

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 28, 2026

NEW ISSUE - BOOK-ENTRY ONLY

CREDIT RATINGS: See "CREDIT RATINGS" herein

In the opinion of Croke Fairchild Duarte & Beres LLC, Chicago, Illinois ("Bond Counsel"), assuming compliance by the City with all covenants contained in the Bond Ordinance, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the purpose of computing the alternative minimum tax imposed on corporations. Under the laws of the State of Illinois, interest on the Bonds is not exempt from State of Illinois income taxes.



CITY OF BERWYN COOK COUNTY, ILLINOIS \$33,465,000* GENERAL OBLIGATION BONDS, SERIES 2026

Dated: Date of Delivery

Due: December 1, as shown on the inside cover page

The General Obligation Bonds, Series 2026 (the "Bonds") will be issued by the City of Berwyn, Illinois (the "City") pursuant to (i) an ordinance adopted by the City Council on August 11, 2026, as supplemented by a Bond Order executed by the Mayor on November __, 2026 (the "Bond Ordinance") and (ii) a Trust Indenture, dated as of November 1, 2026 (the "Indenture"), by and between the City and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "Trustee"). The Bonds are direct and general obligations of the City. The City has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The City has levied ad valorem real property taxes in amounts sufficient to provide for the timely payment of the principal of and interest on the Bonds as those amounts come due (the "Pledged Taxes"). Pledged Taxes are required to be levied against all taxable real property within the City, without limitation as to rate or amount, until the Bonds are repaid. The City has directed the Cook County Collector to deposit the Pledged Taxes each year directly into the Bond Fund held by the Trustee under the Indenture, which is to be segregated from other funds of the City. See "DESCRIPTION OF THE BONDS – Security" herein.

Interest on the Bonds will be payable on each June 1 and December 1, commencing June 1, 2027. The Bonds will be issued in denominations of \$5,000 or integral multiples thereof. The Bonds will be issued as fully registered Bonds and will initially be registered in the name of Cede & Co., the nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository for the Bonds. Purchases will be made in book-entry form through DTC participants only in denominations of \$5,000 or any integral multiple thereof, and no physical delivery of Bonds will be made to purchasers of beneficial interests (the "Beneficial Owners") in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of and interest on the Bonds will be paid by the Trustee, as bond registrar and paying agent for the Bonds, to DTC, which in turn will remit such payments to DTC participants for subsequent distribution to the Beneficial Owners of the Bonds. See "BOOK-ENTRY SYSTEM" herein.

Proceeds of the Bonds will be used to (i) refund certain of the City's outstanding general obligation bonds, (ii) pay the costs of certain capital projects within the City, including the City's Cermak Road water main project, and (iii) pay certain costs associated with the issuance of the Bonds. See "PLAN OF FINANCE" herein.

For maturity schedule, interest rates, yields and prices, see the inside cover page.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the "Policy") to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. See "BOND INSURANCE" and APPENDIX E herein.



The Bonds are not subject to optional redemption prior to maturity.

The Bonds are offered when, as, and if issued by the City and delivered to Stifel, Nicolaus & Company, Incorporated, Chicago, Illinois (the "Underwriter"), subject to the approval of legality by Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Taft Stettinius & Hollister LLP, Chicago, Illinois. Croke Fairchild Duarte & Beres LLC, Chicago, Illinois, will also act as Disclosure Counsel to the City. It is expected that the Bonds, in definitive form, will be available for delivery to the Underwriter through the facilities of DTC on or about November 19, 2026.

STIFEL

November __, 2026

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**CITY OF BERWYN
COOK COUNTY, ILLINOIS
\$33,465,000* GENERAL OBLIGATION BONDS, SERIES 2026**

MATURITY SCHEDULE

<u>(December 1)</u>	<u>Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>Initial Offering Price</u>	<u>CUSIP ⁽¹⁾</u>
2027	\$500,000				086257
2028	1,320,000				086257
2029	1,425,000				086257
2030	4,655,000				086257
2031	5,475,000				086257
2032	2,955,000				086257
2033	3,160,000				086257
2034	1,290,000				086257
2035	4,210,000				086257
2036	8,475,000				086257

*Preliminary, subject to change

⁽¹⁾ CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the City or by the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein, and if given or made, such other information or representations must not be relied upon as statements having been authorized by the City, the Underwriter, or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the City is the source of all table and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC, and the information concerning Assured Guaranty Inc. (“AG”) under the heading “BOND INSURANCE” and in “APPENDIX E – Specimen Municipal Bond Insurance Policy” has been provided by AG. The other information set forth herein has been furnished by the City or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein, and the subject matter thereof.

Any statements made in this Official Statement, including the appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City’s beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or expected.

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE” and “APPENDIX E – Specimen Municipal Bond Insurance Policy”.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

References in this Official Statement and in “APPENDIX C – Summary of Certain Definitions and Summary of Certain Provisions of the Indenture” to the Indenture (as defined herein) do not purport to be complete. Refer to the Indenture for full and complete details of its provisions. Copies of the Indenture are on file with the City.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, the Official Statement for purposes of, and as the term is defined in, Rule 15c2-12 of the Securities and Exchange Commission (the "*Rule*").

For purposes of compliance with the Rule, this document, as the same may be supplemented or corrected by the City from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the City as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**CITY OF BERWYN
COOK COUNTY, ILLINOIS**

Mayor

Robert J. Lovero

Alderspersons

Micah Caldwell

Joshua Bowman

Richard E. Leja

Robert W. Fejt

Robert J. Pabon

Theodore Polashek

Sara Barnett Bruckmann

Joe Carmichael

City Clerk

Leticia Garcia

City Treasurer

Lizbeth Linares-Herrera

City Administrator

Ruth Siaba Green

City Finance Director

Monica L. Martin

City Comptroller

Benjamin J. Daish

City Attorney

Michael R. Ochsner, Jr., Esq.

Bond Counsel and Disclosure Counsel

Croke Fairchild Duarte & Beres LLC

Chicago, Illinois

Underwriter

Stifel, Nicolaus & Company, Incorporated

Chicago, Illinois

Trustee, Bond Registrar and Paying Agent

Amalgamated Bank of Chicago

Chicago, Illinois

Underwriter's Counsel

Taft Stettinius & Hollister LLP

Chicago, Illinois

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CITY OF BERWYN
COOK COUNTY, ILLINOIS
\$33,465,000* GENERAL OBLIGATION BONDS, SERIES 2026

BOND ISSUE SUMMARY

The following presents summary information regarding the Bonds. The information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement and should be read together with those descriptions.

The City: The City of Berwyn, Cook County, Illinois, a home rule unit of government incorporated in 1908, approximately 10 miles southwest of Chicago, Illinois.

Dated Date*: As of the anticipated delivery date of the Bonds (November 19, 2026).

Interest Payment Dates*: Each June 1 and December 1, commencing June 1, 2027.

Principal Maturity*: Principal repayment from December 1, 2027 to December 1, 2036.

Redemption: The Bonds are not subject to optional redemption prior to maturity.

Credit Rating: S&P Global Ratings (“S&P”) is expected to assign the Bonds an insured rating of “AA” (Stable Outlook) based upon the issuance of the Municipal Bond Insurance Policy by Assured Guaranty Inc. at the time of delivery of the Bonds. S&P has assigned an underlying rating of “BBB” (Stable Outlook).

Purpose: The City is issuing the Bonds for the following purposes: (a) to currently refund certain outstanding obligations of the City to restructure debt, (b) to pay the costs of certain capital projects within the City, including the City’s Cermak Road water main project, and (c) to pay related costs of issuance on the Bonds.

Security: The Bonds are direct and general obligations of the City. The full faith and credit of the City has been pledged to the punctual payment of the principal of and interest on the Bonds. The City has levied *ad valorem* real property taxes in amounts sufficient to provide for the payment of the principal of and interest on the Bonds as those amounts come due (the “*Pledged Taxes*”). The Pledged Taxes are required to be levied against all taxable real property within the City, without limitation as to rate or amount, until the Bonds are repaid.

The Bonds are to be issued by the City pursuant to (i) an ordinance adopted by the City Council on August 11, 2026, as supplemented by a Bond Order executed by the Mayor on November __, 2026 (collectively, the “*Bond Ordinance*”) and (ii) a Trust Indenture, dated as of November 1, 2026, by

and between the City and the Trustee identified below (the “*Indenture*”). Pursuant to the Indenture, the City will direct the Cook County Collector to pay the Pledged Taxes directly to the Trustee to become part of the trust estate under the Indenture. See “DESCRIPTION OF BONDS – Security for the Bonds.”

Tax Exemption:

Croke Fairchild Duarte & Beres LLC, Chicago, Illinois, Bond Counsel, will provide an opinion as to the legality of the Bonds and as to the tax exemption of interest on the Bonds as discussed under “TAX MATTERS” in the Official Statement. The interest on the Bonds is not exempt from present State of Illinois income taxes.

No Bank Qualification:

The Bonds are not “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**Trustee, Bond Registrar
and Paying Agent:**

Amalgamated Bank of Chicago, Chicago, Illinois.

Underwriter:

Stifel, Nicolaus & Company, Incorporated, Chicago, Illinois.

*Preliminary, subject to change.

**CITY OF BERWYN
COOK COUNTY, ILLINOIS
\$33,465,000* GENERAL OBLIGATION BONDS, SERIES 2026**

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices hereto, is to set forth certain information in conjunction with the sale of the \$33,465,000* General Obligation Bonds, Series 2026 (the “*Bonds*”) of the City of Berwyn, Cook County, Illinois (the “*City*”), a home rule unit of government pursuant to Section 6(a) of Article VII of the 1970 Illinois Constitution and certain statutory enactments. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety. Copies of statutes, resolutions, reports or other documents referred to herein are available, upon request, from the City.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued by the City in denominations of \$5,000 or any integral multiple thereof and will be dated the date of delivery and will bear interest from that date and mature on the dates as shown on the inside cover. Interest on the Bonds will be payable semiannually on each June 1 and December 1 (each an “*Interest Payment Date*”), beginning June 1, 2027.

The Bonds will be issued using a book-entry system. The Depository Trust Company (“*DTC*”), New York, New York, will act as securities depository for the Bonds. Principal and interest with respect to the Bonds will be paid by Amalgamated Bank of Chicago, Chicago, Illinois, as trustee, bond registrar and paying agent for the Bonds (the “*Trustee*”) to DTC or its nominee, which in turn will remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See “BOOK-ENTRY SYSTEM”.

Authority

The Bonds are being issued pursuant to (i) the provisions of the Illinois Municipal Code, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, and as supplemented and, where necessary, superseded by Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “*1970 Constitution*”), (ii) an ordinance adopted by the City Council on August 11, 2026, supplemented by a Bond Order executed by the Mayor on November __, 2026 (collectively, the “*Bond Ordinance*”) and (iii) a Trust Indenture, dated as of November 1, 2026 (the “*Indenture*”), by and between the City and the Trustee. The City is a home rule unit of government pursuant to Section 6(a) of the 1970 Illinois Constitution.

Security for the Bonds

The Bonds are direct and general obligations of the City. The full faith and credit of the City has been pledged to the punctual payment of the principal of and interest on the Bonds. Pursuant to the Bond Ordinance, the City has levied ad valorem real property taxes in amounts sufficient to provide for the payment of the principal of and interest on the Bonds as those amounts come due (the “*Pledged Taxes*”). Pledged Taxes are required to be levied against all taxable real property within the City, without limitation

*Preliminary, subject to change.

as to rate or amount until the Bonds are repaid. The levy of Pledged Taxes is filed with the County Clerk of Cook County, Illinois (the “*County Clerk*”) at the time the Bonds are issued and is not subject to any further future action by the City. See “PROPERTY TAX INFORMATION—Tax Levy” herein.

To secure further the payment of the principal and interest on the Bonds, the City will enter into the Indenture pursuant to which (i) the City will grant a lien on the trust estate established under the Indenture, including all amounts deposited with the Trustee to pay the principal of, and interest on, the Bonds and (ii) pursuant to a written direction of the City, the City will direct the County Collector (the “*Collector*”) of The County of Cook, Illinois (the “*County*”) to directly deposit with the Trustee the Pledged Taxes for deposit into the Bond Fund under the Indenture to pay the Bonds. See “APPENDIX C – Summary of Certain Definitions and Summary of Certain Provisions of The Indenture.”

The City covenants in the Bond Ordinance that the Pledged Taxes will be used only for the payment of principal of, interest on and redemption price, if any, on the Bonds (or for the purchase and subsequent cancellation by the City of the Bonds), unless and until all of the Bonds are paid in full or are fully defeased; provided, however, that the levy of Pledged Taxes is subject to abatement as provided in the Bond Ordinance and in the event the Trustee determines that there remain funds on deposit in the Bond Fund (as defined in the Indenture) following any December 1 payment of principal of and interest on the Bonds, the Trustee will notify the City of any such excess amounts on deposit in the Bond Fund, and, at the written direction of the City, will (i) be retained in the Bond Fund, or (ii) transferred to the City for deposit into the General Fund of the City and no longer be pledged to the payment of the Bonds. Any such abatement of the Pledged Taxes will occur only when there are other lawfully available sources available to the City on hand and on deposit in the Bond Fund for the Bonds.

The City intends and anticipates that, as part of the plan of financing of the Bonds, (a) the incremental property taxes deposited into the special tax allocation fund for the City’s Harlem-Cermak tax increment financing redevelopment area (the “*Harlem-Cermak STAF*”), which was established by the City pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1 *et seq.*, as amended, and (b) available amounts in the City’s Utilities Fund are to be allocable to a portion of the debt service for the Bonds, and transferred to the Bond Fund, and will be used to abate all or a portion of the Pledged Taxes.

The City’s Utilities Fund and the Harlem-Cermak STAF are not pledged towards repayment of the debt service on the Bonds.

Purpose

The City is issuing the Bonds (i) to currently refund certain outstanding obligations to restructure debt, (ii) to pay the costs of certain capital projects within the City, including the City’s Cermak Road water main project, and (iii) to pay related costs of issuance on the Bonds. See “PLAN OF FINANCE” herein.

Redemption

Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption.*

The Bonds maturing on December 1, _____, are subject to mandatory redemption, in part, from sinking fund installments at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest, on the dates and in the amounts set forth below:

Bonds	
Year (December 1)	Principal Amount
<hr/>	
\$	
†	
†	Stated maturity.

Purchase of Bonds to be Redeemed from Mandatory Sinking Funds.*

The City may, at any time subsequent to the first day of any fiscal year, but in no event less than twenty (20) days prior to the succeeding date on which a Mandatory Redemption for a series of Bonds is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Bond Fund for such series of Bonds, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Bonds of such series to be redeemed from such moneys on deposit in such Bond Fund. The principal amount of each Bond so canceled will be credited against the Mandatory Redemption for such series of Bonds due on such date.

Selection of Bonds to be Redeemed.

If less than all of the Bonds of the same series and maturity are to be redeemed, the portion of the Bonds of such maturity and series will be redeemed in accordance with DTC procedures, provided that the selection for redemption of such Bonds of such maturity and series will be made in accordance with the operational arrangements of DTC then in effect. If less than all of the Bonds of the same series and maturity are to be redeemed at any time the Bonds are not in book entry format, the particular Bond of such maturity and series to be redeemed shall be selected by lot by the Trustee by such method of selection as it shall deem proper in its discretion.

Notice of Redemption.

For any such redemptions, unless waived by the registered owner of Bonds to be redeemed, or if the Bonds are in book entry format, in which case notice provisions will be the minimum required by the DTC, official notice of the call for any such redemption will be given by the Trustee on behalf of the City by mailing the redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds of the series and maturity to be redeemed at the address as it appears on the registration books kept by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Trustee, but the failure to

* Preliminary, subject to change.

mail any such notice or any defect therein as to any Bonds shall not affect the validity of the proceedings for the redemption of any other Bonds.

All official notices of redemption will state: (i) the redemption date; (ii) the redemption price; (iii) the identification by CUSIP numbers, if applicable, and series and maturity dates (and, in the case of partial redemption of Bonds of a series within a maturity, the respective principal amounts) of the Bonds of a series to be redeemed; (iv) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon will cease to accrue from and after said date; (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Trustee; and (vi) such other information then required by custom, practice or industry standard.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Bonds or portions of Bonds will cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds or portions being redeemed will be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date will be payable as herein provided for the payment of interest. Upon surrender for any partial redemption of any Bonds, there will be prepared for the registered owner a new Bond or Bonds of the same interest rate and maturity in the amount of the unpaid principal.

If any Bonds or portion of a Bond called for redemption will not be so paid upon surrender thereof for redemption, the principal and premium, if any, will, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bonds or portion of a Bond so called for redemption. All Bonds which have been redeemed will be canceled and destroyed by the Trustee and will not be reissued.

Failure to give notice in the manner prescribed hereunder with respect to any Bonds, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bonds with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called shall not, after the applicable redemption date, bear interest, be protected by the Indenture or the Bond Ordinance or be deemed to be outstanding under the provisions of the Indenture.

If any Bonds are not presented for payment when the principal amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if moneys sufficient to pay such Bonds are held by the Trustee for the benefit of the registered owner of such Bonds, the Trustee shall hold such moneys for the benefit of the registered owner of such Bonds without liability to the registered owner for interest. The registered owner of such Bonds thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such Bonds.

Registration, Transfer and Exchange

The Bonds are transferable only upon the registration books of the City maintained by the Trustee, as bond registrar. For as long as the book-entry-only system of ownership is in effect for the Bonds, transfers of beneficial ownership interests in the Bonds will be accomplished as described herein under "BOOK-ENTRY SYSTEM" and Cede & Co. will be the sole owner of the Bonds. In the event such book-entry system of ownership is discontinued, if any Bond is surrendered for transfer at the office of the Trustee, the City will execute, and the Trustee will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, which new Bonds will be the valid obligations of the City, evidencing the same

debt, and entitled to the same security and benefits under the Bond Ordinance, as the Bonds surrendered upon such transfer or exchange.

The Registrar will not be required to transfer or exchange any Bond beginning at the close of business on the fifteenth (15th) day of the month next preceding any interest payment date and ending on such interest payment date (each being a “*Record Date*”).

CUSIP Numbers

CUSIP data provided herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems. A unique number is assigned to each maturity of the Bonds of each series (the “*CUSIP Number*”). The CUSIP Numbers listed for the Bonds are being provided solely for the convenience of the Beneficial Owners of the Bonds at the time of issuance of the Bonds. The City is not responsible for the selection or uses of the CUSIP Numbers, and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP Number for a specific maturity of a series is subject to being changed after the issuance of the Bonds as a result of various actions.

PLAN OF FINANCE

The Project

The proceeds of the Bonds will be used to finance the Cermak Road Water Main Improvements (the “*Project*”), consisting of the replacement of aging water main infrastructure along Cermak Road between Harlem Avenue and Lombard Avenue in the City, along with related infrastructure improvements as described below.

Cermak Road is an important commercial corridor within the City, providing retail shopping, restaurants, and consumer services along its length. The roadway consists of a divided four-lane cross-section with a center turning lane and side parking lanes. Drainage of the street and adjacent sidewalks is provided by a combined sewer system out falling to the Metropolitan Water Reclamation District of Greater Chicago sewer system.

The Project includes the replacement of existing water main on the north right-of-way with approximately 8,250 feet of 8-inch ductile iron water main, and on the south right-of-way with approximately 7,200 feet of 12-inch ductile iron water main. The Project also includes the connection of existing side street water mains with approximately 1,000 feet of 4-inch and 6-inch ductile iron water main. In connection with this work, over 100 water valves (6-inch, 8-inch, and 12-inch), together with their associated valve boxes and vaults, will be replaced or added. The Project further includes the replacement of approximately 170 water services, ranging from 1.5 inches to 4 inches in diameter, connecting the new water main to individual customers, including approximately 7,300 feet of existing lead service pipe. Storm sewers within the construction area will be repaired or replaced as needed to maintain proper pavement drainage.

Areas disturbed by construction will be restored, including replacement of bituminous or concrete driving surfaces with comparable bituminous or concrete surfacing, and replacement of Portland cement concrete curbs, gutters, sidewalks, and driveways disturbed during construction. Disturbed green areas will be restored with topsoil and sodding.

The Project is intended to improve system reliability, provide adequate fire flow for the protection of life and property along this commercial corridor, reduce lead service line exposure, and maintain compliance with applicable safe drinking water standards. The Project is anticipated to be bid in December

2026 and January 2027, with construction commencing in the spring of 2027 and substantial completion anticipated by the fall of 2028.

The Refunding

In addition to paying the costs of the Project, the City will apply a portion of the proceeds from the sale of the Bonds to currently refund and redeem certain outstanding obligations of the City in order to restructure its debt. The outstanding obligations of the City expected to be refunded with a portion of the proceeds of the Bonds are described as follows:

- On November 20, 2012, the City issued its General Obligation Bonds, Series 2012A in the original principal amount of \$8,500,000 (the “*Series 2012A Bonds*”) in order to currently refund certain outstanding obligations of the City, to fund certain capital improvements in the City and to pay certain costs of issuance of the Series 2012A Bonds;
- On November 7, 2013, the City issued its General Obligation Bonds, Series 2013A in the original principal amount of \$5,705,000 (the “*Series 2013A Bonds*”) in order to currently refund certain outstanding obligations of the City and to pay certain costs of issuance of the Series 2013A Bonds;
- On December 1, 2014, the City issued its General Obligation Bonds, Series 2014A in the original principal amount of \$6,285,000 (the “*Series 2014A Bonds*”) in order to currently refund certain outstanding obligations of the City, to fund certain capital improvements in the City and to pay certain costs of issuance of the Series 2014A Bonds;
- On November 30, 2015, the City issued its General Obligation Bonds, Series 2015B in the original principal amount of \$6,725,000 (the “*Series 2015B Bonds*”) in order to currently refund certain outstanding obligations of the City, to fund certain capital improvements in the City and to pay certain costs of issuance of the Series 2015B Bonds; and
- On November 9, 2016, the City issued its General Obligation Bonds, Series 2016A in the original principal amount of \$20,155,000 (the “*Series 2016A Bonds*”) and, together with the Series 2012A Bonds, the Series 2013A Bonds, the Series 2014A Bonds and the Series 2015B Bonds, the “*Prior Bonds*”) in order to advance refund certain outstanding obligations of the City, to fund certain capital improvements in the City and to pay certain costs of issuance of the Series 2016A Bonds.

The City will apply a portion of the proceeds from the sale of the Bonds to refund and redeem a portion of the Prior Bonds. Those portions of the Prior Bonds to be refunded (collectively, the “*Refunded Bonds*”) with a portion of the proceeds of the Bonds are set forth below:

Series 2012A Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded*</u>	<u>Principal Amount Remaining</u>	<u>Price</u>	<u>Redemption Date</u>
12/1/2028	\$ 250,000	-	\$ 250,000	N/A	N/A
12/1/2029	260,000	-	260,000	N/A	N/A
12/1/2030	715,000	300,000	415,000	100%	_____, 2026
12/1/2031	790,000	790,000	-	100%	_____, 2026
12/1/2032	<u>6,485,000</u>	<u>1,600,000</u>	<u>4,885,000</u>	100%	_____, 2026
	\$8,500,000	\$2,690,000	\$5,810,000		

* Preliminary, subject to change

Series 2013A Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded*</u>	<u>Principal Amount Remaining</u>	<u>Price</u>	<u>Redemption Date</u>
12/1/2026	\$1,900,000 ⁽¹⁾	\$1,900,000	\$ -	100%	December 1, 2026
12/1/2027	<u>1,995,000⁽¹⁾</u>	<u>1,000,000</u>	<u>995,000</u>	100%	_____, 2026
	\$3,895,000	\$2,900,000	\$ 995,000		

⁽¹⁾ Represents sinking fund payments due on term bonds maturing December 1, 2027.

* Preliminary, subject to change

Series 2014A Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded*</u>	<u>Principal Amount Remaining</u>	<u>Price</u>	<u>Redemption Date</u>
12/1/2028	\$250,000 ⁽¹⁾	\$250,000	-	100%	_____, 2026
12/1/2029	260,000 ⁽¹⁾	260,000	-	100%	_____, 2026
12/1/2030	270,000 ⁽¹⁾	270,000	-	100%	_____, 2026
12/1/2031	285,000 ⁽²⁾	285,000	-	100%	_____, 2026
12/1/2032	300,000 ⁽²⁾	300,000	-	100%	_____, 2026
12/1/2033	2,325,000 ⁽³⁾	820,000	\$1,505,000	100%	_____, 2026
12/1/2034	<u>2,595,000⁽³⁾</u>	<u>830,000</u>	<u>1,765,000</u>	100%	_____, 2026
	\$6,285,000	\$3,015,000	\$3,270,000		

⁽¹⁾ Represents sinking fund payments due on term bonds maturing December 1, 2030.

