56,565
Traffic tickets issued	20,762	19,057	16,084	14,129	12,343	9,878	7,257	5,776	5,294	3,972
Fire										
Emergency responses	6,557	6,624	6,642	7,076	7,179	6,897	7,587	7,519	7,795	8,125
Fires extinguished	199	146	174	151	131	119	112	139	131	147
Public Works										
Street resurfacing (miles)	-	-	-	1.1	0.5	0.7	0.3	0.7	0.2	1.1
Pothole repairs	2,769	3,500	4,100	4,500	4,200	4,300	4,500	4,950	6,450	6,050
Water										
New connections	14	13	9	17	21	30	50	67	97	58
Water main breaks	168	142	129	107	96	82	91	97	88	79
Average daily consumption	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	4.31 MGD
Peak daily consumption	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	5.16 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	58	78	74	81	81	90	87	89	83	81
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines and trucks	4	4	4	5	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