⁽²⁾ Represents sinking fund payments due on term bonds maturing December 1, 2032.

⁽³⁾ Represents sinking fund payments due on term bonds maturing December 1, 2034.

* Preliminary, subject to change

Series 2015B Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded*</u>	<u>Principal Amount Remaining</u>	<u>Price</u>	<u>Redemption Date</u>
12/1/2026	\$ 250,000	-	\$ 250,000	N/A	N/A
12/1/2027	250,000 ⁽¹⁾	\$ 250,000	-	100%	_____, 2026
12/1/2028	250,000 ⁽¹⁾	250,000	-	100%	_____, 2026
12/1/2029	250,000 ⁽¹⁾	250,000	-	100%	_____, 2026
12/1/2030	250,000 ⁽²⁾	250,000	-	100%	_____, 2026
12/1/2031	250,000 ⁽²⁾	250,000	-	100%	_____, 2026
12/1/2032	250,000 ⁽²⁾	250,000	-	100%	_____, 2026
12/1/2033	2,225,000 ⁽³⁾	-	2,225,000	100%	N/A
12/1/2034	<u>2,500,000⁽³⁾</u>	<u>-</u>	<u>2,500,000</u>	100%	N/A
	\$6,475,000	\$1,500,000	\$4,975,000		

⁽¹⁾ Represents sinking fund payments due on term bonds maturing December 1, 2029.

⁽²⁾ Represents sinking fund payments due on term bonds maturing December 1, 2032.

⁽³⁾ Represents sinking fund payments due on term bonds maturing December 1, 2034.

* Preliminary, subject to change

Series 2016A Bonds

<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount to be Refunded*</u>	<u>Principal Amount Remaining</u>	<u>Price</u>	<u>Redemption Date</u>
12/1/2026	\$ 1,385,000	-	\$ 1,385,000	N/A	N/A
12/1/2027	1,460,000	\$1,000,000	460,000	100%	_____, 2026
12/1/2028	3,610,000	1,800,000	1,810,000	100%	_____, 2026
12/1/2029	3,595,000	1,200,000	2,395,000	100%	_____, 2026
12/1/2030	<u>1,555,000</u>	<u>1,555,000</u>	<u>-</u>	100%	_____, 2026
	\$11,605,000	\$5,555,000	\$6,050,000		

* Preliminary, subject to change

A portion of the proceeds of the Bonds will be deposited into a refunding account (the “*Bond Refunding Account*”) held by Amalgamated Bank of Chicago, Chicago, Illinois (the “*Escrow Agent*”) to pay principal and interest on the Refunded Bonds on the Redemption Date listed above. The Bond Refunding Account for the Bonds may be maintained in a refunding escrow account, with the Escrow Agent, pursuant to a refunding escrow agreement authorized for the purpose of paying the principal of, premium, if any, and interest as provided above.

SOURCES AND USES OF FUNDS

The following is the sources and uses resulting from the issuance of the Bonds:

Sources:

Par Amount of the Bonds	\$33,465,000*
Original Issue Premium	

Total Sources

Uses:

Deposits to Project Fund
Current Refunding of Refunded Bonds
Costs of Issuance ⁽¹⁾

Total Uses

* Preliminary, subject to change

⁽¹⁾ Costs of Issuance include the Underwriter's discount, bond insurance premium, bond rating fees, trustee, bond registrar and paying agent fees, legal fees, and other costs associated with the issuance of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "*Policy*") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "*Assured Guaranty*"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("*Moody's*"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be

obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately \$3,088 million.
- The contingency reserve of AG was approximately \$1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC’s website at <http://www.sec.gov>, at AGL’s website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL’s website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption “BOND INSURANCE – Assured Guaranty Inc.” or included in a document incorporated by reference herein (collectively, the “*AG Information*”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE”.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

While the finances of the State have significantly improved in recent years, the finances of the State remain challenging. The State continues to deal with a severe underfunding of its pension systems, which, based on the annual comprehensive financial reports of the State’s five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately

45%. The State has received twelve credit rating upgrades since June 2021. Nevertheless, the State's long-term general obligation bonds carry the lowest ratings of all states. Further, the full impact of actual and potential federal budget cuts is currently unknown, but such cuts could result in reduced programs and services, to the extent other revenue sources, including tax increases, are not implemented.

Under current law, the State shares a portion of sales tax, income tax, use tax, and motor fuel tax revenue with municipalities, including the City. The State's budget choices and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City. Although during the fiscal years 2018 through 2020, the State reduced the amount of income tax revenues to be deposited into the Local Government Distributive Fund for distribution to municipalities, including the City, subsequent State budgets have not included any such reduction. The State's fiscal year 2018 budget and each budget thereafter have also included a service fee for collection and processing of locally imposed sales taxes. Such fee was 2% of such sales taxes for State's fiscal year 2018 and was reduced to 1.5% of such sales taxes for State's fiscal year 2019 and each State fiscal year thereafter. Additionally, the State's fiscal year 2025 budget eliminated the 1% grocery sales tax that is dedicated for local governments, including the City, effective January 1, 2026. On April 22, 2025, the City approved an ordinance imposing a local grocery tax effective January 1, 2026.

The City cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the City. Approximately 28.9% of the City's general fund revenues for its Fiscal Year ended December 31, 2025, came from property taxes, which represent a stable source of revenue for the City. However, the City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems may have on the City's future finances.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential, industrial and commercial development. The United States economy is also experiencing inflation which may also affect the local economy. It is difficult to predict to what extent any changes in economic conditions, inflation rates, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Construction Risks

There are potential risks that could affect the ability of the City to timely complete the Project. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns. The impact of the completion, or the failure to complete, of the Project on the City's finances cannot be predicted.

Factors Affecting Utilities Fund and Harlem-Cermak STAF

As described above, the City may, in its sole discretion, determine to pay a portion of the debt service on the Bonds from available amounts in the City's Utilities Fund by transferring such available amounts into the Bond Fund and abating the Pledged Taxes by such amount. There is no guarantee that the amounts in the City's Utilities Fund will continue to be available at current or projected levels. Any number

of unpredictable environmental, business, and regulatory actions or events could affect the physical and operational aspects of the water, sewer and garbage services provided to the residents of the City, including but not limited to, natural disasters, increased regulation, fluctuating operation and maintenance costs, increased demand, or the loss of users and customers. Such actions or events, should they occur, could impact the City's financial standing, and in turn, the available amounts in the City's Utilities Fund. Any reduction in the amounts available in the City's Utilities Fund may reduce the City's ability to abate the Pledged Taxes.

The City may also, in its sole discretion, determine to pay a portion of the debt service on the Bonds from the incremental property taxes deposited into the Harlem-Cermak STAF by transferring such amounts into the Bond Fund and abating the Pledged Taxes by such amount. There is no guarantee that the amount of incremental property taxes to be deposited into the Harlem-Cermak STAF will continue at current or projected levels. Future collections of incremental property taxes from the Harlem-Cermak tax increment financing redevelopment area could be adversely affected by a number of economic factors not within the City's control, resulting in reductions in the incremental property taxes deposited into the Harlem-Cermak STAF. Any reduction in the amounts available in the Harlem-Cermak STAF may reduce the City's ability to abate the Pledged Taxes.

The City's Utilities Fund and the Harlem-Cermak STAF are not pledged towards repayment of the debt service on the Bonds.

No Statutory Lien

Holders of the Bonds do not have a statutory lien on remittances from the levy of the Pledged Taxes or any other funds on deposit in the Bond Fund. There is no guarantee that the flow of revenues from the levy of the Pledged Taxes will always be maintained as described above. The City could alter the levy of the Pledged Taxes. The Illinois General Assembly could alter the procedure by which property taxes are extended and collected. However, because the Bonds are general obligations of the City, to which it has pledged its full faith and credit, if revenues from the levy of the Pledged Taxes were insufficient to pay debt service on the Bonds, the City would still be obligated to find other sources of funds for the payment of principal of and interest on the Bonds when due.

Equalized Assessed Valuation

The amount of property taxes extended for the City is determined by applying the various operating, pension and the bond and interest tax rates levied by the City to the City's equalized assessed valuation ("EAV"). The City's EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the City.

Declining EAVs may force the City or other taxing bodies to increase tax rates in order to achieve the amount of taxes each intends to extend and receive. Any such increased rates could affect the City's ability to retain or attract taxpayers which could result in renewed declines in the City's EAV. However, as a home rule unit of government under the 1970 Constitution, there is presently no cap on the tax rates levied or annual increases in the amount of property taxes levied by the City. See "PROPERTY TAX INFORMATION—Composition of Equalized Assessed Valuation of the City" herein.

Unemployment

Unemployment rates for the City have been fairly consistent with United States, the County and State rates. See "SOCIOECONOMIC INFORMATION – Unemployment Rates" herein. Unemployed workers who reside within the City may lack the financial resources to pay taxes owed to the City in a timely manner or at all. A high number of unemployed workers residing within the City in the future could

increase the likelihood that the City will not be able to collect the full amount of taxes levied, both to pay debt service on the Bonds and to fund the City's operations, which could adversely affect the City's ability to repay or the timing of repayment of the Bonds, though no such events took place during previous periods of high unemployment experienced by the City.

Impact of Tax Collections

While the County Clerk will apply a loss percentage of 3% on the City's operating levies and 5% on the City's debt service levies in each year's extension, if debt service tax collections are inadequate because the Collector is unable to collect such taxes, the ability of the City to pay principal of and interest on the Bonds could be adversely affected. Further, the payment of property owners' taxes and the ability of the City to recover delinquent unpaid taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. No assurance can be given that the County, on behalf of the City, will be able to collect the taxes levied or that such collections, if made, will be made in a timely fashion.

In addition, delays and uncertainties in recovering delinquent taxes create risks for purchasers of the Bonds. Recovery of taxes is subject to the procedures of the County for providing notice to record holders of the property of any pending tax sale. During any period of time in which property offered for sale remains unsold, none of the delinquent taxes will be paid. There is a risk that in the event the real or perceived market value of the property declines such that a portion of the then owner-taxpayers or their lenders decide to abandon ownership of the property rather than pay the taxes thereon, property taxes levied for debt service for the Bonds could fail to produce timely corresponding tax receipts with respect to such properties.

Although the City has the authority to levy deficiency taxes if tax collections are inadequate to service the Bonds, tax payment delinquencies that continue during the pendency of tax sale proceedings could adversely affect the City's ability to repay the Bonds or affect the timing of repayment. A description of the remedies of the City in the event of nonpayment of taxes is contained herein under "PROPERTY TAX INFORMATION."

In the event a taxpayer fails to pay his or her tax bill, the County may foreclose on property which is the subject of the bill. However, in the event the forfeited property sells for an amount less than the tax levied on the property, the City may be unable to meet the debt service requirements on the Bonds or may be unable to meet the debt service requirements on the Bonds in a timely fashion.

In addition, potential purchasers of tax certificates for unpaid taxes may come to a conclusion that it is uneconomic to purchase the certificates representing back taxes, with the result that there may be no buyers of the tax certificates. If tax certificates are unmarketable, the land will be forfeited to the County and no tax receipts will be forthcoming. The past due, unpaid taxes on the land will bear interest and penalties. Annual taxes will continue to be levied and may go unpaid; new taxes may be levied each year to cover prior debt service deficiencies and, if not timely paid, will bear interest and penalties.

No one can obtain merchantable title to the land from the State through the County without paying off the past due delinquent taxes, or at least becoming subject to the future taxes and the likely possibility of liability through a deficiency tax levy for unpaid bond debt service. This overhanging liability for taxes may have the effect of discouraging potential purchasers and causing title to the land to remain in the County for the benefit of the State and off the tax rolls.

FUTURE LEGISLATION, REGULATIONS, GOVERNMENTAL OR JUDICIAL INTERPRETATION OF REGULATIONS OR LEGISLATION OR PRACTICES AND PROCEDURES RELATED TO PROPERTY TAX ASSESSMENT, LEVY, COLLECTIONS OR DISTRIBUTION.

COLLECTIONS OR DISTRIBUTIONS COULD HAVE A MATERIAL EFFECT ON THE CALCULATION OR AVAILABILITY OF PLEDGED TAXES COLLECTED OR DISTRIBUTED TO THE CITY. THE ABOVE IS NOT INTENDED TO BE A COMPREHENSIVE DISCUSSION OF ALL POTENTIAL RISKS ASSOCIATED WITH SUCH MATTERS OF PROPERTY TAX ASSESSMENT AND COLLECTION.

Loss or Change of Bond Rating

The Bonds are expected to receive credit ratings from S&P that reflect a municipal bond insurance policy which is to be provided by AG. In addition, the Bonds have received an underlying credit rating, which excluded the impact of the AG municipal bond insurance policy from S&P. Any rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold (see "CREDIT RATINGS" herein).

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in lower tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine the Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Risk Factors Affecting Bond Insurance

In the event the Bonds, or any portion thereof, are covered under a municipal bond insurance policy (an "*Insurance Policy*," with the Bonds, or such portion thereof, being the "*Insured Obligations*") and the provider of the Insurance Policy (the "*Insurer*") becomes obligated to make payments with respect to the Insured Obligations, no assurance is given that such event will not adversely affect the market price of the Insured Obligations or the marketability of the Insured Obligations.

The long-term ratings on the Insured Obligations are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon many factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Insured Obligations will not be subject to downgrade and such event could adversely affect the market price of the Insured Obligations or the marketability for the Insured Obligations. See "CREDIT RATINGS" herein.

The obligations of the Insurer are general obligations of the Insurer and in an event of default by the Insurer the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the City nor the Underwriter has made any independent investigation into the claims-paying ability of the Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider both the ability of the City to pay principal and interest on the Insured Obligations and the claims-paying ability of the Insurer, particularly over the life of the investment. See “BOND INSURANCE” for further information provided by the Insurer and the Insurance Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

Continuing Disclosure

A failure by the City to comply with the Undertaking for continuing disclosure (see “CONTINUING DISCLOSURE” and “APPENDIX D – Form of the Continuing Disclosure Undertaking” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the SEC under the Securities Exchange Act of 1934, and may adversely affect the transferability and liquidity of the Bonds and their market price.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. Future actions of the State or the County may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government.

Climate Change Risk

There are potential risks to the City, its economy and its financial condition that are associated with changes to the climate over time and with increases in the frequency, timing, and severity of extreme weather events or droughts, causing or increasing the severity of wildfires, flooding and other natural disasters. Other potential indirect effects include those of climate-related population migration and shifts in economic activities and trade.

The value of property in the City in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property in the City and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, fires, floods, tornadoes and storms of various types and intensity. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and property value in the City could be diminished in the aftermath of such events. A substantial reduction of the value of such properties could affect the ability or willingness of the property owners to pay the Pledged Taxes. The City cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the City.

Force Majeure Events

There are certain unanticipated events beyond the City’s control that could have a material adverse impact on the City’s operations and financial conditions, including the generation or collection of taxes and

fees, if they were to occur. These events include fire, flood, earthquake, epidemic, pandemic, adverse health conditions or other unavoidable casualties or acts of God, freight embargo, labor strikes or work stoppages, civil commotion, new acts of war or escalation of existing war conditions, sabotage, terrorism or enemy action, pollution, unknown subsurface or concealed conditions affecting the environment and any similar causes.

No assurance can be provided that such events will not occur, and, if any such events were to occur, no prediction can be provided as to the actual impact or severity of the impact on the generation or collection of taxes and fees.

Changes in Federal Tax Law

As discussed under “TAX MATTERS” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the “*Service*”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Potential Bankruptcy Scenarios

The rights and remedies of the holders of the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

Under the United States Bankruptcy Code (the “*Bankruptcy Code*”), a municipality can seek relief only under Chapter 9 of the Bankruptcy Code (“*Chapter 9*”). The term “municipality” is defined in Chapter 9 as a “political subdivision or public agency or instrumentality of a State.” The definition is broad enough to include cities, counties, townships, school districts, and public improvement districts.

Current Illinois law does not specifically authorize municipalities to file for Chapter 9 protection, except in certain limited circumstances described below. Therefore, Illinois municipalities such as the City are, under current Illinois law and the Bankruptcy Code, generally unable to directly seek relief under Chapter 9. Instead, the Illinois Local Government Financial Planning and Supervision Act (50 ILCS 320/1 *et seq.*) provides that any Illinois municipality facing a “fiscal emergency” (such as the existence of a

continuing default in the payment of principal and interest on any debt obligation for more than 180 days), upon a 2/3 vote of the members of its governing body, can petition the governor for the establishment of a financial planning and supervision commission (a “*Planning Commission*”) to oversee the finances of such municipality. If the governor believes a fiscal emergency does exist for the municipality, the governor can, after giving notice and opportunity for a hearing to all creditors of such municipality, appoint a Planning Commission for such municipality. The municipality is required to file with the Planning Commission and the Planning Commission’s financial advisor, within 120 days of the Planning Commission’s first meeting, a financial plan setting forth actions to be taken by the municipality to eliminate the fiscal emergency conditions. After reviewing the financial plan, the Planning Commission can then, among other things, recommend that the municipality file for bankruptcy under Chapter 9. Only upon this recommendation by the Planning Commission can an Illinois municipality then file for bankruptcy under Chapter 9.

Cybersecurity

The City relies extensively upon computer networks, information systems, and related technology infrastructure in the conduct of its governmental and administrative functions. In light of this reliance, the City has adopted and continues to maintain a program of technical, administrative, and organizational measures designed to protect the security of its networks, systems, and data, including, without limitation, the following:

- Maintaining segregation of duties among personnel who administer security, personnel who manage systems and applications, and personnel who perform transaction and accounting functions;
- Performing redundant, encrypted backups of critical City data to cloud-based storage, with recovery procedures tested on a recurring basis;
- Maintaining a full-time Security Analyst dedicated to monitoring the City’s network, auditing access controls and security policies, and recommending security enhancements;
- Participating in the State and Local Cybersecurity Grant Program (“*SLCGP*”), funded through the Illinois Department of Innovation & Technology (“*DoIT*”), to support ongoing cybersecurity improvements;
- Segmenting its network across multiple locations, connected via dedicated, encrypted data circuits, in addition to migrating to dark fiber to further enable secure, private fiber-optic connectivity between locations;
- Employing modern, Active Directory-integrated firewalls that inspect all inbound and outbound traffic under a deny-all-by-default policy, and no longer permitting inbound connections from the public internet to internal systems;
- Requiring Multi-Factor Authentication for network access, including remote access, email, and core enterprise systems;
- Deploying layered endpoint, email security filtering, and web-security tools, including CrowdStrike for endpoint detection and antivirus protection, to provide multiple overlapping layers of defense against malicious software, phishing, and other web-based threats;
- Providing ongoing in-person and self-paced cybersecurity awareness training to City employees; and
- Enforcing access controls on a need-to-know, need-to-do basis, with prompt removal of access upon employee termination and continuous auditing of user activity.

The measures described above, while designed to reduce the likelihood and mitigate the impact of a cybersecurity incident, cannot eliminate the risk of an incident occurring. Governmental entities, including the City, are subject to an evolving array of cybersecurity threats, including unauthorized intrusion, malware, ransomware, denial-of-service attacks, and other forms of malicious activity, as well as

risks arising from inadvertent conduct by employees, contractors, or other third parties with access to the City's systems. The occurrence of a cybersecurity incident could result in unauthorized access to, or disclosure, corruption, loss, or destruction of City data and systems, and could disrupt the City's operations. The City is not currently aware of information suggesting that its risk profile with respect to cybersecurity differs materially from that of similarly situated municipal issuers. However, no assurance can be given that a future cybersecurity incident, should one occur, would not have a material adverse impact on the City's financial condition, operations, or reputation. The City anticipates that it will continue to devote resources, as well as invest in the maintenance and improvement of its cybersecurity measures as threats and associated technologies continue to develop.

BOOK-ENTRY SYSTEM

The following information has been provided by The Depository Trust Company, New York, New York ("*DTC*"). The City, the City's counsel, the Underwriter, Disclosure Counsel and Bond Counsel make no representation regarding the accuracy or completeness thereof or the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the City, the City's counsel, the Underwriter, Disclosure Counsel or Bond Counsel to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Each actual purchaser of a Bond (a "*Beneficial Owner*") should therefore confirm the following with DTC or the Participants (as hereinafter defined).

General

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity for such series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating: of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC System must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of

the Bonds (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds, unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the Paying Agent or the City, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant,

to Registrar, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Registrar. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of the book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and DTC's book-entry system has been obtained from sources that the City and the Underwriter believe to be reliable, but the City and the Underwriter take no responsibility for the accuracy thereof.

The City will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that, while the Bonds are in the Book-Entry System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds; however, all rights of ownership must be exercised through DTC and the book-entry system.

CITY OF BERWYN

City Government

The City was incorporated as a city on June 6, 1908 and is a home rule unit of government pursuant to Section 6(a) of Article VII of the 1970 Constitution. As such, the City is not presently subject to any statutory tax or debt limitations. The City is subject to certain general laws of the State of Illinois which are applicable to all cities.

Legislative authority for the City is vested in the Mayor and eight Alderpersons (collectively, the "*City Council*"). The City operates under a strong Mayor form of government pursuant to the Illinois Municipal Code. The City Council determines the compensation of all the City officers and employees, and has the power to levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and affairs of the City. The Mayor is also the Chief Executive Officer of the City and possesses the power to appoint officers; and to veto ordinances, resolutions, and any expenditure. The Finance Director and City Comptroller under the direction of the Mayor are responsible for the financial operations of the City. The City Administrator and Department Heads are responsible for the daily operations at City Hall and other City Government locations and offices. The Mayor, City Clerk and Treasurer are elected at large for 4-year terms and Alderpersons are elected from one of 8 wards for 4-year terms. All elected officials' terms expire in May, 2029.

The Mayor, with the advice and consent of the City Council, appoints the heads of City departments. The major appointed officials are the City Administrator, Finance Director, Comptroller, Director of Public Works, the Building Director, the Fire Chief and the Chief of Police. The Mayor also appoints members to a number of City boards and commissions with the advice and consent of the City Council. The Mayor may veto any ordinance passed by the City Council. A veto may be overridden by a two-thirds vote of all members of the City Council.

General Description of the City

The City is located in mid-southwestern Cook County approximately ten miles southwest of downtown Chicago. The City is bordered on the east by the Town of Cicero, on the south by the Villages of Stickney and Lyons, on the west by the Villages of Riverside, North Riverside and Forest Park and on the north by the Village of Oak Park.

The City was formed in the late 1800's around what is now Ogden Avenue, which at the time was the only plank highway leading southwest from Chicago. The first school was established in 1888, and the City was incorporated 20 years later after the Burlington Railroad established a stop there. From its early beginnings, Berwyn was developed as a fashionable and exclusively residential Chicago area community. Population swelled from 14,000 in 1920 to 47,000 in 1930 as large numbers of western Chicago area workers moved to the new suburb. As of 2023, the City is home to approximately 55,000 residents, according to the US Census Bureau.

The City's area forms a 3.9 square mile rectangle crisscrossed by six primary avenues of commerce. Cermak Plaza, one of the first successful major shopping centers in the Chicago PMSA, combines with numerous other retail establishments, professional offices and restaurants to form a vigorous local economy serving the City and the surrounding area.

Library facilities are provided by the City through its branch library system. The City owns and operates four park sites on 23.06 acres. The Parks include three softball fields, two little league fields, six tennis courts, one outdoor pool, two wading pools, a community center with a gymnasium, classroom/meeting rooms, maintenance garage and park administrative offices. Additional Park and recreational facilities are provided by the Berwyn Park District, which has eight park sites and the North Berwyn Park District, which has six park sites. School facilities are provided by School Districts Nos. 98 and 100 (grade school), School District No. 201 (high school) and Community College District No. 527 (junior college). MacNeal Memorial Hospital, located in south Berwyn, is a teaching healthcare facility with approximately 427 beds and provides general medical and surgical services with specialties.

Chicago's nearby Loop can be reached in under 20 minutes via Interstates 290 (Eisenhower) and 55 (Stevenson), which pass to the immediate north and south, respectively, of the City's borders. The Burlington Northern Commuter railway and Regional Transit Authority Pace bus system offers City residents local and alternative transportation throughout the Chicago area.

Economic Development

Along with its continued commitment to strengthening the City's financial position, the City remains focused on economic development as a core strategy to support long-term growth, expand opportunity, and enhance the overall quality of life for residents and businesses. The City maintains a partnership with the Berwyn Development Corporation ("BDC") through a multi-year agreement, structured on a four-year term and currently effective January 1, 2024, through December 31, 2027, to lead and implement economic development activities that foster private investment, support the local business community, and advance strategic redevelopment efforts.

In partnership with the BDC, the City administers three Tax Increment Financing (TIF) districts: Roosevelt Road, Harlem/Cermak, and the South Berwyn (Depot District). These districts remain an important tool for reinvestment, allowing the City to encourage property improvements, support business expansion, and drive private investment in key commercial corridors. Through programs such as the Finish Line Grant, the City provides targeted assistance to property owners and businesses, helping to improve building conditions, reduce barriers to reinvestment, and enhance the visual and functional quality of commercial areas.

Throughout 2025, the City and BDC continued to support the local business community through direct engagement, technical assistance, and access to resources. The BDC provided information and support to prospective businesses exploring opportunities in Berwyn and maintained ongoing outreach to existing businesses, connecting them to financing opportunities, training programs, and economic data. Furthermore, the City advanced several strategic economic development initiatives focused on long-term investment and redevelopment. In 2025, the City and BDC supported redevelopment planning efforts for key properties in the Depot District, including the issuance of Requests for Proposals for the former Berwyn State Bank building at 6804 Windsor Avenue and the 6609–6639 Stanley Avenue corridor.

In addition, the City and BDC continued to advance the Berwyn Arts Plaza project along Roosevelt Road, a creative placemaking initiative that will transform a long-vacant property into a public gathering space for performances, workshops, and community programming. Infrastructure work for the project began in 2025 following the successful award of Cook County and State of Illinois Department of Commerce and Economic Opportunity (DCEO) grant funding, with completion anticipated in 2026. The City's economic development efforts also emphasize entrepreneurship and small business development as a long-term strategy for economic growth. Through the Project Homegrown initiative, which includes the Berwyn Shops, Sprout, and Boutique programs, the City and BDC continue to support emerging entrepreneurs by providing access to storefront space, business education, and marketing support. These programs create opportunities for small businesses to test and grow their concepts, contributing to a more diverse and resilient local business base.

Community activation remains an important component of the City's economic development strategy. Throughout 2025, events such as Cruise Nites, Pride Walk, Taste of Cermak, Oktoberfest, and the Depot District pub crawls brought residents and visitors into commercial areas, supporting local businesses while fostering a sense of community pride. These activities complement capital investment efforts by increasing visibility and driving foot traffic in key corridors.

The City also works in coordination with the BDC's Chamber of Commerce, which supports economic development activities through business promotion, networking, and community events that increase visibility, encourage customer engagement, and strengthen the local business environment. Collectively, these initiatives reflect the City's continued commitment to fostering economic vitality through a balanced approach that supports existing businesses, encourages new investment, promotes entrepreneurship, and activates commercial spaces. By advancing redevelopment opportunities, investing in placemaking, and maintaining strong relationships with the business community, the City continues to build a foundation for sustainable economic growth and long-term financial stability.

Employee Relations

The City had approximately 419 full-time and 111 part-time employees as of September 3, 2026, of which approximately 416 or 79% are unionized. The unions, membership as of September 3, 2026 and their contract expiration dates are as follows:

<u>Union</u>	<u>Members</u>	<u>Contract Expires</u>
Illinois Municipal Police Association	118	December 31, 2030
International Firefighters Local 506	81	December 31, 2030
International Brotherhood of Teamsters Local 705 (Street and Sewer Workers)	31	December 31, 2030
American Federation of State, County, Municipal Employees Local 1041 (Office Workers)	95	December 31, 2027
Service Employees International Local 73	74	December 31, 2030
Illinois Municipal Police Association Dispatchers Local 1	17	December 31, 2030

Source: City of Berwyn

Services and Facilities

The City is responsible for financing and providing for police protection, fire protection, water, public works and street systems. Police protection is provided by the City's police department. Paramedic and fire protection is provided by the City's fire department.

The City owns and operates its own water system without any encumbrances, which supplies water from Lake Michigan that is purchased through the City of Chicago based on a price that is set by the City of Chicago annually as the City and the City of Chicago have historically done. The City is responsible for collection of sewage and delivery to major interceptors of the Metropolitan Water Reclamation District of Greater Chicago (formerly the Metropolitan Sanitary District of Greater Chicago) which treats the effluent.

Tax Increment Financing Districts within the City

The Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "*Tax Increment Act*"), authorizes municipalities such as the City, after the approval of a "redevelopment plan and project" (as defined in the Tax Increment Act), to assist in the redevelopment of blighted, conservation, or industrial park conservation areas (each being designated a "*TIF District*") by pledging the anticipated increase in property tax revenues as a result of an increase of the EAV of the TIF Districts generated by new private development to pay for certain eligible costs incurred to stimulate private investment, new development, and rehabilitation. When a TIF District is created, the EAV of the portion of real property designated as a TIF District is frozen at the level of the tax year in which it was designated (the "*Base EAV*"). Any increases in property tax revenue attributable to an incremental increase in the EAV of the TIF District above the Base EAV (the "*Incremental EAV*") during the life of the TIF District are distributed to the municipality that created the TIF District for uses permitted by the Tax Increment Act for development and redevelopment and are not provided to the underlying taxing bodies unless and until the municipality that created the TIF District decides to redirect TIF District funds back to the underlying taxing bodies or until the TIF District expires.

In partnership with the BDC, the City administers three TIF Districts: Roosevelt Road, Harlem/Cermak, and the South Berwyn (Depot District).

The chart below contains a summary of these three TIF Districts for tax year 2025:

<u>Name of TIF</u>	<u>First Tax</u>	<u>Base EAV</u>	<u>2025 EAV</u>	<u>Incremental</u>
	<u>Year</u>			<u>2025 EAV⁽¹⁾</u>
South Berwyn (Depot District)	1996	\$18,251,797	\$30,196,893	\$14,434,053
Roosevelt Road	1996	10,944,135	18,594,055	9,082,746
Harlem/Cermak	2011	61,915,727	80,937,410	31,063,203
		Total Incremental EAV		\$54,580,002
		City's 2025 EAV for Taxation		\$1,034,740,609
		Total EAV		\$1,089,320,611

⁽¹⁾Incremental EAV is calculated for each parcel, or Property Index Number (“PIN”), within a TIF District. In instances where the current EAV for one or more PINs within a TIF District falls below the Base EAV, the Incremental EAV may not be equal to the difference between the overall Base EAV and the overall current EAV.

SOCIOECONOMIC INFORMATION

Population

The population of the City has grown from 14,000 in 1920 to its present population of 57,250, as reported in the 2020 U.S. Census. The following summarizes population trends for the past five censuses.

Census	Cook		Chicago Metropolitan Area		State of
<u>Year</u>	<u>City</u>	<u>County</u>	<u>MSA⁽¹⁾</u>	<u>CSA⁽²⁾</u>	<u>Illinois</u>
1970	52,502	5,492,369	7,612,314	8,089,421	11,110,285
1980	46,849	5,253,655	7,869,542	8,264,490	11,426,518
1990	45,426	5,105,067	8,065,633	8,385,397	11,430,602
2000	54,016	5,376,741	9,098,316	9,312,255	12,419,293
2010	56,657	5,194,675	9,461,105	9,686,021	12,830,632
2020	57,250	5,275,541	9,618,502	9,838,421	12,812,508
2020 Percent Change					
from 1970	9.0%	-3.9%	26.4%	21.6%	15.3%
from 2010	1.0%	1.6%	1.7%	1.6%	-0.1%

⁽¹⁾ The Chicago Metropolitan Statistical Area (“MSA”) was originally designated by the United States Census Bureau in 1950. It consisted of the Illinois counties of Cook, DuPage, Kane, Lake and Will, along with Lake County in Indiana. As surrounding counties saw an increase in their population densities and the number of their residents employed within Cook County, they met Census criteria to be added to the MSA. The Chicago MSA, now defined as the *Chicago-Naperville-Joliet, IL-IN-WI MSA*, is the third largest MSA by population in the United States. Amounts reflect current composition of the MSA.

⁽²⁾ The Federal Office of Management and Budget also defines a slightly larger region as a Combined Statistical Area (“CSA”). The *Chicago-Naperville-Michigan City, IL-IN-WI CSA* combines the metropolitan areas of Chicago, Michigan City (in Indiana), and Kankakee (in Illinois). This area represents the extent of the labor market pool for the entire region.

The following table illustrates the distribution of citizens of the City:

<u>Age Category</u>	<u>Percent of Population</u>	<u>Age Category</u>	<u>Percent of Population</u>
Under 5 years	6.3%	45 to 54 years	13.9%
5 to 9 years	5.4%	55 to 59 years	6.5%
10 to 14 years	6.3%	60 to 64 years	5.3%
15 to 19 years	7.1%	65 to 74 years	8.9%
20 to 24 years	6.5%	75 to 84 years	3.7%
25 to 34 years	13.7%	Over 85 years	1.1%
35 to 44 years	15.3%		

Source: American Community Survey 2020 to 2024 (2024 Amounts)
U.S. Department of Commerce, Bureau of the Census

Comparative Demographic Statistics

Comparative demographic statistics of the City, the County and the State of Illinois are illustrated as follows:

		<u>City</u>	<u>Cook County</u>	<u>State of Illinois</u>
Median Family Income				
	1980	\$23,178	\$23,081	\$22,746
	1990	40,031	39,296	38,664
	2000	51,767	53,784	55,545
	2010	48,710	53,942	55,735
	2019	62,758	64,680	69,187
	2024	\$96,944	104,836	\$106,018
Percent of Families Below Poverty Level				
	1980	5.4%	14.2%	11.0%
	1990	5.7%	14.2%	11.9%
	2000	6.2%	10.6%	7.8%
	2010	13.4%	15.3%	12.1%
	2019	12.8%	10.7%	5%
	2024	8.3%	9.9%	8.2%
Median Home Value				
	1980	\$55,500	\$62,100	\$52,800
	1990	\$90,800	\$102,100	\$80,900
	2000	\$132,900	\$157,700	\$130,800
	2010	\$244,100	\$265,800	\$202,500
	2019	\$211,700	\$246,600	\$194,500
	2024	\$299,800	\$324,500	\$263,300

Percent of Homes Reported
Owner Occupied

1980	59.8%	59.9%	62.7%
1990	61.9%	55.5%	64.2%
2000	61.5%	57.9%	67.3%
2010	59.8%	60.4%	69.2%
2019	58.0%	56.9%	66.1%
2024	61.1%	57.7%	67.1%

Source: Decennial Census 1980 to 2010; 2024 American Community Survey 1-Year and 5-Year Estimates, American Community Survey, U.S. Department of Commerce, Bureau of the Census

Education Characteristics

The educational background of City residents 25 year of age and older compared to the County and the State is illustrated in the following table:

	<u>City</u>	<u>Cook County</u>	<u>State of Illinois</u>
Less than 9 th Grade	8.7%	6.2%	4.6%
9 th Grade through 12 th Grade, No Diploma	7.0%	5.2%	5.0%
High School Graduate	29.0%	22.0%	25.1%
Some College, No Degree	21.6%	17.1%	19.2%
Associate Degree	9.5%	6.7%	8.3%
Bachelor's Degree	16.2%	24.7%	22.6%
Graduate or Professional Degree	8.0%	18.0%	15.3%
High School Graduate or Higher	84.3%	88.6%	90.5%
Bachelor's Degree or Higher	24.2%	42.7%	37.8%

Source: American Community Survey 2020 to 2024 5-Year Estimates (2024 Amounts), U.S. Department of Commerce, Bureau of the Census

The following table sets forth the distribution of household income by wage level based on 2024 inflation adjusted dollars for the City compared to the County and the State of Illinois:

<u>Household Income</u>	<u>City</u>	<u>Cook County</u>	<u>State of Illinois</u>
Under \$10,000	4.8%	6.1%	5.4%
\$10,000 to \$14,999	1.2%	3.7%	3.2%
\$15,000 to \$24,999	6.9%	6.0%	5.9%
\$25,000 to \$34,999	9.5%	6.3%	6.3%
\$35,000 to \$49,999	10.2%	9.4%	9.7%
\$50,000 to \$74,999	15.7%	14.0%	14.8%
\$75,000 to \$99,999	12.4%	12.2%	12.6%
\$100,000 to \$149,999	21.2%	17.2%	18.0%
\$150,000 to \$199,999	9.5%	9.8%	10.1%
\$200,000 or more	8.5%	15.2%	13.8%
Median Household Income	\$78,408	\$83,498	\$83,390

Source: American Community Survey 2020 to 2024 5-Year Estimates (2024 Amounts)
U.S. Department of Commerce, Bureau of the Census

Construction Activity

The table below demonstrates the history of the City's building permits since 2016.

<u>Year</u>	<u>Number</u>	<u>Value</u>
2016	4,670	\$33,541,937
2017	4,534	\$32,206,228
2018	4,291	\$46,883,820
2019	4,734	\$36,804,964
2020	4,202	\$34,675,793
2021	4,777	\$38,985,782
2022	4,509	\$49,797,052
2023	4,253	\$46,461,579
2024	3,784	\$38,923,646
2025	3,610	\$37,762,247

Source: City of Berwyn

Employment

The following table categorizes the occupations for City residents 16 years old and over compared to the County and State:

<u>Occupational Category</u>	<u>City</u>		<u>Percent of Total Estimates</u>	
	<u>Number</u>	<u>Percent</u>	<u>Cook County</u>	<u>State of Illinois</u>
Management, Professional, and Related Occupations	9,218	31.6%	46.4%	43.3%
Service Occupations	5,293	18.1%	15.9%	15.7%
Sales and Office Occupations	6,736	23.1%	18.6%	19.5%
Construction, Extraction, and Maintenance Occupations	2,095	7.2%	5.6%	7.0%
Production, Transportation, and Material Moving Occupations	<u>5,826</u>	<u>20.0%</u>	<u>13.4%</u>	<u>14.5%</u>
TOTAL	<u>29,168</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey 5-Year Estimates 2020 to 2024 (2024 Amounts)
U.S. Department of Commerce, Bureau of the Census

The City today retains its traditional role as a convenient place of residence for employees of thousands of Chicago area businesses and services. The table below, however, shows major employers located within the City's corporate limits:

<u>Employer</u>	<u>Number of Employees</u>
Loyola (MacNeal Memorial) Hospital	2,200
Morton West High School (District 201)	1,030
City of Berwyn	530
Berwyn South School (District 100)	525
Berwyn North School (District 98)	402
Campagna-Turano Baking Company, Inc.	300
Rosin Eyecare	85
Byline Bank (formerly Citizens Community)	35
Buona Catering LLC	25
Socitec US, LLC	25

Source: The City of Berwyn.

Housing

According to the American Community Survey 2020 to 2024 5-Year Estimates, 61.1% of the City's housing units were owner-occupied. Market values of specified owner-occupied housing units in the City are summarized as follows:

<u>Value of Specified Owner-Occupied Units</u>	<u>City</u>	<u>Cook County</u>	<u>State of Illinois</u>
Under \$50,000	2.8%	3.6%	5.4%
\$50,000 to \$99,999	1.5%	3.1%	8.3%
\$100,000 to \$149,999	3.7%	5.8%	9.7%
\$150,000 to \$199,999	4.6%	9.3%	11.8%
\$200,000 to \$299,999	37.5%	23.2%	22.3%
\$300,000 to \$499,999	45.1%	33.3%	27.7%
\$500,000 to \$999,999	4.2%	16.9%	12.1%
\$1,000,000 or more	<u>0.6%</u>	<u>4.9%</u>	<u>2.7%</u>
	100.0%	100.0%	100.0%
Median Value	\$299,800	\$324,500	\$263,300

Source: American Community Survey 2020 to 2024 5-Year Estimates (2024 Amounts)
U.S. Department of Commerce, Bureau of the Census

Unemployment Rates

The following summarizes the unemployment rates since 2020:

<u>Year</u>	<u>City</u>	<u>Cook County</u>	<u>State of Illinois</u>	<u>United States</u>
2020	10.7%	10.7%	9.3%	8.1%
2021	6.9%	6.9%	6.1%	5.3%
2022	5.0%	5.0%	3.6%	3.6%
2023	4.4%	4.4%	4.5%	3.6%
2024	5.3%	5.3%	5.0%	4.0%
2025	5.0%	4.8%	4.6%	4.3%

Source: State of Illinois Department of Employment Security

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The City receives a portion of the Illinois State sales tax levies in the City. The amount of sales tax collected by the State of Illinois and returned to the City is equal to 1% of taxable sales made at business located within the corporate limits of the City. The following table sets forth the City's share of State sales taxes by type of retailer for the years ending December 31, 2018 through 2025.

<u>Calendar Year</u>	<u>Merchandise & Apparel</u>	<u>Groceries</u>	<u>Taverns & Restaurants</u>	<u>Furniture & Electronics</u>	<u>Building & Hardware</u>	<u>Automotive & Gas Stations</u>	<u>Drugs & Misc. Retail</u>	<u>Agricultural & Others</u>	<u>Manufacturers</u>	<u>Total</u>	<u>% Change Prior Year</u>
2018	434,131	629,061	1,067,119	63,672	46,840	549,085	1,015,294	201,950	40,981	4,048,133	5.08%
2019	441,331	1,030,708	1,127,997	61,498	52,458	605,431	880,484	212,663	46,899	4,459,469	10.16%
2020	366,973	1,089,984	1,018,150	64,974	49,052	618,164	951,711	189,931	43,544	4,392,483	-1.50%
2021	558,832	1,047,299	1,247,010	76,389	51,871	814,277	1,510,396	310,726	59,762	5,676,561	29.23%
2022	518,397	1,178,876	1,346,398	70,717	33,372	914,272	1,464,258	375,245	63,922	5,965,457	5.09%
2023	523,906	1,265,095	1,382,906	69,116	31,612	977,326	1,502,413	421,328	60,517	6,134,219	2.83%
2024	550,410	1,268,417	1,380,263	90,159	34,524	739,838	1,496,976	460,910	54,602	6,076,099	-0.95%
2025	648,265	1,357,333	1,349,624	155,154	44,756	695,981	1,876,564	801,182	81,861	7,010,722	15.38%
										Average	8.17%

Source: Illinois.gov SIC Code Reports/Illinois Department of Revenue

The City also imposes a home rule sales tax on sales other than titled vehicles. The following table sets forth the City home rule sales taxes by type of retailer for the years ending December 31, 2018 through 2025.

<u>Calendar Year</u>	<u>Merchandise & Apparel</u>	<u>Groceries</u>	<u>Taverns & Restaurants</u>	<u>Furniture & Electronics</u>	<u>Building & Hardware</u>	<u>Automotive & Gas Stations</u>	<u>Drugs & Misc. Retail</u>	<u>Agricultural & Others</u>	<u>Manufacturers</u>	<u>Total</u>	<u>% Change Prior Year</u>
2018	423,435	305,762	1,054,664	63,672	46,744	299,312	429,028	180,887	40,743	2,844,247	5.12%
2019	604,121	494,521	1,528,520	85,408	71,072	454,769	406,496	266,162	64,410	3,975,479	39.77%
2020	623,172	584,606	1,744,873	113,287	85,548	513,827	599,874	295,527	75,592	4,636,306	16.62%
2021	959,528	678,056	2,168,083	133,402	90,758	728,368	1,566,888	504,543	101,807	6,931,433	49.50%
2022	888,278	768,523	2,340,443	123,600	58,351	844,694	1,551,502	600,550	110,594	7,286,536	5.12%
2023	893,110	805,739	2,408,250	120,724	55,328	763,216	1,595,156	684,645	104,218	7,430,375	1.97%
2024	933,572	790,253	2,399,214	157,620	60,386	723,198	1,662,288	752,984	93,783	7,573,299	1.92%
2025	1,103,464	827,773	2,348,136	271,448	78,229	703,508	1,954,223	1,137,071	121,644	8,545,495	12.84%
										Average	16.61%

Source: County/Municipal Retailers and Service Occupation and Use Tax Reports, Illinois Department of Revenue

DEBT INFORMATION

Debt Limitation

The City is a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois and is not limited in the amount of general obligation debt which may be issued.

Direct and Overlapping Bonded Debt*

The table below sets forth direct and overlapping general obligation debt applicable to the City as of October 1, 2026, with adjustments for the Bonds.

Direct Debt	<u>Total Outstanding</u>	<u>Percent Applicable to City</u>	<u>Overlapping Debt Outstanding</u>	
Outstanding Obligations				
General Obligation Bonds	\$165,355,000	100.00%	\$165,355,000	
BMSC	79,970,000	100.00%	79,970,000	
Refunded Bonds	(15,660,000)	100.00%	(15,660,000)	*
The Bonds	<u>33,465,000</u>	100.00%	<u>33,465,000</u>	*
Total Direct Debt	<u>\$263,130,000</u>		<u>\$263,130,000</u>	
Overlapping Debt⁽¹⁾				
Cook County	\$1,739,330,000	0.47%	\$8,179,520	
Cook County Forest Preserve	39,410,000	0.47%	185,333	
Metropolitan Water Reclamation District of Greater Chicago ⁽²⁾	2,626,168,643	0.48%	12,575,800	
School District No. 100	13,390,000	100.00%	13,390,000	
High School District No. 201	140,015,000	41.42%	58,000,919	
Community College District No. 527	6,440,000	41.42%	2,667,756	
Berwyn Park District	3,770,000	100.00%	3,770,000	
North Berwyn Park District	4,944,730	100.00%	<u>4,944,730</u>	
Total Overlapping Bonded Debt			<u>\$103,714,059</u>	
Total Direct and Overlapping Debt			<u>\$366,844,059</u>	

- (1) Does not include principal amounts of general obligation (alternate revenue source) bonds, as the debt service on these types of bonds is expected to be paid from sources other than general taxation, as follows: Forest Preserve District of Cook County - \$31,565,000; Metropolitan Water Reclamation District - \$82,895,000; and North Berwyn Park District - \$940,000. The total amount of overlapping alternate revenue bonds applicable to the City is \$1,485,395.

- (2) Includes IEPA Revolving Loan Fund Bonds for which taxes are levied.

* Preliminary, subject to change

Statement of Indebtedness**(as of October 1, 2026, including the Bonds)*

	<u>Amount</u>	<u>Percent of 2025 EAV</u>	<u>Percent of Fair Value</u>	<u>Per Capita ⁽¹⁾</u>
Total equalized assessed valuation (2025 EAV) ⁽²⁾	<u>\$1,089,320,611</u>	<u>100.00%</u>	<u>33.33%</u>	<u>\$19,027</u>
Estimated fair market value	<u>\$3,267,961,833</u>	<u>300.00%</u>	<u>100.00%</u>	<u>\$57,082</u>
Direct debt	\$263,130,000	24.16%	8.05%	\$4,596
Overlapping debt	<u>103,714,059</u>	<u>9.52%</u>	<u>3.17%</u>	<u>\$1,812</u>
Total direct and overlapping debt	<u>\$366,844,059</u>	<u>33.68%</u>	<u>11.23%</u>	<u>\$6,408</u>

⁽¹⁾ Based on 2020 Census population of 57,250.

⁽²⁾ Includes incremental EAV contained in the City's TIF Districts.

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* Preliminary, subject to change.

Debt Structure

The table that follows presents information as to the retirement of the City's outstanding governmental fund debt (excluding tax increment fund debt) and BMSC's outstanding revenue bonds as of the date of delivery of the Bonds.

<u>Levy</u> <u>Year</u>	<u>Payment</u> <u>Year</u>	<u>General</u> <u>Obligation</u>	<u>BMSC</u> <u>Bonds⁽¹⁾</u>	<u>Refunded</u> <u>Bonds</u>	<u>The Bonds *</u>	<u>Total</u>	<u>Percent Retired</u>	
							<u>Annual</u>	<u>Cumulative</u>
2025	2026	\$5,835,000	\$0	(\$1,900,000)	\$0	\$3,935,000	1.50%	1.50%
2026	2027	\$6,105,000	\$0	(\$2,250,000)	\$500,000	\$4,355,000	1.66%	3.15%
2027	2028	\$6,870,000	\$2,150,000	(\$2,300,000)	\$1,320,000	\$8,040,000	3.06%	6.21%
2028	2029	\$6,990,000	\$2,255,000	(\$1,710,000)	\$1,425,000	\$8,960,000	3.41%	9.61%
2029	2030	\$5,550,000	\$2,370,000	(\$2,375,000)	\$4,655,000	\$10,200,000	3.88%	13.49%
2030	2031	\$4,225,000	\$2,485,000	(\$1,325,000)	\$5,475,000	\$10,860,000	4.13%	17.61%
2031	2032	\$10,085,000	\$2,610,000	(\$2,150,000)	\$2,955,000	\$13,500,000	5.13%	22.75%
2032	2033	\$7,770,000	\$2,740,000	(\$820,000)	\$3,160,000	\$12,850,000	4.88%	27.63%
2033	2034	\$8,510,000	\$2,880,000	(\$830,000)	\$1,290,000	\$11,850,000	4.50%	32.13%
2034	2035	\$3,615,000	\$3,030,000	\$0	\$4,210,000	\$10,855,000	4.13%	36.26%
2035	2036	\$0	\$3,205,000	\$0	\$8,475,000	\$11,680,000	4.44%	40.70%
2036	2037	\$0	\$3,385,000	\$0	\$0	\$3,385,000	1.29%	41.98%
2037	2038	\$0	\$3,580,000	\$0	\$0	\$3,580,000	1.36%	43.34%
2038	2039	\$2,000,000	\$3,785,000	\$0	\$0	\$5,785,000	2.20%	45.54%
2039	2040	\$6,270,000	\$4,005,000	\$0		\$10,275,000	3.90%	49.45%
2040	2041	\$6,520,000	\$4,235,000	\$0		\$10,755,000	4.09%	53.53%
2041	2042	\$6,780,000	\$4,475,000	\$0	\$0	\$11,255,000	4.28%	57.81%
2042	2043	\$7,050,000	\$4,730,000	\$0	\$0	\$11,780,000	4.48%	62.29%
2043	2044	\$7,320,000	\$5,005,000	\$0	\$0	\$12,325,000	4.68%	66.97%
2044	2045	\$7,610,000	\$5,290,000	\$0	\$0	\$12,900,000	4.90%	71.88%
2045	2046	\$7,910,000	\$5,590,000	\$0	\$0	\$13,500,000	5.13%	77.01%
2046	2047	\$8,215,000	\$5,915,000	\$0	\$0	\$14,130,000	5.37%	82.38%
2047	2048	\$8,545,000	\$6,250,000	\$0	\$0	\$14,795,000	5.62%	88.00%
2048	2049	\$15,485,000	\$0	\$0	\$0	\$15,485,000	5.88%	93.88%
2049	2050	<u>\$16,095,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,095,000</u>	6.12%	100.00%
		<u>\$165,355,000</u>	<u>\$79,970,000</u>	<u>(\$15,660,000)</u>	<u>\$33,465,000</u>	<u>\$263,130,000</u>		

⁽¹⁾ These are revenue bonds of BMSC which are payable from the Conveyed Revenues (As defined below) sold by the City to BMSC. These bonds are not general obligations of the City. See "DEBT INFORMATION –Berwyn Municipal Securitization Corporation" below. Includes January 1 principal installments in the prior calendar year.

*Preliminary, subject to change.

Lines of Credit

During 2017, the City entered into an agreement with BMO Harris Bank, N.A., for a \$15 million revolving line of credit. The agreement has been subsequently amended to reduce the credit limit to \$10 million with a final maturity date of December 31, 2029. The line of credit bears interest equal to the

Secured Overnight Financing Rate plus an additional applicable rate that varies depending on the City's credit rating. The unused portion of the line of is subject to a fee of 0.45% per annum. The line is subject to termination and any drawings are subject to repayment from a property tax the City has covenanted to levy if the City is downgraded below BBB. Short-term borrowing activity for fiscal 2025 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Line of Credit	\$ -	\$10,000,000	\$5,000,000	\$5,000,000

The \$5 million balance was paid in February 2026.

The City also has a \$2 million revolving line of credit with Byline Bank with an interest rate equal to the prime rate minus one percent but in any event no less than 4.5%. It matures on September 10, 2027. As of December 31, 2025, there was no outstanding amount related to this line of credit and no draws were made on the line of credit during 2025.

IEPA Direct Borrowing Loans

During 2021, the Illinois Environmental Protection Agency (the "IEPA") awarded the City a Water Pollution Control Loan in the amount of \$7,212,677 at a simple interest rate of 1.35% to fund sewer system improvements. In addition, the IEPA awarded the City two Public Water Supply Loans in the amount of \$493,611 (simple interest rate of 1.15%) and \$7,879,600 (simple interest rate of 1.35%) to fund the replacement of lead service lines.

The IEPA reimburses the City for expenditures from the loans on a draw down basis until the project is complete or the full amount of the loan proceeds have been spent. Interest during the construction period is also added to the loan amount. Upon completion, the loan amortizes over 20 years with equal semi-annual payments. The City began incurring costs during 2021. Drawdowns during 2025 amounted to \$1,327,427 and \$648,983 of principal was repaid during the year. Final repayment is on July 31, 2043. During 2023, one of the loans with a balance of \$487,888 was forgiven by the IEPA and an additional \$6,013 was forgiven in 2024.

In June, 2025, the City entered into a Water Service Line Replacement Agreement with the IEPA with respect to a non-interest-bearing public water supply loan in the amount of \$3,267,132.83 for lead service line replacements. The amount of \$240,132.83 is payable by the City over a period of 40 years and the amount of \$3,027,000 would be forgiven pursuant to the IEPA's forgiveness provisions. The City has received \$1,939,526.79 from the approved amount as of September 15, 2026.

The loans from the IEPA to the City described herein (collectively, the "IEPA Loans") are secured solely from the revenues of the Utilities Fund. The City has made certain covenants in connection with the IEPA Loans including a covenant to impose and collect adequate water rates to provide for the repayment of the IEPA Loans. The IEPA Loans are not general obligations of the City.

Future Debt

The City does not plan to issue additional general obligation Bonds within the next ninety days. The City consistently monitors its debt portfolio for opportunities to refund outstanding bonds for economic savings.

Default Record

The City has no record of default and has met all of its payment obligations on a timely basis in the last five years.

Berwyn Municipal Securitization Corporation

The Berwyn Municipal Securitization Corporation (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 its home rule sales tax, local share sales tax, state use tax and state income tax revenues (collectively, the “*Conveyed Revenues*”) to the BMSC. 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. After providing for debt service on such bonds each year, excess Conveyed Revenues are remitted back to the City (“*Residual Tax Revenues*”). Any future issues of debt by the BMSC may reduce the amount of Residual Tax Revenues available to 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 Mayor of the City with the approval of the City 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).

The City entered into an agreement with the BMSC under which the City sold the Conveyed Revenues to the BMSC through 2048. On March 11, 2019, 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.

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. Repayment of the bonds will be made from Conveyed Revenues. The City also received a residual certificate representing the City’s ownership interest in Conveyed Revenues in excess of debt service to be received by the BMSC during the term of the sale agreement.

The total tax revenues sold was estimated to be \$458,131,230. Residual Revenues were expected to be \$281,334,018. The estimated present value of the tax revenues sold, net of the expected residuals assuming a 5.49% (blended rate on securitized bonds) interest rate at the time of the sale was \$222,190,752. 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%. These bonds are not subject to any special terms or covenants, acceleration, or interest reset.

PROPERTY TAX INFORMATION

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Real Property Assessment

The County Assessor (the “*Assessor*”) is responsible for the assessment of all taxable real property within the County including such property located within the boundaries of the City, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the “*Department*”). For triennial reassessment purposes, the County is divided into three districts: west and south suburbs (the “*South Tri*”), north and northwest suburbs (the “*North Tri*”), and the City of Chicago. The City is located in the South Tri and was last reassessed for the 2023 tax levy year (taxes collected in calendar year 2024). The City is being reassessed for the 2026 tax levy year (taxes to be collected in calendar year 2027).

The Real Property Assessment Classification Ordinance adopted by the County Board of Commissioners, as from time to time amended, separates real property in the County into different classifications for assessment purposes. After the Assessor establishes the market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the “*Assessed Valuation*”) for the parcel. The classification percentages range from 10% for certain residential and unimproved property to 25% for industrial and commercial property.

Property is currently classified for assessment into six standard categories, each of which is assessed at various percentages of market value as follows:

Assessment Class	Assessment
Class 1 – Unimproved real estate	10%
Class 2 – Real estate (includes farm certain residential and certain multi-use facilities)	10%
Class 3 – Other real estate used for residential purposes (i.e. rental real estate in excess of 6 units)	10%
Class 4 – Real estate owned and used by a not-for-profit corporation (excluding residential)	25%
Class 5a – Real estate not classified in any other classification (i.e. commercial property)	25%
Class 5b – Industrial property	25%

There are currently also nine additional categories which provide real estate tax incentives and for which assessment rates vary over time, as further described below: Class 6b industrial; Class C commercial and industrial; Class 7a and 7b commercial; Class 8 commercial and industrial, SER, CEERM, and MICRO; Class 9 multi-family residential; Class S multifamily housing; and Class L commercial/industrial landmarks. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. Very few properties and value in the City are included in these categories.

The details of the additional assessment classifications are summarized on the following pages.

Class	Description of Property	Assessment Percentage	Revert to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/ 7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3-year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
7d	Development of a grocery store in a food desert as defined by the Illinois Department of Public Health.	10% for 10 years, 15% in year 11, 20% in year 12 (renewable)	As applicable
8	Industrial properties in enterprise communities or zones in need of substantial revitalization. Limited to the following townships: Bloom, Bremen, Calumet, Rich or Thornton Township.	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8 (SER)	Sustainable Emergency Relief (SER) assists existing long-term industrial users in retaining their location in the event they may be forced to close or relocate due to economic stressors.	10% for first 10 years, 15% in year 11, 20% in year 12	As applicable
8 (CEERM)	Critical Emergency Employee Retention Modification (CEERM) assists large employers with urgent retention needs where maintain or creating a substantial number of jobs justifies relief even if the property does not meet ordinary abandonment rules.	10% for first 10 years, 15% in year 11, 20% in year 12	As applicable
8a MICRO	Property used by a business certified under the State of Illinois' MICRO Act, located in a municipally designated MICRO area, for commercial or industrial purposes.	10% for 30 years; not renewable	As applicable

9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10-year renewal	As applicable
S	Class 3 properties subject to Section 8 contracts renewed under the “Mark up to Market” option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as “Landmark” or “Contributing” buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12 and can be renewed up to year 22	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as “Landmark” or “Contributing” buildings	10% for first 10 years, 15% in year 11, 20% in year 12 and can be renewed up to year 22	5a

Certain of the above classifications have been modified (Class 6b, Class S, Class 7a, Class 7b, Class 8, Class 9 and Class L) over the years to provide for additional decreases in assessment levels. Properties that were designated under those classifications in prior years are subject to the then applicable assessment levels. Furthermore, certain classifications (Class 6a and Class 6c) have been eliminated; provided, however such properties that were designated under such classifications in prior years are subject to the then applicable assessment levels. Notably, the provisions governing Classes 6b, C, 7a, 7b, and 8 in the county ordinances are set to expire on December 31, 2027, and are subject to change, unless renewed by action of the Cook County Board of Commissioners.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the “*Board of Review*”), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the “*PTAB*”), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the “*Circuit Court*”) or the Illinois Appellate Court (the “*Appellate Court*”) under the Illinois Administrative Review Law.

In a series of recent PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from the Department’s sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The County indicated that the impact of any such case on the County would be minimal, as the County’s ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the “*Equalization Factor*”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State of Illinois (the “*State*”). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

<u>TAX YEAR</u>	<u>EQUALIZATION FACTOR</u>	<u>TAX YEAR</u>	<u>EQUALIZATION FACTOR</u>
2016	2.8032	2021	3.0027
2017	2.9627	2022	2.9237
2018	2.9102	2023	3.0163
2019	2.9160	2024	3.0355
2020	3.2234	2025	3.0300

Source: Cook County Clerk

Tax bills in the County are based on the Assessment Base (as defined below) for the preceding year. Property taxes billed in 2026 (for the 2025 tax year) are based on the 2025 Equalized Assessed Valuation.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the “*Assessment Base*”).

Exemptions

The Illinois Property Tax Code, as amended (the “*Property Tax Code*”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals.

In addition, the Illinois Constitution and the Property Tax Code provides a variety of homestead exemptions for residential property. The annual general homestead exemption provides for the reduction of the EAV of certain property owned and used exclusively for residential purposes (“*Residential Property*”) by the amount of the increase over the 1977 EAV, up to a maximum reduction of \$10,000 for Residential Property in the County, \$8,000 in counties contiguous to the County, and \$6,000 in all other counties.

The “Long-Term Occupant Homestead Exemption” limits the increase in EAV of a taxpayer’s homestead property. Under the Long-Term Occupant Homestead Exemption, the EAV of the homestead property of a taxpayer who has owned the property for at least ten years (or five years if purchased with certain government assistance) and who has a household income of \$100,000 or less (“*Qualified Homestead Property*”) may increase by no more than 10% per year. If the taxpayer’s annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Further, as long as the taxpayer continues to qualify for the exemption on January 1 of each assessment year, the Long-Term Occupant Homestead Exemption continues to apply.

The Homestead Improvement Exemption applies to residential properties that have been improved and to properties that have been rebuilt following a catastrophic event, as defined in the Property Tax Code, and continues for four years from the date the improvement or rebuilding is completed and occupied. The exemption is limited to \$75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. At present, the maximum Senior Citizens Homestead Exemption is \$8,000 for residences owned and occupied by senior citizens in the County and counties contiguous to the County, and \$5,000 in all other counties.

The Low-Income Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$75,000 for taxable year 2026 (payable in 2027), \$77,000 for taxable year 2027 (payable in 2028), and \$79,000 for taxable year 2028 (payable in 2029) and thereafter. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

The Natural Disaster Homestead Exemption (the “*Natural Disaster Exemption*”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans’ Exemption exempts up to \$70,000 of the Assessed Valuation of property owned and used

exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (a) \$5,000 to those veterans with a service-connected disability of 70% or more and (b) \$2,500 to those veterans with a service-connected disability of less than 70%, but at least 50%. In addition, veterans who served during World War II are entitled to a complete (100%) exemption of the property's equalized assessed value, regardless of disability level. Properties with an equalized assessed value of up to \$250,000 are now eligible for a \$250,000 exemption under this provision.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, or the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000 for two consecutive tax years.

Finally, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Department, there are exemptions generally available for properties of religious, charitable, and educational organizations, as well as units of federal, state and local governments.

Tax Levy

As part of the annual budgetary process of governmental units (the "*Units*") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The tax levy for general obligation bonds such as the Bonds are levied in connection with the authorization of the Bonds and filed with the County Clerk at the issuance of the Bonds. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the City. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law, as amended. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "*Warrant Books*") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

In the County, property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last ten tax levy years in the County:

<u>Tax Year</u>	<u>Second Installment Penalty Date</u>	<u>Tax Year</u>	<u>Second Installment Penalty Date</u>
2016	August 1, 2017	2021	December 30, 2022
2017	August 1, 2018	2022	December 1, 2023
2018	August 1, 2019	2023	August 1, 2024
2019	October 1, 2020	2024	December 15, 2025
2020	October 1, 2021	2025	October 1, 2026

Source: Cook County Clerk

As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages, and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, for the 2021 tax year (for amounts payable in calendar year 2022), the distribution of amounts related to second installment County property tax bills for calendar year 2022 were delayed. Likewise, such distribution of amounts were delayed in calendar years 2023 and 2025. The City participated in the County's 2026 Property Tax Bridge Fund Program and obtained a \$5,700,000 loan in August, 2026. Property tax bills were mailed by the County in the last week of August, 2026. The bills have an October 1st due date. For any delinquency experienced, the City expects to utilize its reserve balances to cover any shortfall from the distribution of amounts related to the second installment County property tax bills for tax year 2025.

Additionally, the City participated in the 2025 Bridge Fund Program and obtained a \$3.2 million loan in October, 2025. The County had mailed the second installment of the 2024 levy to Berwyn residents in mid-November with a due date of December 15, 2025. As a result, the bulk of the \$15.3 million owed to the City for the second Installment was collected and distributed late in December 2025 through March 2026. To maintain financial operations and fulfill its debt payment obligations, the City utilized its General Fund Reserves along with the Line of Credit in has with BMO Harris Bank. The amount of \$5 million of the \$10 million line of credit was drawn late in 2025 then repaid in February 2026.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the City promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the “*Annual Tax Sale*”) of unpaid taxes shown on that year’s Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any “automated means.” Unpaid taxes accrue penalties at the rate of 0.75% (or 1.5% in counties other than the County) per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 9% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the “*Scavenger Sale*”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

The Illinois Annual Tax Sale and Scavenger Sale procedures may be affected by recent court rulings regarding any surplus equity following a sale of unpaid taxes. The U.S. Supreme Court’s 2023 decision in *Tyler v. Hennepin County* held that keeping a homeowner’s surplus equity beyond what is owed can be an unconstitutional taking. In the wake of this decision, multiple lawsuits have been filed challenging aspects of Illinois’ tax-deed system, including *Bell v. Pappas*, which argued that when an owner loses title through a tax deed without receiving the value of any surplus equity, the process effects a taking without just compensation. On December 8, 2025, the U.S. District Court for the Northern District of Illinois held that the County’s tax sale process, as applied, violated the Fifth Amendment’s Takings Clause and the Eighth Amendment’s Excessive Fines Clause. This decision has led to the passage by the Illinois General Assembly of House Bill 4537 on May 30, 2026, which was signed by the Governor and became effective on July 10, 2026, as Public Act 104-0553. This legislation provides for a six-year pilot program in the County to permit owners who lose property through the issuance of a tax deed to recover lost surplus equity through an indemnity award and to require distressed property conveyance contracts to disclose a potential right to recover such equity. The City can make no assurances as to the impact of such legislation, nor can it predict what effect, if any, such legislation will have on the City’s finances.

Truth in Taxation Law

Legislation known as the Illinois Truth in Taxation Law (the “*Law*”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The City covenanted in the Bond Ordinance that it will not take any action which would adversely affect the levy, extension, collection and application of the taxes levied by the City for payment of principal of and interest on the Bonds. The City also covenanted that it will comply with all present and future laws concerning the levy, extension and collection of such

taxes levied by the City. As of the date of this Official Statement, the City is in compliance with the Law. The provisions of the Law would not serve to limit or restrict in any way the collection of the Pledged Taxes for the payment of debt service on the Bonds.

Composition of Equalized Assessed Valuations

	2021 ⁽¹⁾	2022	2023	2024	2025
Residential	\$831,937,489	\$804,670,883	\$1,099,733,714	\$1,093,460,827	\$1,085,734,508
Commercial	128,177,303	120,003,423	129,460,182	127,976,285	126,214,508
Industrial	4,264,967	3,442,709	4,176,669	4,015,758	4,010,376
Railroad	<u>1,998,240</u>	<u>2,437,196</u>	<u>2,498,278</u>	<u>2,386,564</u>	<u>2,365,997</u>
Total	\$966,377,999	\$930,554,211	\$1,235,868,843	\$1,227,839,434	\$1,218,325,389
Less:					
Exemptions	(\$169,492,267)	(\$155,415,815)	(\$176,873,274)	(\$182,796,527)	(\$183,584,780)
EAV for Taxation	\$796,885,732	\$775,138,396	\$1,058,995,569	\$1,045,042,907	\$1,034,740,609
Percent Increase/ (Decrease)	(8.03%)	(2.73%)	36.62%	(1.32%)	(0.99%)

⁽¹⁾ Percent growth for tax year 2021 is based on the City's 2020 EAV for Taxation of \$907,832,997.

Source: Office of the County Clerk, Cook County, Illinois. Amounts are summarized by levy year. Taxes are collected in the next calendar year.

City Tax Extensions and Collections

The following are the summary of general taxes extended and collected for the City:

Levy Year	Collection Year	Taxes Extended ⁽¹⁾	Total Collections (as of August 31, 2026)	
			Amount	Percent
2021	2022	\$36,258,300	\$35,629,942	98.27%
2022	2023	37,663,974	35,519,848	94.31%
2023	2024	38,262,733	37,075,083	96.90%
2024	2025	38,262,731	37,932,890	99.14%
2025 ⁽²⁾	2026	39,429,690	20,140,193	51.08%

⁽¹⁾ Includes extensions for the City's library component unit.

⁽²⁾ In process of collection. Second installment taxes for tax year 2025 were due October 1, 2026.

Source: Office of the County Treasurer, Cook County, Illinois, and the City. Due to on-going efforts to modernize technology within the various County agencies responsible for property assessment and property tax billing and distribution, updated reporting for levy years 2024 and 2025 is currently not available from the County Treasurer. The City has received significant property tax distributions since December of 2025 for levy years 2024 and 2025, and has used its best efforts to determine to which levy year such distributions apply.

Tax Rates Per \$100 of Equalized Assessed Valuation

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of Berwyn					
Corporate Fund	\$2.5879	\$2.6599	\$1.9469	\$1.9729	\$1.9926
Bond and Interest	1.1336	1.2331	0.9522	0.9649	1.0252
Police Pension	0.2028	0.2183	0.1526	0.1546	0.1988
Fire Pension	<u>0.1867</u>	<u>0.1829</u>	<u>0.1403</u>	<u>0.1421</u>	<u>0.1632</u>
Total City Tax Rate	\$4.111	\$4.294	\$3.192	\$3.235	\$3.380
Cook County	0.446	0.431	0.386	0.390	0.356
Cook County Consolidated Elections	0.019	0.000	0.032	0.000	0.029
Cook County Forest Preserve District	0.058	0.081	0.075	0.069	0.067
Metropolitan Water Reclamation District	0.382	0.374	0.345	0.340	0.337
City of Berwyn Library Fund	0.439	0.564	0.421	0.427	0.431
School District No. 100	5.242	5.526	4.146	4.381	4.444
High School District No. 201	2.728	2.925	2.222	2.320	2.227
Community College District No. 527	0.572	0.614	0.467	0.490	0.509
Berwyn Park District	0.408	0.432	0.334	0.348	0.365
Berwyn Township					
Corporate	0.054	0.059	0.046	0.048	0.054
General Assistance	0.048	0.052	0.040	0.041	0.045
Public Health	0.091	0.099	0.076	0.078	0.087
Mental Health	<u>0.083</u>	<u>0.090</u>	<u>0.069</u>	<u>0.076</u>	<u>0.084</u>
Total Representative Tax Rate	<u>\$14.681</u>	<u>\$15.541</u>	<u>\$11.666</u>	<u>\$12.047</u>	<u>\$12.413</u>

Tax rates are for Cook County Tax Code 11002 and related TIF Codes that constitute 63.1% of the City's EAV.

Source: Office of the County Clerk, Cook County, Illinois

Tax rates are all based on dollars per \$100 of equalized assessment valuation.

Largest Taxpayers

<u>Taxpayer⁽¹⁾</u>	<u>2024 Equalized Assessed Value⁽²⁾</u>	<u>Percentage of Total EAV</u>
Cermak Plaza Associates	\$ 19,913,432	1.91%
Berwyn Gateway Partners	8,177,475	0.78%
Extra Storage Space	7,354,583	0.70%
Shurgard	4,896,189	0.47%
Grove/Fairfax	4,499,557	0.43%
McDonald's Corporation	3,768,285	0.36%
Invitation Homes	3,109,919	0.30%
Individual Investor (19 parcels)	2,777,752	0.27%
ARHC BMBEMLo1 LLC (Real Estate Investments: 4 Parcels)	2,354,045	0.23%
Realty & Mortgage Co.	<u>2,313,099</u>	<u>0.22%</u>
Total	<u>\$59,164,336</u>	<u>5.66%</u>
Total Equalized Assessed Valuation	<u>\$1,045,042,907</u>	

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.

² Information for 2024 tax year (taxes collected in 2025), the most recent year for which data is currently available.

Source: Office of Cook County Clerk

EMPLOYEE RETIREMENT PLANS

The City contributes to four defined benefit pension plans: (a) 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; (b) the Police Pension Plan, which is a single-employer pension plan; and (c) 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 Illinois General Assembly. 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.

The City’s pension funding levels continued to improve in 2025. The funding level percentages for the City’s three pension plans are listed below:

<u>Police</u>	<u>Fire</u>	<u>IMRF/SLEP</u>
90%	99%	94%

Furthermore, the City ranks among the top municipalities for both the Police and Fire Pension Funds, according to the 2024 Illinois Department of Insurance Report. The City’s Police Officers Fund

ranked 14th of 77 Municipalities of \$50 million or more in Pension Assets. The City's Fire Fighters Fund ranked 6th of 58 Municipalities with \$50 million or more in Pension Assets.

The City remains committed to maintaining its strong funding levels of 80-100% regardless of market investment conditions and/or changes in actuarial calculation factors. The City formally delivered its funding policy in September 2026 to the Police and Fire pension funds as well as to City Council. This funding policy confirms the targeted funding levels to be sustained over the next 15-30 years.

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, 2025:

Total Pension Liability	\$ 398,151,260
Plan Fiduciary Net Position	373,581,373
City's Net pension liability	24,569,887
Deferred Inflows of Resources	28,745,552
Deferred Outflows of Resources	24,315,213
Pension Expense	10,245,573

IMRF and SLEP

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.

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, 2024 was 5.41% of covered payroll and the employer annual required contribution rate was 5.41%.

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. There are no active members contributing to SLEP. The City is required to contribute at an actuarially determined rate. For the year ended December 31, 2024, there was no covered payroll.

At December 31, 2024, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries	171	2
Inactive, Non-retired Members	161	0
Active Members	<u>241</u>	<u>0</u>
Total	573	2

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The City accounts for the plan as a pension trust fund.

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 \$127,283 at December 31, 2025. The maximum salary cap increases every year thereafter.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% 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. Statutorily, the City needs to provide either through a tax levy or other funding mechanism (1) the normal cost of the pension fund for the year involved plus (2) additional annual contribution to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040. In making these determinations, the required minimum employer contribution shall be calculated by an enrolled actuary each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. Prior to 2022, the City had an agreement with the pension funds to fund 100% of the actuarial liabilities through periodic bond issues. This funding was completed in 2022. After achieving 100% bond funding in 2022, the City's current

pension funding plan is based on (1) the normal cost of the pension fund for the year involved plus (2) annual amortization of any variance from 100% of funding over a 15-year basis on an open rolling basis. This plan exceeds the statutory requirements. For the year ended December 31, 2025, the City's contribution was 19.54% of covered payroll.

At December 31, 2025, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	102
Terminated employees entitled to benefits but not yet receiving them	19
Current employees	<u>116</u>
Total	237

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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 \$127,283 at December 31, 2025. The maximum cap increases each year thereafter.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children received 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

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

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

Statutorily, the City needs to provide either through a tax levy or other funding mechanism (1) the normal cost of the pension fund for the year involved plus (2) additional annual contribution to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040. In making these determinations, the required minimum employer contribution shall be calculated by an enrolled actuary each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. Prior to 2022, the City had an agreement with the pension funds to fund 100% of the actuarial liabilities through periodic bond issues. This funding was completed in 2022. After achieving 100% bond funding in 2022, the City's current pension funding plan is based on (1) the normal cost of the pension fund for the year involved plus (2) annual amortization of any variance from 100% of funding over a 15 year basis on an open rolling basis. This plan exceeds the statutory requirements. For the year ended December 31, 2025 the City's contribution was 18.40% of covered payroll.

At December 31, 2025, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	6
Current employees	<u>82</u>
Total	160

The following chart summarizes the net pension liability and related ratios of the three plans for the last five years:

Measurement Date	Plan Fiduciary Net Position (a)	Total Pension Liability (b)	Net Pension Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)
Illinois Municipal Retirement Fund					
12/31/2025	\$63,338,110	\$67,387,042	\$4,048,932	93.99%	\$14,752,489
12/31/2024	\$59,876,961	\$61,386,677	\$1,509,716	97.54%	\$13,382,977
12/31/2023	\$54,093,735	\$58,044,534	\$3,950,799	93.19%	\$12,510,012
12/31/2022	\$62,994,245	\$55,173,042	(\$7,821,203)	114.18%	\$11,492,010
12/31/2021	\$54,657,516	\$51,729,882	(\$2,927,634)	105.66%	\$10,777,339
Police Pension Fund					
12/31/2025	\$171,636,272	\$190,466,024	\$18,829,752	90.11%	\$14,483,621
12/31/2024	\$149,668,149	\$180,800,571	\$31,132,422	82.78%	\$14,414,447
12/31/2023	\$139,169,892	\$169,860,600	\$30,690,708	81.93%	\$13,094,435
12/31/2022	\$126,200,113	\$158,483,965	\$32,283,852	79.63%	\$12,453,238
12/31/2021	\$118,157,927	\$150,163,290	\$32,005,363	78.69%	\$12,263,542

Fire Pension Fund

12/31/2025	\$138,435,223	\$140,114,085	\$1,678,862	98.80%	\$9,720,243
12/31/2024	\$121,761,944	\$135,313,854	\$13,551,910	89.98%	\$9,508,175
12/31/2023	\$112,850,543	\$126,611,047	\$13,760,504	89.13%	\$8,990,455
12/31/2022	\$101,276,610	\$118,658,532	\$17,381,922	85.35%	\$7,972,023
12/31/2021	\$76,100,028	\$114,823,599	\$38,723,571	66.28%	\$7,777,418

The following summarize the annual funding of the three major pension plans:

	Fiscal Year <u>Ended</u>	Employer <u>Contributions</u>	Actuarially Determined <u>Contribution</u>	Percentage <u>Contributed</u>
Illinois Municipal Retirement Fund				
	12/31/2025	\$1,132,306	\$931,566	121.6%
	12/31/2024	\$798,109	\$798,110	100.0%
	12/31/2023	\$772,518	\$776,213	99.5%
	12/31/2022	\$940,404	\$875,701	107.4%
	12/31/2021	\$1,034,280	\$1,034,281	100.0%
Police Pension Fund				
	12/31/2025	\$2,829,407	\$3,975,741	71.2%
	12/31/2024	\$3,954,653	\$3,326,144	118.9%
	12/31/2023	\$2,042,150	\$2,199,631	92.8%
	12/31/2022	\$33,190,612	\$4,451,023	745.7%
	12/31/2021	\$1,535,310	\$4,223,947	36.4%
Fire Pension Fund				
	12/31/2025	\$1,788,597	\$2,424,881	73.8%
	12/31/2024	\$2,525,973	\$1,915,921	131.9%
	12/31/2023	\$1,750,720	\$1,375,691	127.3%
	12/31/2022	\$46,246,244	\$4,889,950	945.7%
	12/31/2021	\$1,412,515	\$4,668,152	30.3%

Each year, actuarial reports (the “*Actuarial Reports*”) are prepared for the Police and Fire Pension Plans (collectively, the “*Public Safety Pension Funds*”) and the City based on the census of year-end sworn police and fire personnel and retirees participating in the City’s Public Safety Pension Funds. The Actuarial Reports detail for each of the two Public Safety Pension Funds, the “*Total Pension Liabilities*” and the unfunded actuarial accrued liabilities (“*UAAL*”) as of the date of such Actuarial Reports, which is equal to the Total Pension Liabilities less the net asset position of each fund. The Actuarial Reports also calculate the amount of the normal cost representing the payments the City must make to the Public Safety Pension Funds as of the date of such Actuarial Reports to provide for future retirement benefits earned attributable to employees and salaries during the subsequent year (the “*Normal Pension Costs*”) plus an amount to amortize the UAAL based on certain actuarial assumptions (the “*UAAL Amortization*”).

It is the City's opinion that if a UAAL were to develop in the future after fully funding the 2021 UAAL, it would result primarily from (i) unfavorable net investment performance (ii) negative variances from actuarial assumptions, and/or (iii) future City contributions were to be below the actuarially determined amounts for Normal Pension Costs. Variances from actuarial assumptions include changes in assumptions for investment returns, payroll increases, cost of living adjustment, mortality, early retirement, transfer from the Public Safety Funds due to participants changing employers, and changes in benefit payments. After the full funding of the unfunded pension liability as of December 31, 2021, the City expects that subsequent UAAL would net to zero over the long run based on assumptions used to calculate the Total Pension Liabilities.

The City intends to levy property taxes and provide other available funds annually to fund the Normal and Long-Term Interest Cost of Police and Fire Pension Plans. Any future UAAL requirements as they may arise would be amortized over a future 15-to-20-year ladder period. Further, all key assumptions in calculating the Total Pension Liabilities and Normal Costs, would be reevaluated on the actual experience. In 2025, the City used \$3 million from the Pension Stabilization fund to fund the UAAL Amortization.

Overall, all future City pension benefits will be funded by employee contributions, employer contributions outlined above, and investment earnings. Further, once the debt service on the pension bonds peaks at \$17.5 million (without regard to any potential savings due to future bond refunding) and then repaid in 2050, these amounts would then be available for other governmental purposes.

Other Postemployment Benefits

The City provides other post-employment benefits 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 until they reach age 65. 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, 2024, membership consisted of:

Active employees fully eligible	366
Retired participants	39
Inactive employees	<u>0</u>
Total	405

The City does not have a funding policy.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the City are described below.

Basis of Presentation – 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.

Major Governmental Fund Types

General Fund

The 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

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

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

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.

American Rescue Plan Fund

Created in 2021 to account for revenues and associated expenditures related to the American Rescue Plan grant.

Proprietary Fund Types

Utilities Fund

The Utilities Fund, an enterprise fund, is used to account for water, sewer, and garbage services provided to the residents of the City.

Parking Garage 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.

Self Insurance Retention Fund

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

Fiduciary Fund Types

Pension Trust Funds

To account for the Firefighters' Pension Fund and the Police Pension Fund.

Basis of Accounting

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. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 90 days. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the City also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

The City reports unavailable/unearned revenue on its financial statements. Unavailable/unearned revenue arises 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 assets.

The audited financial statements of the City for the fiscal year ended December 31, 2025, contained in Appendix B (the “*Audit*”), including the independent auditor’s report accompanying the Audit, have been prepared by GW & Associates, P.C., Chicago Heights, Illinois (the “*Auditor*”), and approved by formal action of the City Council. The City has not requested the Auditor to update information contained in the Audit nor has the City requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official

Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the Audit. Specific questions or inquiries relating to the financial information of the City since the date of the Audit should be directed to the Finance Director of the City.

SUMMARY OF OPERATING RESULTS

Operating results for the past five fiscal years for the General Fund are summarized below. The basic financial statements for fiscal year ending December 31, 2025, are included in Appendix B. This presentation is a summary only and does not purport to be the complete audits. Copies of other year's audits are available on Municipal Securities Rulemaking Board's electronic Municipal Market Access system or upon request.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
<u>REVENUES</u>					
Property Taxes	\$19,245,610	\$20,108,176	\$20,343,469	\$19,750,547	\$19,148,919
Municipal Utility Tax	\$2,758,312	\$3,194,819	\$2,918,956	\$2,564,600	\$2,788,927
Real Estate Transfer	\$2,346,630	\$2,316,100	\$1,931,115	\$1,853,692	\$1,742,838
Other Taxes	\$1,939,267	\$2,344,782	\$2,186,074	\$1,917,648	\$1,924,462
Charges for Services	\$3,081,771	\$7,011,310	\$6,469,389	\$6,937,829	\$7,656,527
Fines and Forfeitures	\$4,538,854	\$4,533,215	\$5,326,232	\$5,499,269	\$3,139,703
Licenses and Permits	\$3,270,543	\$3,308,698	\$3,107,094	\$3,614,318	\$3,079,593
Intergovernmental	\$558,372	\$527,764	\$989,019	\$933,644	\$1,024,214
Interest	\$33,147	\$163,768	\$744,122	\$1,289,576	\$1,315,567
Other Revenue	<u>\$1,081,469</u>	<u>\$1,202,152</u>	<u>\$1,368,286</u>	<u>\$1,204,685</u>	<u>\$1,928,163</u>
TOTAL REVENUES	\$38,853,974	\$44,710,784	\$45,383,755	\$45,565,808	\$43,748,912
<u>EXPENDITURES</u>					
General Government	\$3,728,471	\$4,269,327	\$4,805,380	\$5,509,640	\$6,078,783
Public Safety	\$40,636,954	\$43,865,465	\$47,493,515	\$52,612,428	\$56,808,490
Public Works	\$6,236,686	\$6,695,720	\$6,994,846	\$7,804,362	\$8,461,281
Culture and Recreation	\$2,105,058	\$2,412,981	\$2,853,562	\$3,298,630	\$3,261,336
Economic Development	<u>\$513,652</u>	<u>\$597,585</u>	<u>\$501,791</u>	<u>\$450,464</u>	<u>\$459,382</u>
TOTAL EXPENDITURES	\$53,220,821	\$57,841,078	\$62,649,094	\$69,675,524	\$75,069,272
Excess (Deficiency) of Revenues over Expenditures	(\$14,366,847)	(\$13,130,294)	(\$17,265,339)	(\$24,109,716)	(\$31,320,360)
Total Other Financings Sources (Uses) ⁽²⁾	<u>\$15,898,391</u>	<u>\$18,719,756</u>	<u>\$19,378,909</u>	<u>\$21,912,885</u>	<u>\$22,601,506</u>

NET CHANGE IN FUND BALANCE	\$1,531,544	\$5,589,462	\$2,113,570	(\$2,196,831)	(\$8,718,854)
FUND BALANCES, JANUARY 1	\$11,607,456	\$13,139,000	\$18,728,462	\$20,842,032	\$18,645,200
FUND BALANCES, DECEMBER 31	\$13,139,000	\$18,728,462	\$20,842,032	\$18,645,201	\$9,926,346

⁽¹⁾ For its fiscal year ended December 31, 2025, City experienced significant increases in health insurance premiums and workers' compensation and general liability self-insurance charges, leading to expenditures in those areas ending approximately \$2.5 million higher than budgeted. Further, certain revenue items did not reach budgeted expectations, including personal property replacement taxes, municipal utility taxes, video gaming taxes, and real estate transfer taxes. The City also lost approximately \$2.5 million in revenue from one of its red light cameras, which was unexpectedly offline for the entire fiscal year due to a construction project completed by the Illinois Department of Transportation; such red light camera location is back online as of October 2026. Finally, approximately \$508,000 of property taxes attributable to tax year 2024 (collected in 2025) were delayed and received in March of 2026.

⁽²⁾ Beginning in 2019, Conveyed Revenues consisting of sales taxes, use taxes and income taxes were sold to the BMSC, a separate Illinois not-for-profit legal entity, but reflected in the City's audited financial statements as a City governmental fund. Conveyed Revenues in excess of debt service and administrative costs of BMSC are transferred to the General Fund and included in Other Financing Sources. In 2019, the City established the Public Safety Pension Funding Fund to account for the property taxes and funding from BMSC to fund pensions.

Fiscal Year 2026 and Fiscal Year 2027 Budget

For its fiscal year ending December 31, 2026, the City has made both revenue and expenditure adjustments in an effort to return to a balanced budget, including increased paramedic billing rates, a reduction in sworn police personnel attributable to attrition, increased passenger vehicle sticker fees, and increased building inspection/permit fees. Further, the City expects revenue from its red light camera program to increase due to the reinstatement of a camera in October 2026 that had been offline due to a construction project completed by the Illinois Department of Transportation. Nonetheless, the City expects that it may still report a deficit of approximately \$1.2 million for its fiscal year ending December 31, 2026.

The City expects to adopt a balanced budget for its fiscal year ending December 31, 2027.

TAX MATTERS

Tax Exemption -- Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the City subsequent to the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The City has covenanted to comply with such requirements.

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the City complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could

cause the interest on the Bonds to be so includable in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. The opinion of Bond Counsel assumes compliance with these requirements. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of or the tax-exempt status of interest on the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions or events.

Interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

In addition to the matters addressed below, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral tax consequences to certain taxpayers, including but not limited to, foreign corporations, certain S corporations, financial institutions, recipients of social security and railroad retirement benefits and property or casualty insurance companies. Bond counsel expresses no opinion regarding any other federal tax consequences relating to the Bonds or the receipt of interest thereon. **Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.**

In the opinion of Bond Counsel, under the laws of the State of Illinois as enacted and construed on the date hereof, interest on the Bonds is not exempt from Illinois income taxes. **Prospective purchasers should consult their own tax advisors as to the state and local tax consequences of investing in the Bonds.**

The opinion of Bond Counsel relies on certain factual representations made by the City. These factual representations include, but are not limited to, certifications by the City with respect to its reasonable expectations regarding the use and investment of Bond proceeds. Bond Counsel has not undertaken to verify these representations by independent investigation. The inaccuracy of any of these factual representations may result in interest on the Bonds being included in gross income for U.S. federal income tax purposes retroactive to the original issuance date of the Bonds.

Bond Counsel's opinion will be based on existing law, which is subject to change, and any such change may be made with retroactive effect. No assurance can be given that future legislative or administrative changes, on either a prospective or retroactive basis, would not adversely affect the accuracy of the conclusions stated in such opinion. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. The opinion is not binding upon the Service, the courts or any other taxing or other governmental authority. No assurance can be given that, if the matter were contested, a court would agree with the opinion and no rulings will be sought from the Service or from any other taxing authority with respect to any U.S. federal income tax consequences described in the opinion.

Alternative Minimum Tax

Interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions not applicable to the Bonds, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the Bonds and any other tax-exempt obligations acquired after August 7, 1986.

Accounting Treatment of Amortizable Bond Premium

The Bonds maturing on _____, 20__ through and including _____, 20__, are hereinafter referred to as the “*Premium Bonds*.” An amount equal to the excess of the initial public offering price of a Premium Bond set forth on the inside cover page over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Bonds, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning Premium Bonds.

Reportable Payments and Backup Withholding

The payments of interest on the Bonds will be reported to the Service by the payor on Form 1099 unless the holder is an “exempt person” under Section 6049 of the Code. A holder who is not an exempt person may be subject to “backup withholding” at a specified rate prescribed in the Code if the holder does not file Form W-9 with the payor advising the payor of the holder’s taxpayer identification number. Holders should consult with their brokers regarding this matter.

The payor will report to the holders and to the Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax, if any, with respect to payments made on the Bonds.

Changes In Federal and State Tax Law

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences. Such prospective purchasers should consult their own tax advisors as to the consequences of investing in the Bonds.

CREDIT RATINGS

S&P is expected to assign its credit rating of “AA” (Stable Outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, the Policy will be issued by AG. S&P has assigned its underlying rating of “BBB” (Stable Outlook) to the Bonds based on the creditworthiness of the City. Such ratings reflect only the view of the S&P at the time such ratings were issued and any explanation of the significance of such ratings may be obtained from S&P at the following address: Standard & Poor’s, 55 Water St., New York, NY 10041. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings can be expected to have an adverse effect on the market price of the Bonds.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Croke Fairchild Duarte & Beres LLC, Chicago, Illinois, as Bond Counsel, who has been retained by, and acts as, Bond Counsel to the City. Croke Fairchild Duarte & Beres LLC, Chicago, Illinois, will also serve as disclosure counsel to the City. Certain legal matters will be passed upon for the Underwriter by Taft Stettinius & Hollister LLP, Chicago, Illinois.

LITIGATION

Upon the delivery of the Bonds, the City shall furnish a certificate, in form satisfactory to Bond Counsel and the Underwriter, to the effect that, among other things, there is no litigation now pending in any court to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds or the pledge of the City’s full faith, credit and taxing power for their payment.

The City and its officers experience various lawsuits and claims incidental to the conduct of the City’s municipal affairs. Although the outcome of these matters may not be presently determinable, the management of the City, based upon consultation with legal counsel, does not believe that there are any lawsuits or claims pending, or to the best of the City’s knowledge, threatened, the adverse outcome of which would impair the City’s ability to perform its obligations with respect to the Bonds.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “*MSRB*”) pursuant to requirements of Section (b)(5) of the Rule adopted by the Commission under the Securities Exchange Act of 1934. No person, other

than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will not be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the form of the Undertaking set forth in “APPENDIX D – Form of Continuing Disclosure Undertaking” hereto.

In order to assist the Underwriter in complying with the Underwriter’s obligations pursuant to the Rule, the City represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the City’s compliance with its continuing disclosure obligations. The City is currently in compliance with previous undertakings that are still in effect. The City failed to file its audited financial statements and certain annual financial information for its fiscal years ended December 31, 2021 and 2023 within the timeframes described by certain of its prior undertakings. Such audited financial statements and annual financial information have since been filed. A future failure by the City to comply with the Undertaking will not constitute an event of default under the Bond Ordinance or the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See “APPENDIX D—Form of Continuing Disclosure Undertaking.” A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the “*Agreement*”) between the City and Stifel, Nicolaus & Company, Incorporated, Chicago, Illinois (the “*Underwriter*” or “*Stifel*”), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$_____, consisting of the original principal amount of the Bonds of \$_____, plus original issue premium of \$_____ and less an Underwriter’s discount of \$_____. The Underwriter will be obligated to accept delivery and pay for all of the Bonds if any are delivered.

The Bonds are being purchased by the Underwriter from the City in the normal course of the Underwriter’s business activities. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments, and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such

assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

AUTHORIZATION OF OFFICIAL STATEMENT

At the time of delivery of the Bonds, the City will furnish a certificate executed by the Mayor stating that to the best of his knowledge, this Official Statement as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein, in the light of the circumstances under which they are made, not misleading.

The Official Statement has been duly executed and delivered by the following officer on behalf of the City.

Robert J. Lovero, Mayor

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

Croke Fairchild Duarte & Beres LLC, Bond Counsel, expects to issue its approving opinion upon the issuance of the Bonds in substantially the following form:

(Date of Issuance)

City of Berwyn
Cook County, Illinois
\$_____ General Obligation Bonds, Series 2026

TO THE PURCHASERS OF THE ABOVE-CAPTIONED BONDS:

We have acted as bond counsel to the City of Berwyn, Cook County, Illinois (the “**City**”) in connection with the issuance by the City of its fully registered \$_____ aggregate principal amount General Obligation Bonds, Series 2026 (the “**Bonds**”), initially dated the date hereof. The Bonds are issued pursuant to an ordinance (together with a Bond Order dated _____, 2026 executed pursuant thereto, the “**Ordinance**”) enacted by the Alderpersons of the City on August 11, 2026, and pursuant to a Trust Indenture between the City and Amalgamated Bank of Chicago, as Trustee (the “**Trustee**”), dated as of November 1, 2026 (the “**Indenture**”). Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Indenture.

In our capacity as bond counsel, we have examined a certified copy of the proceedings (the “**Proceedings**”) of the Mayor and Alderpersons of the City relating to the adoption of the Ordinance preliminary to the issuance of the Bonds by the City. In addition to the certified transcript of the Proceedings relative to the enactment of the Ordinance and the authorization, issuance and sale of the Bonds, we have also examined such law and such originals (or copies certified or otherwise identified to our satisfaction) of other instruments, certificates, documents and other papers as we have deemed necessary or appropriate in order to render this opinion.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when such facts were not independently established, relied upon the aforesaid instruments, certificates and documents furnished to us, and on the performance of the covenants of the City contained in the Ordinance and the Indenture without undertaking to verify such facts by independent investigation.

The Internal Revenue Code of 1986, as amended (the “**Code**”), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. The City has covenanted in the Tax Certificate dated the date hereof (the “**Tax Certificate**”) to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code.

In addition, the City has made certain representations and certifications in the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Based on the foregoing, we are of the opinion that, under existing law, as of the date hereof:

1. The Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

2. We have examined the form prescribed for the Bonds and find the same in due form of law, and that the Bonds have been duly authorized, executed and delivered by the City and are valid and binding obligations of the City, payable ratably and equally from the ad valorem taxes levied against all the taxable property within the City without limitation as to rate or amount and amounts on deposit in certain of the funds established and maintained pursuant to the Indenture.

3. Interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The City has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

4. Under existing statutes, interest on the Bonds is not exempt from present Illinois income taxes.

The rights of the Trustee and the owners of the Bonds including, without limitation the rights and remedies provided pursuant to the Indenture, and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The rights of the Trustee and the owners of the Bonds and the enforceability thereof may also be subject to the valid exercise of the constitutional powers of the City, the State of Illinois and the United States of America.

We have not verified nor express any opinion as to the accuracy, completeness, fairness or sufficiency of the information set forth in the Official Statement or any other information furnished to purchasers or prospective purchasers of the Bonds in connection with any offer or sale of the Bonds or with respect to the City's undertaking to provide continuing disclosure of any such information, and we take no responsibility therefor.

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We are not expressing an opinion on the investment quality of the Bonds, and we have not investigated or examined the facts, figures or financial statements or other representations made to the purchaser of the Bonds respecting the City by its representatives. Furthermore, we are not expressing an opinion as to whether the facts, figures, financial statements or other representations made to the purchaser of the Bonds respecting the City by its representatives contained any untrue statements of material fact or omitted to state any material facts necessary to make the statements made not misleading.

We express no opinion with respect to the laws of any jurisdiction other than the internal laws of the State of Illinois and the laws of the United States of America.

The opinions set forth herein express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed herein. In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts solely within the City's knowledge. Our opinion represents our legal judgment based upon our review of existing law and the facts that we deem relevant to render such opinion and is not a guarantee of a result, nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur or become effective. This opinion is intended solely for the benefit of the addressee and may not be relied upon by any other person or entity without, in each such case, our express written consent.

Very truly yours,

Croke Fairchild Duarte & Beres LLC

APPENDIX B

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

Attached

City of Berwyn, Illinois



A Century of Progress with Pride

Annual Comprehensive Financial Report

For the Year Ended December 31, 2025

CITY OF BERWYN, ILLINOIS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2025



Prepared by: Finance Department

CITY OF BERWYN, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
December 31, 2025

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CITY OF BERWYN, ILLINOIS
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INTRODUCTORY SECTION





A Century of Progress with Pride

June 25, 2026

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

The Annual Comprehensive Financial Report (ACFR) for the City of Berwyn is submitted to provide a broad view of the City's financial activities for the 2025 fiscal year and its financial position as of December 31, 2025. Although this document is addressed to the elected officials and citizens of Berwyn, this report has several other users, including bondholders, financial institutions, and credit rating agencies. Illinois statutes require that Illinois municipalities publish financial statements on an annual basis that are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are audited by independent accountants. The purpose of the ACFR is to provide all 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. In short, the City's management team is responsible for the contents of the ACFR.

The City of Berwyn's basic financial statements have been audited by GW & Associates, P.C with the goal of providing reasonable assurance that the basic financial statements are free of material misstatement. Based upon the audit, GW & Associates has issued an unmodified ("clean") opinion on the City of Berwyn's financial statements for the year ended December 31, 2025. The independent auditor's report is located at the front of the financial section of this report.

The Management Discussion and Analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The Management Discussion and Analysis 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 about 55,000 residents (US Census Bureau 2023). 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 3.9 square miles.

Berwyn is a home rule community that 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 Alderpersons. The terms of elected officials are four years. Policymaking and legislative authority are vested in the City Council. With the advice and consent of the City Council, the Mayor appoints the following staff: City Administrator, administrative assistants, Finance Director, Comptroller, Department Heads, members of commissions and boards, except those covered by civil service. Primary and secondary education is provided by separate school districts that are governed by elected school boards. The City provides a broad range of services, including police and fire protection, street maintenance, parking, building code compliance inspections, water and sewer service, garbage removal, recreational and cultural activities as well as economic development through the Berwyn Development Corporation (BDC), for which the City is financially responsible. Additional information regarding the BDC can be found in the notes to the financial statements.

CITY OF BERWYN, ILLINOIS

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Local Economy

Berwyn is predominately a residential community, and therefore, does not have a particularly large industrial presence. The City's largest employer is Loyola University Medical Center (formerly MacNeal Hospital). The City's retail and grocery sector has grown in recent years increasing the City's tax and employment base. Also, more restaurants and entertainment venues have emerged as attractive options for residents and City visitors

Major Initiatives

American Rescue Plan Act (ARPA) Project Implementation

The City has transitioned into the final stages of the ARPA Program. This phase included the completion of the Public Safety building expansion last fall. In addition, major infrastructure construction and improvements have occurred as part of the Ogden Avenue Water Main and Water Storage Tank Projects.

A new Senior Citizen's center was also completed during the fall of 2025 at the Berwyn Garage building located on Grove and 34th street. Previously, Senior Citizen programs were held at the City's Recreation Center. The new center will be able to accommodate more activities and events for seniors.

In summary, ARPA has been able to provide funding for a major portion of the City's current five-year capital plan without having to borrow funds or raise property taxes. As such, the City has optimized the funds received by ARPA to provide all residents and stakeholders with improvements in essential services including Public Safety and Public Works.

Community Development

The City of Berwyn receives approximately \$1.3 million annually through the federally funded Community Development Block Grant (CDBG) program to support affordable housing, infrastructure, public services, and homeowner assistance. Under the City's Leadership Team, 76% of CDBG funds have gone toward infrastructure improvements including sewers, streets, sidewalks, lighting, and water mains, reducing the financial burden on taxpayers. Up to 15% supports public service agencies such as Sarah's Inn, the Children's Clinic, Youth Crossroads, BEDS Plus, and Senior Bus Services. Additionally, over \$1.5 million has been used to help homeowners through the Single-Family Rehabilitation Program, funding essential repairs and upgrades in particular ADA improvements and flood mitigation.

Residential Flood Mitigation and Lead Line Water Service Replacement

In 2025, the City was able to fully utilize the \$750,000 in Flood Mitigation Grant funding from the Cook County ARPA program for Berwyn residents. That program allowed the City to temporarily increase the eligible reimbursement maximum from \$3,500 to \$7,500 to allow residents to have sewer back up prevention systems installed in their homes. This enhanced the City's existing program where the City would contribute 50% of the cost up to \$3,500. The additional Cook County funds were made available following the major rainstorms that occurred in July 2023. With the Cook County ARPA funds fully obligated, the City has returned to its original funding program.

CITY OF BERWYN, ILLINOIS

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In addition, the City received approval for a loan for at least \$3.2 million from the Illinois Environmental Protection Agency (IEPA). This would allow the City and its residents the funds needed to replace the lead-based water service lines.

Financial Highlights

Net Financial Position at 12/31/2025

The Citywide Net Position remained at the 12/31/2024 balance. A reduction in the City's long-term liabilities absorbed the impact of major deficits experienced in the General and Other Governmental Funds. The reduction in the long-term liabilities was attributable to the strong Investment returns from the City's Public Safety pension funds. This helped cushion the impact of the governmental fund deficits which involved sharp revenue declines and major insurance costs increases.

2025 General Fund Change in Fund Balance

The City's General Fund experienced a \$8.7 million deficit in 2025 due to revenues falling well short of budgeted projections especially in the fines, services, and taxes categories. The combination of the red-light cameras continuing to be inoperable along with the property taxes payment delay were major drivers of the revenue downturn. Also, expenditures were significantly higher than the 2025 Budget due to major increases imposed by the insurance carriers for medical, general liability, and workers compensation insurance. This City's General Fund unassigned fund balance of \$9.7 million was 13% of 2026 budgeted expenditures compared to City Council policy target of 16% or the equivalent of two months of expenditures.

Consequently, the City's Strategic Management Team has been reassessing and refining its operations to keep expenditures in line with the flattened revenue growth. Also, various revenue rates for fines, fees, and services are being reviewed and subsequently adjusted because of inflationary growth in all expenditures. As such, this process would lead to the submission of an amended budget that is more indicative of the existing revenue streams.

Relevant Financial Policies

Budget Process/Long-Term Financial Planning

Berwyn's City Council is required to adopt a final fiscal year budget by March 31st of the budget year. This annual budget provides the spending authority for the operations of the City. For the third consecutive year, the Budget was approved and enacted prior to January 1st. Passing the Budget earlier allows for the City Administration and Department heads to more effectively monitor actual vs budget performance and adjust to any unforeseen events sooner.

The City is committed to long-term financial planning including closely monitoring factors that contribute to long-term financial stability, economic activity, bond ratings, debt ratios, and equalized assessed valuations. In addition, global inflationary pressures along with higher interest rates provide challenges as well as opportunities for City Administration to consider and address through adaptive measures. With that said, there is continued focus on maintaining a balanced budget despite the uncertainty that lies ahead with revenues and expenditures.

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Pension Funding

The City's Pension Funding Levels improved further in 2025 closer to 100%. The funding level %'s for the three Pension Plans are listed below.

<u>Police</u>	<u>Fire</u>	<u>IMRF</u>
90%	99%	94%

Furthermore, Berwyn ranks among the top municipalities for both the Police and Fire Pension Funds, according to the 2024 Illinois Department of Insurance Report.

- The Berwyn Police Officers Fund ranked 14th of 77 Municipalities of \$50 million or more in Pension Assets.
- The Berwyn Fire Fighters Fund ranked 6th of 58 Municipalities with \$50 million or more in Pension Assets.

The Required Supplemental schedules provided later in this report will provide further supporting information to the funding levels updated through 2025. Going forward, the City remains committed to maintaining its strong funding levels of 80-100% regardless of market investment conditions and/or changes in actuarial calculation factors. The City expects to formally deliver its funding policy to the Police and Fire pension funds by this coming fall which confirms the targeted 80-100% funding levels to be sustained over the next 15-30 years.

Economic Development

Along with its continued commitment to strengthening the City's financial position, the City remains focused on economic development as a core strategy to support long-term growth, expand opportunity, and enhance the overall quality of life for residents and businesses. The City maintains a partnership with the Berwyn Development Corporation (BDC) through a multi-year agreement, structured on a four-year term and currently effective January 1, 2024, through December 31, 2027, to lead and implement economic development activities that foster private investment, support the local business community, and advance strategic redevelopment efforts. In partnership with the BDC, the City administers three Tax Increment Financing (TIF) districts: Roosevelt Road, Harlem/Cermak, and the South Berwyn (Depot District). These districts remain an important tool for reinvestment, allowing the City to encourage property improvements, support business expansion, and drive private investment in key commercial corridors. Through programs such as the Finish Line Grant, the City provides targeted assistance to property owners and businesses, helping to improve building conditions, reduce barriers to reinvestment, and enhance the visual and functional quality of commercial areas.

Throughout 2025, the City and BDC continued to support the local business community through direct engagement, technical assistance, and access to resources. The BDC provided information and support to prospective businesses exploring opportunities in Berwyn and maintained ongoing outreach to existing businesses, connecting them to financing opportunities, training programs, and economic data. Furthermore, the City advanced several strategic economic development initiatives focused on long-term investment and redevelopment. In 2025, the City and BDC supported redevelopment planning efforts for key properties in the Depot District, including the issuance of Requests for Proposals for the former Berwyn State Bank building at 6804 Windsor Avenue and the 6609–6639 Stanley Avenue corridor.

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In addition, the City and BDC continued to advance the Berwyn Arts Plaza project along Roosevelt Road, a creative placemaking initiative that will transform a long-vacant property into a public gathering space for performances, workshops, and community programming. Infrastructure work for the project began in 2025 following the successful award of Cook County and State of Illinois Department of Commerce and Economic Opportunity (DCEO) grant funding, with completion anticipated in 2026. The City's economic development efforts also emphasize entrepreneurship and small business development as a long-term strategy for economic growth. Through the Project Homegrown initiative, which includes the Berwyn Shops, Sprout, and Boutique programs, the City and BDC continue to support emerging entrepreneurs by providing access to storefront space, business education, and marketing support. These programs create opportunities for small businesses to test and grow their concepts, contributing to a more diverse and resilient local business base.

Community activation remains an important component of the City's economic development strategy. Throughout 2025, events such as Cruise Nites, Pride Walk, Taste of Cermak, Oktoberfest, and the Depot District pub crawls brought residents and visitors into commercial areas, supporting local businesses while fostering a sense of community pride. These activities complement capital investment efforts by increasing visibility and driving foot traffic in key corridors. The City also works in coordination with the BDC's Chamber of Commerce, which supports economic development activities through business promotion, networking, and community events that increase visibility, encourage customer engagement, and strengthen the local business environment. Collectively, these initiatives reflect the City's continued commitment to fostering economic vitality through a balanced approach that supports existing businesses, encourages new investment, promotes entrepreneurship, and activates commercial spaces. By advancing redevelopment opportunities, investing in placemaking, and maintaining strong relationships with the business community, the City continues to build a foundation for sustainable economic growth and long-term financial stability.

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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This is the 17th consecutive year that the City has received this certificate. To receive this prestigious award, the City was required to publish an annual report that is easily readable and efficiently organized and 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 2025 Annual Comprehensive Financial Report 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 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.

Respectively Submitted,



Benjamin J. Daish
City Comptroller



Monica M. Martin
Finance Director



Robert J. Lovero
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

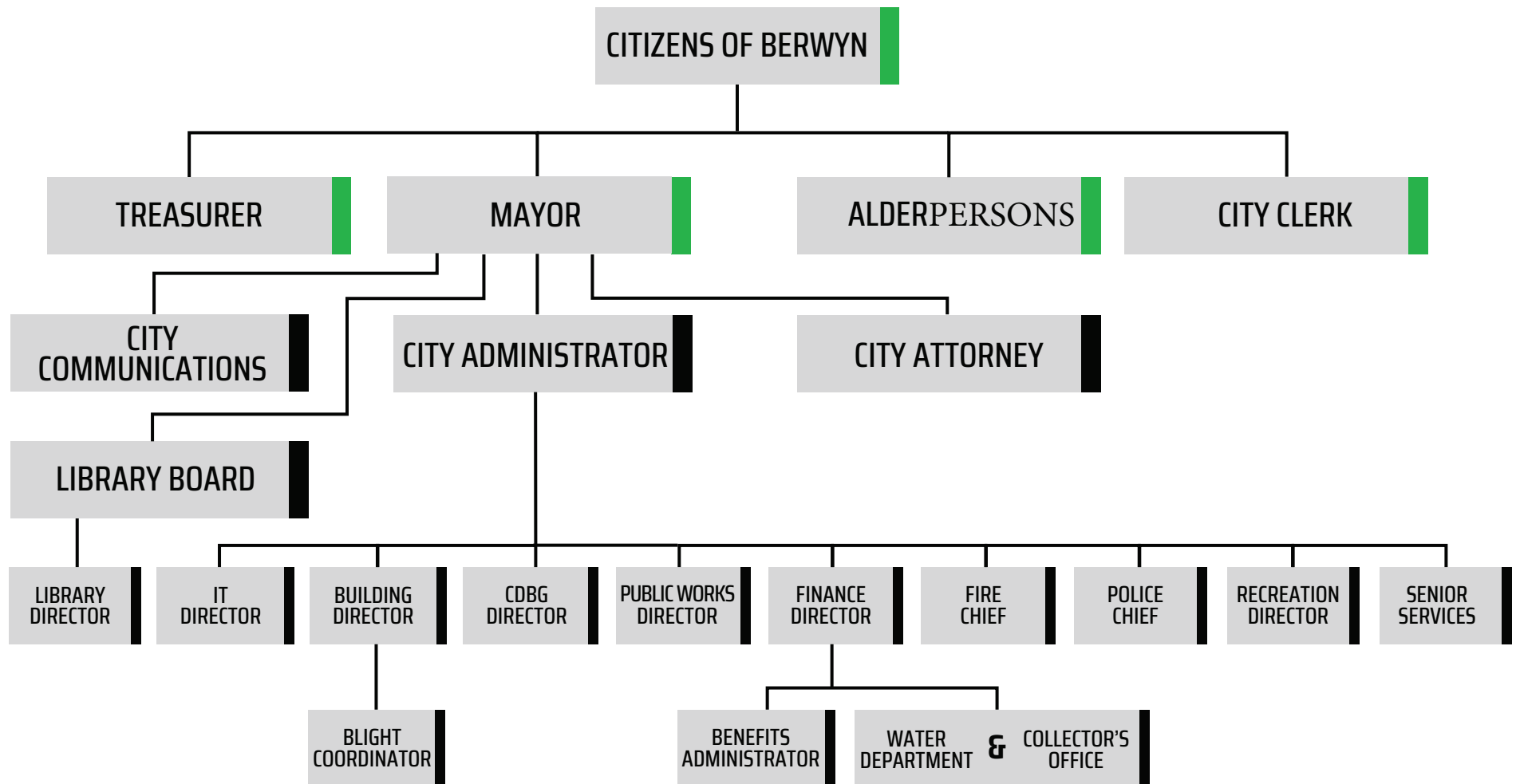
**City of Berwyn
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Executive Director/CEO

ORGANIZATIONAL CHART



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City of Berwyn
List of Elected and Appointed Officials
December 31, 2025

Elected Officials

Robert J. Lovero	Mayor
Lizbeth Linares-Herrera	Treasurer
Leticia Garcia	Clerk
Micah Caldwell	Aldersperson, 1 st Ward
Joshua Bowman	Aldersperson, 2 nd Ward
Richard E. Jeja	Aldersperson, 3 rd Ward
Robert W. Fejt	Aldersperson, 4 th Ward
Robert J. Pabon	Aldersperson, 5 th Ward
Theodore Polashek	Aldersperson, 6 th Ward
Sara Barnett Bruckmann	Aldersperson, 7 th Ward
Joseph Carmichael	Aldersperson, 8 th Ward

Appointed Officials

Ruth Siaba Green	City Administrator
Michael Ochsner Jr	City Attorney
Tammy Sheedy	Director, Library Services
Tricia Powers	Director, Community Development
James Frank	Director, Information Technology
Charles Lazzara	Director, Building Department
Anthony Martinucci	Director, Recreation Department
James Michaelk	Fire Chief
Michael Fellows	Police Chief
John Marchand	Director, Public Works
Monica Martin	Director, Finance
Benjamin Daish	Comptroller

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Berwyn, Illinois

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the City of Berwyn, Illinois' basic financial statements as listed in the table of contents.

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, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Berwyn, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Berwyn, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Berwyn, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Berwyn, Illinois' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and debt schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the combining and individual fund financial statements and debt schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Berwyn, Illinois' 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 City of Berwyn, Illinois' internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "J W & Associates, P.C."

Hillside, Illinois
June 25, 2026



Management's Discussion and Analysis

Financial Highlights

- The City's Government Activities total ending net position was slightly better than the 12/31/2024 net position by \$536,000. In short, the investment earnings from the pension funds helped absorb the significant deficits incurred in the Major and Non-Major Governmental funds.
- The City's General Fund posted a deficit of \$8.7 million in 2025. The combination of material revenue losses and major increases in health, liability, and workers compensation expenses created an unprecedented loss to the Fund. The 12/31/25 Unrestricted General Fund balance of \$9.7 million represents 12% of the 2026 General Fund Budgeted expenditures. This fund balance fell below the City's 16% of expenditure policy target of \$11.9 million. The City has been implementing measures to improve upon this position which includes amending the 2026 General Fund budget with major departmental cost reductions along with the creation of new revenue streams for fines and service fees.
- Investment Returns on City Fund Balance Reserves continue to remain strong where \$3 million in interest was earned in 2025 from US Government Backed securities. The return on the investments ranged between 3.5% to 4%
- The Total Government Funds Fund Balance decreased by \$12.3 million triggered by the General Fund losses mentioned above. Additionally, there were \$3.5 million in deficits from the Nonmajor Funds, primarily due to the reduction of expected property tax revenues from the TIF districts
- The Business Type Activities experienced an operating loss of \$1.5 million compared to operating income posted over the previous 3 years. The driver of the 2025 loss was attributable to higher-than-expected water service costs imposed by the City of Chicago. Also, the City recorded a more conservative bad debt allowance applied to the City's aging Utility Account receivables. As a result, the Business Activities unrestricted net position decreased by \$891,000.

CITY OF BERWYN, ILLINOIS

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis are 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 31 and 32 are designed to provide readers with a broad overview of the City of Berwyn's finances, in a manner like 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 between the 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 (BDC) 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 City's funds 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 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.

CITY OF BERWYN, ILLINOIS

Management's Discussion and Analysis

The City of Berwyn maintains 18 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The General, Public Safety Pension Funding, Debt Service, Berwyn Municipal Securitization Corporation, and American Rescue Plan Funds are the City's major funds. Data from the other 13 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 toward the end of this report.

The City adopts an annual budget 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 33-36 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 the other to account for the municipal parking garage. The Internal Service fund accumulates and allocates costs internally among the City's various functions for its workers compensation and general liability self-insurance. 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 business-type activities in 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 along with the Internal Service Fund are the major funds of the City. The basic proprietary fund financial statements can be found on pages 37-39 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 similar to the accrual accounting used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 40-41 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 42-98 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget and actual information for the General Fund and major special revenue funds and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 99 – 112 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 113-137 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 to improve streets, and assets restricted for law enforcement purposes.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

The 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 the 2025 Statement of Net Position versus 2024 for both governmental and business-type activities:

City of Berwyn Net Position

	Governmental activities		Business-Type activities		Total	
	2025	2024	2025	2024	2025	2024
Cash	\$ 39,654,305	\$ 70,530,527	\$ 2,992,739	\$ 1,619,515	\$ 42,647,044	\$ 72,150,042
Capital Assets	97,091,537	80,848,345	37,354,088	38,911,145	134,445,625	119,759,490
Other Assets	<u>63,975,588</u>	<u>55,139,971</u>	<u>8,374,563</u>	<u>7,075,952</u>	<u>72,350,151</u>	<u>62,215,923</u>
Total assets	200,721,430	206,518,843	48,721,390	47,606,612	249,442,820	254,125,455
Total deferred outflows of resources	<u>29,247,982</u>	<u>33,959,507</u>	<u>566,351</u>	<u>583,171</u>	<u>29,814,333</u>	<u>34,542,678</u>
Current liabilities	21,094,827	28,545,056	3,203,655	1,782,059	24,298,482	30,327,115
Long-term liabilities	<u>308,973,773</u>	<u>336,235,461</u>	<u>21,382,544</u>	<u>20,821,047</u>	<u>330,356,317</u>	<u>357,056,508</u>
Total liabilities	330,068,600	364,780,517	24,586,199	22,603,106	354,654,799	387,383,623
Total deferred inflows of resources	<u>74,221,535</u>	<u>50,554,644</u>	<u>185,308</u>	<u>179,498</u>	<u>74,406,843</u>	<u>50,734,142</u>
Net investment in capital assets	49,474,200	33,511,173	17,005,117	18,971,785	66,479,317	52,482,958
Restricted	53,155,333	55,337,947	-	-	53,155,333	55,337,947
Unrestricted	<u>(276,950,256)</u>	<u>(263,705,931)</u>	<u>7,511,117</u>	<u>6,435,394</u>	<u>(269,439,139)</u>	<u>(257,270,537)</u>
Total net position	<u>\$ (174,320,723)</u>	<u>\$ (174,856,811)</u>	<u>\$ 24,516,234</u>	<u>\$ 25,407,179</u>	<u>\$ (149,804,489)</u>	<u>\$ (149,449,632)</u>

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Significant Changes in the City's Statement of Net Position

Governmental activities

Total Assets were a net of \$6 million lower than in 2024 due to the following drivers.

- The \$31 million reduction of cash in 2025 compared to 2024.
 - Includes Governmental Fund Deficits totaling \$12.3 million
 - \$17 million in cash expenditures to fund City infrastructure and Public Safety projects such as the Depot Streetscape and Cermak Watermain replacement, Police Department Building Expansion, and new Senior Service Center. The source of funds for these projects were from the ARPA grants and 2020 TIF bond issue received 2020-2022
- The \$25 million increases in Capital and Other Assets
 - Property Tax Receivables were \$10 million higher than the 2024 balance because of the delinquent issuance and collection of Cook County 2nd Half Property Tax bills.
 - \$13 million in additional expenditures for the Construction in Progress for the Cermak Watermain and Ogden Avenue, and Depot Streetscape infrastructure Projects.

Total liabilities were \$35 million lower than 2024 because of the following:

- The reduction of the Net Pension Liability of \$22 million primarily from the favorable investment returns for IMRF, Police, and Fire Pension Funds
- \$12 Reduction in Unearned Revenues from the Grant Eligible Expenditures were incurred for the ARPA Ogden Avenue, Senior Center, and Police Department Expansion Projects.

Business-Type activities

Total Assets increased by \$1.1 million because of additional cash received from Cook County ARPA and Illinois Environmental Protection Agency grant and loan programs funding residential lead service line replacement and flood control upgrade programs.

The Utilities Fund receivables increased by \$500,000 compared to 2024 due to the annual water rate increase and penalties imposed. Capital assets of \$37 million decreased by \$1.5 million from 2024 balances due to depreciation.

Long-term liabilities were \$560,000 higher than in 2024 because of the increase in IEPA Loan balances.

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.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

City of Berwyn Changes in Net Position

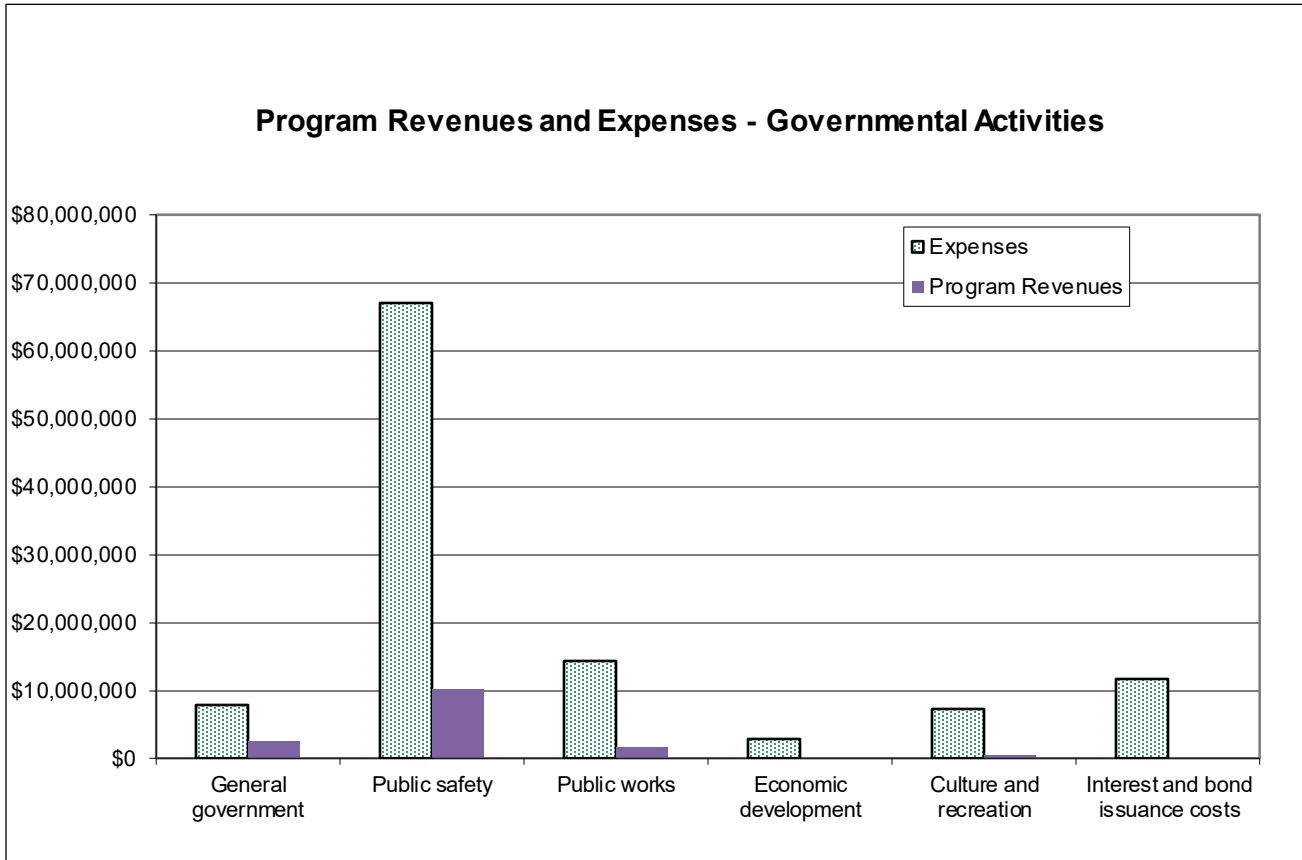
	Governmental activities		Business-Type activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:						
Program revenues:						
Charges for services	\$ 15,106,289	\$ 16,866,428	\$ 23,619,621	\$ 22,169,782	\$ 38,725,910	\$ 39,036,210
Operating grants & contributions	5,204,448	5,248,926	-	-	5,204,448	5,248,926
Capital grants & contributions	12,828,884	13,733,005	799,667	324,013	13,628,551	14,057,018
General revenues						
Property taxes	36,471,833	36,433,164	-	-	36,471,833	36,433,164
Property taxes-Increment	4,267,850	5,350,487	-	-	4,267,850	5,350,487
Other taxes	33,753,146	32,805,114	-	-	33,753,146	32,805,114
Other revenues	<u>3,838,677</u>	<u>4,660,881</u>	<u>-</u>	<u>-</u>	<u>3,838,677</u>	<u>4,660,881</u>
Total revenues	111,471,127	115,098,005	24,419,288	22,493,795	135,890,415	137,591,800
Expenses:						
General government	7,797,399	6,586,459	-	-	7,797,399	6,586,459
Public safety	66,895,876	62,661,783	-	-	66,895,876	62,661,783
Public works	14,175,847	10,119,910	-	-	14,175,847	10,119,910
Economic development	2,838,266	5,370,971	-	-	2,838,266	5,370,971
Culture and recreation	7,301,831	6,577,812	-	-	7,301,831	6,577,812
Interest on long-term debt	11,630,948	11,629,628	-	-	11,630,948	11,629,628
Utilities	-	-	25,279,527	21,513,033	25,279,527	21,513,033
Parking garage	-	-	325,577	322,243	325,577	322,243
Total expenses	<u>110,640,167</u>	<u>102,946,563</u>	<u>25,605,104</u>	<u>21,835,276</u>	<u>136,245,271</u>	<u>124,781,839</u>
Change in Net Position Before Transfers	<u>830,960</u>	<u>12,151,442</u>	<u>(1,185,816)</u>	<u>658,519</u>	<u>(354,856)</u>	<u>12,809,961</u>
Transfers	<u>(294,872)</u>	<u>(550,101)</u>	<u>294,872</u>	<u>550,101</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>536,088</u>	<u>11,601,341</u>	<u>(890,944)</u>	<u>1,208,620</u>	<u>(354,856)</u>	<u>12,809,961</u>
Net position Jan 1	<u>(174,856,811)</u>	<u>(186,458,152)</u>	<u>25,407,179</u>	<u>24,198,559</u>	<u>(149,449,632)</u>	<u>(162,259,593)</u>
Net position Dec 31	<u>\$ (174,320,723)</u>	<u>\$ (174,856,811)</u>	<u>\$ 24,516,235</u>	<u>\$ 25,407,179</u>	<u>\$ (149,804,488)</u>	<u>\$ (149,449,632)</u>

Significant Changes in Net Position

Government activities

The following graph shows the governmental activities' revenues and expenses by function. Any deficit of revenues less expenses is then funded through general revenues, primarily taxes.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis



Revenues

The table below shows the change in revenues from 2025 compared to 2024:

	<u>Governmental activities</u>			
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Chg</u>
Revenues:				
Program revenues:				
Charges for services	\$ 15,106,289	\$ 16,866,428	\$ (1,760,139)	-10%
Operating grants & contributions	5,204,448	5,248,926	(44,478)	-1%
Capital grants & contributions	12,828,884	13,733,005	(904,121)	-7%
General revenues				
Property taxes	36,471,833	36,433,164	38,669	0%
Property taxes-Increment	4,267,850	5,350,487	(1,082,637)	-20%
Other taxes	33,753,146	32,805,114	948,032	3%
Other revenues	3,838,677	4,660,881	(822,204)	-18%
Total revenues	<u>\$ 111,471,127</u>	<u>\$ 115,098,005</u>	<u>\$ (3,626,878)</u>	<u>-3%</u>

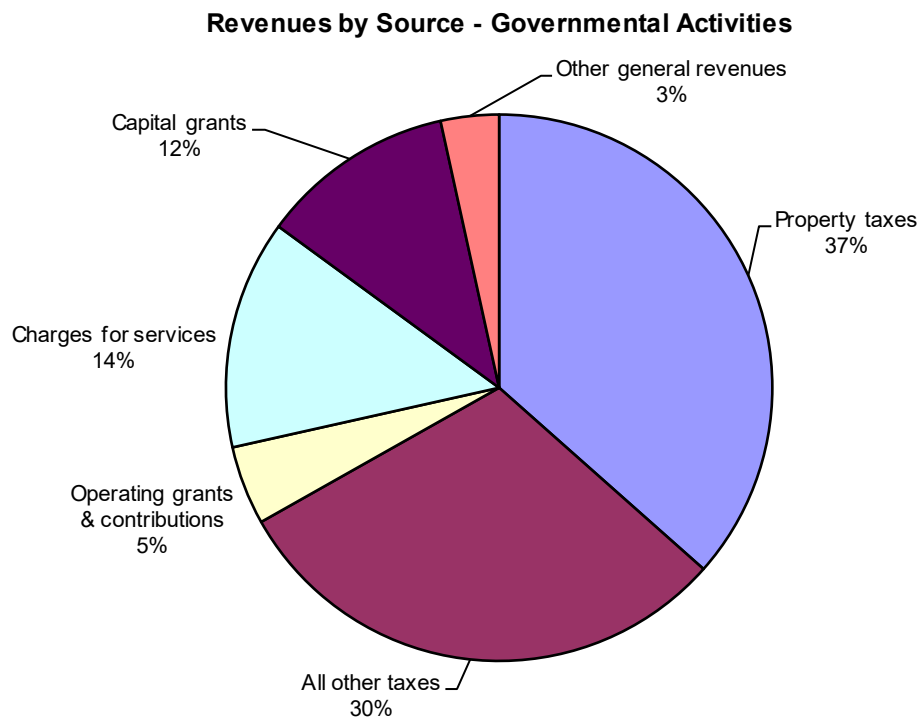
CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Significant changes:

- Governmental activities revenues totaled about \$111.4 Million, \$3.6 million less than in 2024.
 - Property Tax Revenues were lower by about \$1 million particularly from the Tax Increment Districts. The was caused by the Cook County delay in property tax billing and disbursements.
 - Capital Grants and Contributions were \$900,000 higher than 2024 due to more ARPA Fund grant revenues applied to related Public Safety Building , Culture and Recreation Senior Center, and Ogden Street/Sewer Main Replacement Project Expenditures.
 - Charges for services were \$1.8 million lower than 2024.
 - Public Safety Fines were down dramatically by \$2 million compared to 2024. This was attributable to the Harlem and Cermak Redlight Cameras becoming inoperable since mid-2024. The cameras were shut off as result of the Illinois Department of Transportation (IDOT) intersection construction improvements.

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 2024 where property taxes accounted for 36%, all other taxes were 28%, operating grants & contributions were 5%, charges for services 15%, capital grants were 12%, and other general revenues were 4%.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Expenses

The table below shows the change in expenses from 2025 versus 2024:

Changes in Governmental Activities Expenses

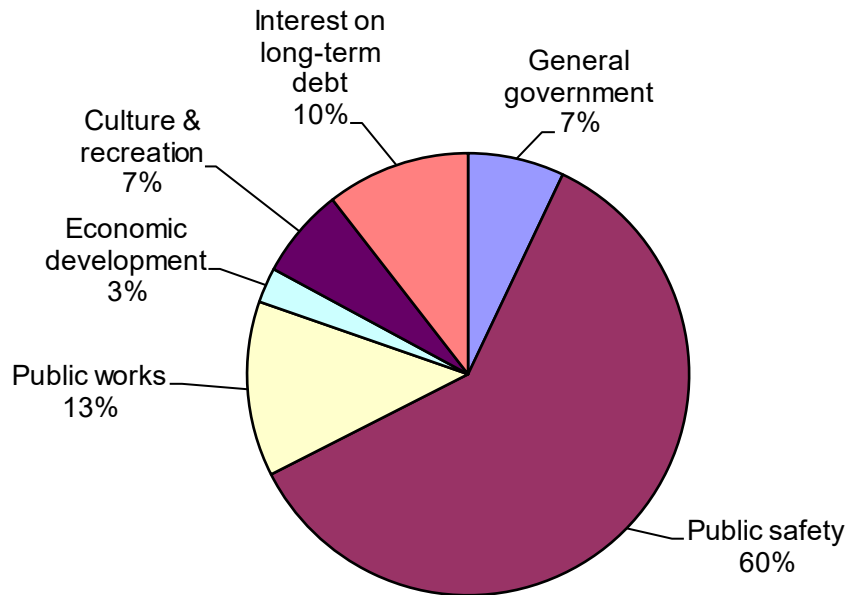
	<u>Governmental activities</u>		<u>Change</u>	<u>% Chg</u>
	<u>2025</u>	<u>2024</u>		
Expenses:				
General government	\$ 7,797,399	\$ 6,586,459	\$ 1,210,940	18%
Public safety	66,895,876	62,661,783	4,234,093	7%
Public works	14,175,847	10,119,910	4,055,937	40%
Economic development	2,838,266	5,370,971	(2,532,705)	-47%
Culture and recreation	7,301,831	6,577,812	724,019	11%
Interest on long-term debt	11,630,948	11,629,628	1,320	0%
Total expenses	<u>\$ 110,640,167</u>	<u>\$ 102,946,563</u>	<u>\$ 7,693,604</u>	<u>7%</u>

Comments on Expenses

- Overall, expenses increased by \$7.7 million.
- Public Safety expenses were \$4.2 million higher in 2024, primarily due to substantial increases in health insurance rates along with the Internal Service Fund charges for liability and workers compensation related premiums and claims.
- Public Works expenses were \$4 million higher than 2024 because of accelerated capital expenditures incurred for the Odgen and Cermak Watermain Projects
- General Government and Culture and Recreation expenses were \$1.2 million and \$724,000 higher respectively than 2024 because of dramatic increases in Health Insurance Benefit expenses along with the dramatic Internal Service Fund Expenses liability and workers compensation related premiums and claims.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Governmental Activities - Expense Composition



Composition of expenses:

The City's largest area of expense continues to be Public Safety, accounting for 60% of governmental expenses, a 4% increase from the 58% in 2024. The remaining 40% of 2025 governmental activities expenses consisted of 13% for Public Works, 3% for Economic Development, 7% for Culture and Recreation, 10% for interest on long-term debt, and 7% for general government.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Business-Type activities

	Business-Type activities			
	2025	2024	Change	% Chg
Revenues:				
Charges for services	\$ 23,619,621	\$ 22,169,782	\$ 1,449,839	7%
Grant income	799,667	324,013	475,654	147%
Total Revenues	<u>\$ 24,419,288</u>	<u>\$ 22,493,795</u>	<u>\$ 1,925,493</u>	<u>9%</u>
Expenses:				
Utilities	\$ 25,279,527	\$ 21,513,033	\$ 3,766,494	18%
Parking garage	325,577	322,243	3,334	1%
Total Expenses	<u>\$ 25,605,104</u>	<u>\$ 21,835,276</u>	<u>\$ 3,769,828</u>	<u>17%</u>

Business-Type activities represent the City's water, sewer, and garbage utilities along with the parking garage. The Utilities Fund's primary source of revenue is user fees for water and sewer usage and garbage fees. City Council approved a water rate ordinance adjusting the rates annually over five years (2023 - 2027) to absorb rising operating costs and to fund future capital infrastructure improvements.

Revenues

The combination of the 8% water rate increases in tandem with late payment penalty assessment led to higher revenues for charges for services (\$1.4 million higher than in 2024).

The Parking Garage Fund experienced similar overall revenues in 2025 and 2024. A sharp decline in parkers occurred during the COVID 19 pandemic and has continued where customers who normally would park at the garage and ride the train downtown switched to working more from home.

Expenses within the Utilities fund were \$3.7 million higher than 2024 levels primarily due to the following drivers.

- Cost of Water increased dramatically by \$3 million compared with 2024. This expense involves water purchased from the City of Chicago. The City of Chicago had underbilled Berwyn for about 16 months then subsequently required the City to pay an additional \$1.8 million toward the second half of 2025
- An additional \$500,000 million was spent on water infrastructure repairs compared to 2024. The involved the repair of various water service mains along with major water main leak detection projects.

As the table below illustrates, operating performance declined in 2025 compared to the previous three years.

	Business-Type activities: Utilities Fund			
	2025	2024	2023	2022
Operating Income (Loss)	\$ (1,289,288)	\$ 1,362,272	\$ 1,727,081	\$ 540,512
Depreciation	<u>2,103,442</u>	<u>2,130,917</u>	<u>1,778,782</u>	<u>1,973,414</u>
Operating Income(Loss) Before Depreciation	<u>\$ 814,154</u>	<u>\$ 3,493,189</u>	<u>\$ 3,505,863</u>	<u>\$ 2,513,926</u>

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

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.

Significant changes – Fund balances

	Fund						
	Public Safety			Berwyn Municipal		Nonmajor	Total
	General	Pension Funding	Debt Service	Securitization (BMSC)	American Rescue Plan	Governmental Funds	Governmental Funds
Revenues	\$ 43,748,911	\$ 2,932,335	\$ 9,191,741	\$ 26,521,796	\$ 12,757,876	\$ 15,484,213	\$ 110,636,872
Expenditures	75,069,272	4,623,575	17,332,837	4,570,036	12,909,863	19,499,253	\$ 134,004,836
Other Financing Sources (Uses)							
Net	<u>22,601,506</u>	<u>718,744</u>	<u>11,285,939</u>	<u>(23,725,073)</u>	<u>(300,000)</u>	<u>459,548</u>	<u>11,040,664</u>
Net change in fund balance	(8,718,855)	(972,496)	3,144,843	(1,773,313)	(451,987)	(3,555,492)	(12,327,300)
Fund balance, beginning	<u>18,645,200</u>	<u>(23,041,734)</u>	<u>(40,850,194)</u>	<u>75,723,183</u>	<u>2,837,912</u>	<u>19,669,703</u>	<u>52,984,070</u>
Fund balance, ending	<u>\$ 9,926,345</u>	<u>\$ (24,014,230)</u>	<u>\$ (37,705,351)</u>	<u>\$ 73,949,870</u>	<u>\$ 2,385,925</u>	<u>\$ 16,114,211</u>	<u>\$ 40,656,770</u>

General Fund

General Fund operating revenues were about \$2 million lower than in 2024. Some notable offsetting revenue fluctuations include:

- Fines Revenues declined \$2.5 million compared to 2024 due to the Harlem Cermak shut down of the Red-Light cameras.
- Building Local Improvement and Permit fees were \$500,000 lower than 2024
- Ambulance Billing Fees were \$900,000 higher than 2024 levels

General Fund expenditures were \$5 million higher than experienced in 2024. The increases occurred from the following categories.

- Public Safety Expenditures - \$4 million higher than in 2024
 - Salaries and benefits - \$3 million higher than in 2024 because of contractual union pay increases and the sharp increase in health insurance rates
 - Internal Service Fund Charges were \$1.1 million higher than 2024 because of dramatic increases in general liability and workers compensation premiums and claims.
- Public Works Expenditures - \$600,000 more than 2024
 - Salaries and benefits - \$290,000 higher than in 2024 because of contractual union pay increases and higher health insurance premiums

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

- The Internal Service fund expense was \$260,000 more than 2024 because of the higher general liability and workers compensation premiums and claims.

The BMSC Fund Net Deficit of about \$1.8 million occurred primarily because of the \$2 million annual expense amortization of the 2019 Bond proceeds. This annual amortization began in 2019 and continues throughout the 30-year term of the bond expiring in 2049. Subsequently, the Public Safety Pension Funding Fund (PSPF) and Debt Service Funds accrue transfer revenue of \$700,000 and \$1.3 million respectively because of the BMSC bond proceed amortization.

For the Public Safety Pension Funding Fund (PSPF), a \$973,000 million deficit occurred because of the additional pension payment made toward the long-term liability of the Police and Fire Pension Funds.

Revenues in the Debt Service Fund decreased by \$300,000 compared to 2024 because of the Cook County Property Tax billing delay. Additionally, the amount levied in Tax Year 2024 was the same levy as Tax Year 2023 (\$9.6 million)

Debt Service expenditures were significantly higher than 2024 levels. In 2025, about \$2 million in additional principal payment were made for the 2015A bond issue.

Regarding the Non-major Governmental Funds, 2025 revenues of \$15.5 million were \$3.5 million lower than 2024.

- Property Taxes for all three Tax Increment Districts were impacted by the delay in property tax billing by Cook County.

Non-major Governmental Fund expenditures of \$19.5 million were similar to 2024 expenditures; lower by only \$200,000.

The Non-Major Governmental ending fund balance of \$16.1 million was about \$3.6 million lower than in 2024 based on the net variances of Revenues and Expenditures.

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.

The total net position of the Business-Type activities dropped \$660,000 in 2025 compared to an increase of \$1.5 million in 2024.

The breakdown of business activities net position at year-end was \$8.6 million for the parking garage and \$15.9 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 \$94,000. Expenses (excluding depreciation) amounted to about \$106,000. After depreciation of about \$219,000, the fund posted an operating loss of \$232,000.

The City's Internal Service Fund (ISF) represents accruals pertaining to the City's worker's compensation and general liability insurance. 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 2025, the fund's expenses increased from 2024 by \$960,000 to a total of \$4.5 million. These expenses are then allocated to the City's departments. The increase was attributed primarily to higher general liability and workers' compensation claims and premiums incurred in 2025 compared to 2024. The net position in the ISF was at \$128,000, higher than 2024's \$111,000 net position.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

General Fund Budgetary Highlights

The City's ordinances require a periodic budget review and, if necessary, an amendment 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 and variances identified.

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

	General Fund			
	Final Budget	Actual	Variance	% Var.
Revenues				
Property taxes	20,250,000	19,148,919	\$ (1,101,081)	-5%
Other taxes	7,607,000	6,456,226	(1,150,774)	-15%
Licenses and permits	4,000,000	3,079,593	(920,407)	-23%
Charges for services	6,844,000	7,656,527	812,527	12%
Fines and forfeitures	6,235,000	3,139,703	(3,095,297)	-50%
Intergovernmental	960,000	1,024,214	64,214	7%
Investment income	950,000	1,315,567	365,567	38%
Miscellaneous	1,601,000	1,928,162	327,162	20%
Total Revenues	<u>\$ 48,447,000</u>	<u>\$ 43,748,911</u>	<u>\$ (4,698,089)</u>	<u>-10%</u>
Expenditures				
Current				
General government	6,010,205	\$ 6,078,783	\$ (68,578)	-1%
Public safety	\$ 53,404,188	56,808,490	(3,404,302)	-6%
Public works	8,376,173	8,461,281	(85,108)	-1%
Economic development	562,847	459,382	103,465	18%
Culture and recreation	3,079,716	3,261,336	(181,620)	-6%
Total expenditures	<u>\$ 71,433,129</u>	<u>\$ 75,069,272</u>	<u>\$ (3,636,143)</u>	<u>-5%</u>
Other Financing Sources (Uses)				
Debt Proceeds	-	-	-	
Transfers In	23,000,000	21,720,390	(1,279,610)	-6%
Transfers Out	-	(159,548)	(159,548)	
Issuance of debt	-	973,697	973,697	
Origination of SBITA and lease obligations	-	66,967	66,967	
Total Other Financing Sources (L	<u>\$ 23,000,000</u>	<u>\$ 22,601,506</u>	<u>\$ (398,494)</u>	<u>-2%</u>

Please refer to page 99 of Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Significant changes from budget

Revenues

The General Fund operating revenues were \$4.7 million lower than the 2025 budget.

- Property Taxes were \$1.1 million lower than budget resulting from the delay from Cook County billing and disbursements
- Other Taxes were \$1.2 million lower than the 2025 budget.
 - Municipal Utility Tax Revenue was \$200,000 lower than budgeted expectations due to lower tax payments received from Nicor Gas from consumer heating bills.
 - Real Estate Transfer taxes were \$360,000 lower than the 2025 Budget due to lower volume of home sales.
- License and Permit Revenue was \$900,000 lower than the 2025 budget as various building permit and vehicle sticker fees fell short of budgeted expectations.
- Fines and Forfeiture revenues were \$3.1 million lower than budget projections because of the red-light camera shut down at Harlem and Cermak (\$2.3 million in lost revenues). Parking Ticket Revenues also fell short of the 2025 budget by \$500,000.

Expenditures

- Public Safety: \$3.4 million higher than the budget:
 - Internal Service Fund Charge Expense was \$1.5 million higher than the 2025 budget because of the dramatic increase in premiums and claims for higher general liability and workers compensation claims.
 - Paramedic Billing Service Fees were \$700,000 higher than budget because of the corresponding increase in Paramedic billing revenue experienced at year end 2024 through 2025.
 - Salary and Benefits were \$1 million higher than the budget because of the larger the expected health insurance premium rates.

Other Financing Sources (Uses)

General Fund Net Sources (Inflow) \$400,000 lower than the budget.

- Proceeds from New Public Safety Vehicle Purchase Agreement led to \$974,000 more funds from the issuance of debt not budgeted for.
- Residual Transfer In from Berwyn Securitization Corp (BMSC) was lower than the 2025 Budget by \$1.3 million.
 - The transfer occurs after the required annual 2019 bond debt service payment has been captured and forwarded to the bondholders.
 - Overall growth from State Income and Sales Taxes was only 3% when historically the revenue growth has been 5-10% over the previous few years.
 - Local Use Tax declined by \$1.5 million resulting from the Illinois Legislature changing the Retailers Occupational tax code in early 2025.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Capital assets

The table below summarizes the City's capital asset balances at year-end for 2025 with comparative figures for 2024.

	Governmental activities		Business-Type activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 11,013,346	\$ 11,013,346	\$ 24,600	\$ 24,600	\$ 11,037,946	\$ 11,037,946
CIP	19,668,742	21,084,755	-	-	19,668,742	21,084,755
Buildings	22,867,480	10,324,680	7,077,511	7,310,497	29,944,991	17,635,177
Equipment	6,063,947	5,382,691	395,875	441,135	6,459,822	5,823,826
Right to Use Leased						
Vehicles	229,899	248,197	15,203	24,805	245,102	273,002
SIBTAs	2,593,690	3,239,038	-	-	2,593,690	3,239,038
Land improvements	10,157,715	6,079,599	-	-	10,157,715	6,079,599
Vehicles	5,845,130	4,723,543	604,359	625,942	6,449,489	5,349,485
Infrastructure	18,651,588	18,752,496	29,236,540	30,484,166	47,888,128	49,236,662
Total	<u>\$ 97,091,537</u>	<u>\$ 80,848,345</u>	<u>\$ 37,354,088</u>	<u>\$ 38,911,145</u>	<u>\$ 134,445,625</u>	<u>\$ 119,759,490</u>

At the end of 2025, capital assets in governmental activities were \$16 million higher than in 2024. The primary drivers for the capital asset increase included the following.

- Construction in Process: \$11 million in new expenditures while \$12 million was transferred to Building Capital Assets
 - ARPA Funded Public Works Expenditures incurred for the Ogden Project was \$8.5 million in 2025. Expected completion to occur in 2026.
 - Depot Streetscape Project Expenditures: \$2.2 million in 2025
- Land Improvements: \$4 million addition
 - ARPA Funded Senior Center expenditures incurred at the Berwyn Garage Building : \$2.4 million in 2025
- Building: \$12 million addition
 - The completion of the PD Expansion Project at the end of the summer of 2025

The 2025 business activities capital assets were \$1.5 million lower compared to 2024. \$1 million in Infrastructure additions primarily for sewer main replacements were offset by Utility fund Depreciation Expense of \$2.1 million.

Please refer to pages 60-63 in the Notes to the Financial Statements for more detailed information regarding the City's Capital Asset Activity.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Long Term Obligations and Debt Administration

The changes to the City's long-term obligations are summarize in the table below.

	Governmental activities		Business-Type activites		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<u>Bonds/Notes Payable</u>						
General obligation bonds	\$ 160,560,000	\$ 165,880,000	\$ 4,795,000	\$ 5,045,000	\$ 165,355,000	\$ 170,925,000
Conveyed Tax Securitization bonds	79,970,000	79,970,000	-	-	79,970,000	79,970,000
TIF Revenue Bonds	5,525,000	5,945,000	-	-	5,525,000	5,945,000
Private Placememt TIF Bonds	670,425	810,790	-	-	670,425	810,790
Installment notes payable	2,534,074	1,971,515	-	29,939	2,534,074	2,001,454
Line of Credit	-	-	-	-	-	-
Unamortized premiums	2,632,465	2,962,855	143,121	167,588	2,775,586	3,130,443
Unamortized discounts	(274,721)	(311,106)	(15,334)	(17,513)	(290,055)	(328,619)
Direct borrowing notes payable	-	-	15,372,511	14,695,021	15,372,511	14,695,021
Total Bonds/Notes Payable	<u>251,617,243</u>	<u>257,229,054</u>	<u>20,295,298</u>	<u>19,920,035</u>	<u>271,912,541</u>	<u>277,149,089</u>
<u>Other Noncurrent Liabilities</u>						
Leases Payable	229,250	249,395	12,602	19,325	241,852	268,720
SBITA Payable	2,313,263	2,764,018	-	-	2,313,263	2,764,018
Claims payable	4,919,762	3,991,210	-	-	4,919,762	3,991,210
Net Pension liability	24,262,893	46,085,686	306,994	122,064	24,569,887	46,207,750
Total OPEB Liability	17,952,118	18,601,005	553,325	557,633	18,505,443	19,158,638
Compensated absences	7,679,244	7,315,093	214,325	201,990	7,893,569	7,517,083
Total Other Noncurrent Liabilities	<u>57,356,530</u>	<u>79,006,407</u>	<u>1,087,246</u>	<u>901,012</u>	<u>58,443,776</u>	<u>79,907,419</u>
Total Noncurrent Liabilities	<u>\$ 308,973,773</u>	<u>\$ 336,235,461</u>	<u>\$ 21,382,544</u>	<u>\$ 20,821,047</u>	<u>\$ 330,356,317</u>	<u>\$ 357,056,508</u>

Total Governmental Activities bonds and notes payable including unamortized premiums and discounts reduced by \$6 million in 2025. The driver of this reduction involves the \$5.7 million in GO Bond principal payments for the 2013A, 2015A, 2016A, and 2020 Bonds. Total Business Type Activities Bonds and Notes Payable including unamortized premiums and discounts increased by \$400,000 in 2025 because of additional loan funding provided by the Illinois Environmental Protection Agency (IEPA). These funds have been expended closer to the receipt of the proceeds.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Government Activities, Other Noncurrent Liabilities were dramatically reduced by \$22 million compared to 2024 balances of \$79 million. Favorable pension fund investment returns caused a \$22 million reduction in the City's Net Pension Liability. Also, a \$1 million increase in Claims Payable for general liability and workers compensation cases was offset by a \$700,000 decrease in Other Post Retirement Employee Benefits (OPEB) liabilities.

Each year, actuarial reports (the "*Actuarial Reports*") are prepared for the Public Safety Pension Funds and the City based on the census of year-end sworn police and fire personnel and retirees participating in the City's Public Safety Pension Funds. The Actuarial Reports detail for each of the two Public Safety Pension Funds, the "*Total Pension Liabilities*" and the unfunded actuarial accrued liabilities ("*UAAL*") as of the date of such Actuarial Reports, which is equal to the Total Pension Liabilities less the net asset position of each fund. The Actuarial Reports also calculate the amount of the normal cost representing the payments the City must make to the Public Safety Pension Funds as of the date of such Actuarial Reports to provide for future retirement benefits earned attributable to employees and salaries during the subsequent year (the "*Normal Pension Costs*") plus an amount to amortize the UAAL based on certain actuarial assumptions (the "*UAAL Amortization*").

It is the City's opinion that if a UAAL were to develop in the future after fully funding the 2021 UAAL, it would result primarily from (i) unfavorable net investment performance (ii) negative variances from actuarial assumptions, and/or (iii) future City contributions were to be below the actuarially determined amounts for Normal Pension Costs. Variances from actuarial assumptions include changes in assumptions for investment returns, payroll increases, cost of living adjustment, mortality, early retirement, transfer from the Public Safety Funds due to participants changing employers, and changes in benefit payments. After the full funding of the unfunded pension liability as of December 31, 2021, the City expects that subsequent UAAL would net to zero over the long run based on assumptions used to calculate the Total Pension Liabilities.

The City intends to levy property taxes and provide other available funds annually to fund the Normal and Long-Term Interest Cost of Police and Fire Pension Plans. Any future UAAL requirements as they may arise would be amortized over a future 15-to-20-year ladder period. Further, all key assumptions in calculating the Total Pension Liabilities and Normal Costs, would be reevaluated on the actual experience. In 2025, the City has used \$3 million from the Pension Stabilization fund to fund the UAAL Amortization.

Overall, all future City pension benefits will be funded by employee contributions, employer contributions outlined above, and investment earnings. Further, once the debt service on the pension bonds peaks at \$17.5 million (without regard to any potential savings due to future bond refunding) and then repaid in 2050, these amounts would then be available for other governmental purposes.

Please refer to pages 64-96 in the Notes to the Financial Statements for more detailed information regarding the City's Long Term Debt Activity.

CITY OF BERWYN, ILLINOIS
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

Various macroeconomic developments have transpired during 2025 leading into 2026. The developments include changes in federal trade policy and the implementation of higher import tariffs. The tariff policy appears to have contributed to increased sales and income tax revenues. Retail prices for many consumer goods have increased during the year, as merchants generally incorporated higher import costs into selling prices. As a result, taxable retail sales increased, contributing to growth in the City's sales and home rule sales tax revenues. While these conditions benefited certain revenue sources, they also placed additional financial pressure on consumers and other sectors of the local economy.

Inversely, these inflationary pressures have prevented the Federal Reserve from lowering interest rates. The Fed normally avoids lowering the cost of borrowing to avoid further multiplier effects on inflation. As a result, the higher borrowing costs have discouraged certain real estate transactions and private development activity which has led to reduced revenues in 2024 and 2025 from building permits, inspection fees, and real estate transfer tax related activity compared with the stronger levels experienced during 2021 through 2023.

Although market participants anticipate that new Federal Reserve leadership could implement monetary policy that results in gradual interest rate reductions, the timing and extent of any such changes remain uncertain.

In addition, geopolitical tensions have erupted in the Middle East including the conflict involving Israel, Iran, and the United States. These tensions increased uncertainty within the global economy. Concerns regarding the security of shipping through the Strait of Hormuz, a critical route for approximately one-fifth of the world's oil supply have contributed to volatility in energy markets and broader inflationary pressures. These conditions have also increased the cost of certain goods, materials, and services utilized by the City. As a result, higher operating and capital expenditures have been received by all City departments.

The City's Strategic Management will continue to closely monitor these economic conditions and their potential impact on revenues, expenditures, and capital planning as the City amends its existing 2026 budget and develops the 2027 revenue and expense projections.

Requests for Information

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

CITY OF BERWYN, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
ASSETS				
Cash and investments	\$ 38,558,502	\$ 2,992,739	\$ 41,551,241	\$ 802,329
Restricted cash	1,095,803	-	1,095,803	864,231
Current receivables, net of allowance where applicable				
Property tax	47,748,109	-	47,748,109	-
Sales tax	1,876,725	-	1,876,725	-
Home rule sales tax	2,290,394	-	2,290,394	-
Income tax	1,222,251	-	1,222,251	-
Personal property replacement tax	53,400	-	53,400	-
Utility tax	411,830	-	411,830	-
Other governments	233,042	-	233,042	-
Accounts	3,349,578	9,476,772	12,826,350	58,065
Miscellaneous	99,696	-	99,696	196,970
Prepaid expenses	2,027,229	17,791	2,045,020	17,255
Internal balances	1,120,000	(1,120,000)	-	-
Notes receivable	1,866,268	-	1,866,268	808,527
Land held for resale	422,743	-	422,743	9,619
Lease receivable	1,254,323	-	1,254,323	-
Capital assets, not being depreciated	30,682,088	24,600	30,706,688	-
Capital assets, being depreciated (net of accumulated depreciation)	66,409,449	37,329,488	103,738,937	13,375
Total Assets	200,721,430	48,721,390	249,442,820	2,770,371
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	23,199,734	329,869	23,529,603	-
Pension contributions subsequent to measurement date	712,268	73,342	785,610	-
Deferred outflows related to OPEB	5,292,913	163,140	5,456,053	-
Deferred loss on refunding	43,067	-	43,067	-
Total Deferred Outflows of Resources	29,247,982	566,351	29,814,333	-
LIABILITIES				
Accounts payable	3,788,173	2,603,028	6,391,201	164,504
Accrued payroll	1,883,432	25,403	1,908,835	-
Accrued interest payable	2,891,566	107,927	2,999,493	-
Unearned revenues	4,468,882	467,297	4,936,179	-
Line of credit payable	5,000,000	-	5,000,000	-
Other liabilities	3,062,773	-	3,062,773	864,231
Noncurrent liabilities				
Due within one year	11,186,991	1,083,164	12,270,155	29,517
Due in more than one year	297,786,782	20,299,380	318,086,162	-
Total Liabilities	330,068,599	24,586,199	354,654,798	1,058,252
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	28,744,032	1,520	28,745,552	-
Deferred inflows related to OPEB	5,962,825	183,788	6,146,613	-
Deferred inflows from leases	1,146,498	-	1,146,498	-
Deferred inflow - property taxes	38,368,180	-	38,368,180	-
Total Deferred Inflows of Resources	74,221,535	185,308	74,406,843	-
NET POSITION				
Net investment in capital assets	49,474,200	17,005,117	66,479,317	13,375
Restricted for				
Public safety	4,061,663	-	4,061,663	-
Public works	998,680	-	998,680	-
Economic development	8,727,721	-	8,727,721	-
Culture and recreation	3,122,750	-	3,122,750	-
Debt service	36,244,519	-	36,244,519	-
Unrestricted (deficit)	(276,950,255)	7,511,117	(269,439,138)	1,698,744
TOTAL NET POSITION (DEFICIT)	\$ (174,320,722)	\$ 24,516,234	\$ (149,804,488)	\$ 1,712,119

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

					Net (Expense) Revenue and Change in Net Position			
FUNCTIONS/PROGRAMS	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	Berwyn Development Corporation
PRIMARY GOVERNMENT								
Governmental Activities								
General government	\$ 7,797,399	\$ 2,506,277	\$ -	\$ -	\$ (5,291,122)	\$ -	\$ (5,291,122)	\$ -
Public safety	66,895,876	10,228,887	746,657	\$ 3,673,580	(52,246,752)	-	(52,246,752)	-
Public works	14,175,847	1,800,326	2,769,951	9,155,304	(450,266)	-	(450,266)	-
Economic development	2,838,266	-	1,566,590	-	(1,271,676)	-	(1,271,676)	-
Culture and recreation	7,301,831	570,799	121,250	-	(6,609,782)	-	(6,609,782)	-
Interest	11,630,948	-	-	-	(11,630,948)	-	(11,630,948)	-
Total Governmental Activities	110,640,167	15,106,289	5,204,448	12,828,884	(77,500,546)	-	(77,500,546)	-
Business-Type Activities								
Utilities	25,279,527	23,525,692	-	799,667	-	(954,168)	(954,168)	-
Parking Garage	325,577	93,929	-	-	-	(231,648)	(231,648)	-
Total Business-Type Activities	25,605,104	23,619,621	-	799,667	-	(1,185,816)	(1,185,816)	-
TOTAL PRIMARY GOVERNMENT	\$ 136,245,271	\$ 38,725,910	\$ 5,204,448	\$ 13,628,551	(77,500,546)	(1,185,816)	(78,686,362)	-
COMPONENT UNIT								
Berwyn Development Corporation	\$ 2,291,771	\$ 1,773,407	\$ 505,020	\$ -	-	-	-	(13,344)
General Revenues								
Taxes								
Property					36,471,833	-	36,471,833	-
Property - increment					4,267,850	-	4,267,850	-
Sales					7,010,722	-	7,010,722	-
Home rule sales					8,455,162	-	8,455,162	-
Local use tax					513,597	-	513,597	-
Replacement					330,828	-	330,828	-
Municipal utility					2,788,927	-	2,788,927	-
Real estate transfer					1,742,838	-	1,742,838	-
Other					2,442,513	-	2,442,513	-
Income					10,468,559	-	10,468,559	-
Investment income					3,012,332	-	3,012,332	20,563
Miscellaneous					826,346	-	826,346	56,974
Transfers					(294,872)	294,872	-	-
Total General Revenues and Transfers					78,036,635	294,872	78,331,507	77,537
CHANGE IN NET POSITION					536,089	(890,944)	(354,855)	64,193
NET POSITION (DEFICIT), JANUARY 1					(174,856,811)	25,407,178	(149,449,633)	1,647,926
NET POSITION (DEFICIT), DECEMBER 31					\$ (174,320,722)	\$ 24,516,234	\$ (149,804,488)	\$ 1,712,119

CITY OF BERWYN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Public Safety Pension Funding	Debt Service	Berwyn Municipal Securitization	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 9,507,556	\$ 83,259	\$ 267,231	\$ 4,180,418	\$ 6,363,159	\$ 13,059,243	\$ 33,460,866
Restricted cash	-	-	-	-	-	1,095,803	1,095,803
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	23,310,957	4,956,250	11,683,310	-	-	7,797,592	47,748,109
Sales taxes	-	-	-	1,876,725	-	-	1,876,725
Home rule sales tax	-	-	-	2,290,394	-	-	2,290,394
Income taxes	-	-	-	1,222,251	-	-	1,222,251
Personal property replacement tax	53,400	-	-	-	-	-	53,400
Utility tax	411,830	-	-	-	-	-	411,830
Accounts	2,251,487	-	-	-	-	1,095,563	3,347,050
Miscellaneous	99,099	-	-	-	-	597	99,696
Prepaid items	185,029	-	-	-	-	-	185,029
Land held for resale	-	-	-	-	-	422,743	422,743
Due from other funds	3,367,547	-	412,241	-	-	542,907	4,322,695
Due from other governments	-	-	-	-	-	233,042	233,042
Notes receivable	150,137	-	-	-	-	1,716,131	1,866,268
Lease receivable	1,254,323	-	-	-	-	-	1,254,323
Advance to other funds	-	-	1,120,000	66,091,403	-	-	67,211,403
TOTAL ASSETS	\$ 40,591,365	\$ 5,039,509	\$ 13,482,782	\$ 75,661,191	\$ 6,363,159	\$ 25,963,621	\$ 167,101,627
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,059,901	\$ -	\$ -	\$ -	\$ 1,383,532	\$ 1,283,645	\$ 3,727,078
Accrued payroll	3,672,148	-	-	-	2,701	43,071	3,717,920
Unearned revenues	-	-	-	-	2,591,001	1,877,881	4,468,882
Due to other funds	955,148	21,934	-	1,711,321	-	1,634,292	4,322,695
Other liabilities	2,999,412	-	63,361	-	-	-	3,062,773
Advance from other funds	-	25,317,339	40,774,064	-	-	-	66,091,403
TOTAL LIABILITIES	8,686,609	25,339,273	40,837,425	1,711,321	3,977,234	4,838,889	85,390,751
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows from leases	1,146,498	-	-	-	-	-	1,146,498
Unavailable revenue	-	-	-	-	-	378,663	378,663
Deferred inflows from property taxes	20,831,912	3,714,466	10,350,708	-	-	4,631,858	39,528,944
TOTAL DEFERRED INFLOWS OF RESOURCES	21,978,410	3,714,466	10,350,708	-	-	5,010,521	41,054,105
FUND BALANCE							
Nonspendable							
Prepaid items	185,029	-	-	-	-	-	185,029
Advance from other funds	-	-	-	66,091,403	-	-	66,091,403
Restricted							
Public safety	-	-	-	-	-	4,061,663	4,061,663
Public works	-	-	-	-	-	998,680	998,680
Culture and recreation	-	-	-	-	-	3,122,750	3,122,750
Economic development	-	-	-	-	-	8,727,721	8,727,721
Debt service	-	-	-	7,858,467	-	-	7,858,467
Assigned							
Capital projects	-	-	-	-	2,385,925	-	2,385,925
Unassigned (deficit)	9,741,317	(24,014,230)	(37,705,351)	-	-	(796,603)	(52,774,867)
TOTAL FUND BALANCE	9,926,346	(24,014,230)	(37,705,351)	73,949,870	2,385,925	16,114,211	40,656,771
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 40,591,365	\$ 5,039,509	\$ 13,482,782	\$ 75,661,191	\$ 6,363,159	\$ 25,963,621	\$ 167,101,627

CITY OF BERWYN, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
December 31, 2025**

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 40,656,771
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds (nondepreciable of \$30,682,088 and depreciable of \$66,409,449)	97,091,537
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	
Deferred outflows of resources	29,204,915
Deferred inflows of resources	(34,706,857)
Unavailable revenue is not current financial resources and is therefore recorded as deferred inflow of resources in the governmental funds	1,539,427
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premium on bonds	(2,632,465)
Discount on bonds	274,721
Loss on refunding	43,067
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonded debt	(246,725,425)
Notes payable	(7,534,074)
Leases payable	(229,250)
SBITA payable	(2,313,263)
Long-term compensated absences	(5,844,756)
Net pension liability	(24,262,893)
Total other postemployment benefit liability	(17,952,118)
Accrued interest on bonds	(2,891,566)
Prepaid Insurance on bond issue	1,833,820
The unrestricted net position of the internal service funds are included in the governmental activities in the statement of net position	<u>127,687</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (174,320,722)</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Public Safety Pension Funding	Debt Service	Berwyn Municipal Securitization	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 19,148,919	\$ 2,856,866	\$ 9,186,603	\$ -	\$ -	\$ 4,118,681	\$ 35,311,069
Property taxes - increment	-	-	-	-	-	4,267,850	4,267,850
Other taxes	6,456,226	-	-	26,347,648	-	949,272	33,753,146
Licenses and permits	3,079,593	-	-	-	-	-	3,079,593
Charges for services	7,656,527	-	-	-	-	-	7,656,527
Fines and forfeitures	3,139,703	-	-	-	-	23,292	3,162,995
Intergovernmental	1,024,214	-	-	-	11,954,463	5,386,669	18,365,346
Investment income	1,315,567	75,469	5,138	174,148	803,413	635,619	3,009,354
Miscellaneous	1,928,163	-	-	-	-	102,830	2,030,993
Total Revenues	<u>43,748,912</u>	<u>2,932,335</u>	<u>9,191,741</u>	<u>26,521,796</u>	<u>12,757,876</u>	<u>15,484,213</u>	<u>110,636,873</u>
EXPENDITURES							
Current							
General government	6,078,783	-	-	107,694	219,857	-	6,406,334
Public safety	56,808,490	4,623,575	-	-	-	1,214,596	62,646,661
Public works	8,461,281	-	-	-	-	4,166,258	12,627,539
Economic development	459,382	-	-	-	-	2,588,934	3,048,316
Culture and recreation	3,261,336	-	-	-	-	4,286,983	7,548,319
Capital outlay	-	-	-	-	12,690,006	6,229,695	18,919,701
Debt service							
Principal	-	-	10,320,000	-	-	700,223	11,020,223
Interest and fiscal charges	-	-	7,012,837	4,462,342	-	306,564	11,781,743
Bond issuance costs	-	-	-	-	-	6,000	6,000
Total Expenditures	<u>75,069,272</u>	<u>4,623,575</u>	<u>17,332,837</u>	<u>4,570,036</u>	<u>12,909,863</u>	<u>19,499,253</u>	<u>134,004,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(31,320,360)</u>	<u>(1,691,240)</u>	<u>(8,141,096)</u>	<u>21,951,760</u>	<u>(151,987)</u>	<u>(4,015,040)</u>	<u>(23,367,963)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	21,720,390	718,744	1,285,939	-	-	593,013	24,318,086
Transfers (out)	(159,548)	-	-	(23,725,073)	(300,000)	(133,465)	(24,318,086)
Proceeds of long term debt	973,697	-	-	-	-	-	973,697
Proceeds of short term debt	-	-	10,000,000	-	-	-	10,000,000
Origination of SBITA and lease obligations	66,967	-	-	-	-	-	66,967
Total Other Financing Sources (Uses)	<u>22,601,506</u>	<u>718,744</u>	<u>11,285,939</u>	<u>(23,725,073)</u>	<u>(300,000)</u>	<u>459,548</u>	<u>11,040,664</u>
NET CHANGE IN FUND BALANCES	(8,718,854)	(972,496)	3,144,843	(1,773,313)	(451,987)	(3,555,492)	(12,327,299)
FUND BALANCES, JANUARY 1	<u>18,645,200</u>	<u>(23,041,734)</u>	<u>(40,850,194)</u>	<u>75,723,183</u>	<u>2,837,912</u>	<u>19,669,703</u>	<u>52,984,070</u>
FUND BALANCES, DECEMBER 31	<u>\$ 9,926,346</u>	<u>\$ (24,014,230)</u>	<u>\$ (37,705,351)</u>	<u>\$ 73,949,870</u>	<u>\$ 2,385,925</u>	<u>\$ 16,114,211</u>	<u>\$ 40,656,771</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, 2025**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(12,327,299)
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 (additions of nondepreciable of \$10,973,107 plus depreciable of \$22,205,098 less transfer of CIP of \$12,389,120)		20,789,085
Loss on disposal of capital assets is only reported in the statement of activities		(349,785)
Governmental funds record deferred inflow for unavailable revenues but revenue is recognized in the statement of activities		828,746
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		5,740,000
Notes payable		5,411,138
Leases payable		87,112
Private placement TIF bonds		140,365
SBITAs		450,755
The issuance of SBITAs and leases are reported as an other financing source in governmental funds but is recorded as a liability in the statement of net position		(66,967)
The issuance of notes payable are reported as an other financing source in governmental funds but is recorded as a liability in the statement of net position		(10,973,697)
Changes in net pension liabilities are reported only in the statement of activities		21,822,793
Changes in certain deferred outflows and inflows are not included in the governmental funds		
Deferred outflow of resources		(4,686,198)
Deferred inflow of resources		(22,626,103)
Other postemployment benefits are recognized when paid within the governmental funds; however, they are recognized as earned in the government-wide financial statements		648,887
Changes in long-term accrued compensated absences are reported only in the statement of activities		(323,739)
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		(4,196,107)
Change in accrued interest payable		(41,403)
Amortization of accounting loss on refunding		(25,328)
Amortization of bond premium and discount		294,005
Amortization of prepaid insurance		(76,480)
The change in net position of certain activities of internal service funds is reported with governmental activities		16,309
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	536,089

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 1,385,770	\$ 1,606,969	\$ 2,992,739	\$ 5,097,636
Receivables				
Accounts (net of allowance of \$2,722,847)	9,476,772	-	9,476,772	2,528
Prepaid expenses	17,791	-	17,791	8,380
Total Current Assets	10,880,333	1,606,969	12,487,302	5,108,544
NONCURRENT ASSETS				
Capital assets				
Capital assets, not being depreciated	24,600	-	24,600	-
Capital assets, net of accumulated depreciation	30,331,865	6,997,623	37,329,488	-
Net Capital Assets	30,356,465	6,997,623	37,354,088	-
Total Assets	41,236,798	8,604,592	49,841,390	5,108,544
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	163,140	-	163,140	-
Deferred outflows related to pensions	329,869	-	329,869	-
Pension contributions subsequent to measurement date	73,342	-	73,342	-
Total Deferred Outflows of Resources	566,351	-	566,351	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	2,599,255	3,773	2,603,028	61,095
Claims payable	-	-	-	1,155,132
Accrued payroll	25,403	-	25,403	-
Unearned revenue	467,297	-	467,297	-
Accrued interest payable	107,927	-	107,927	-
Bonds payable	250,000	-	250,000	-
IEPA loan payable	759,883	-	759,883	-
Lease payable	7,066	-	7,066	-
Total OPEB liability	38,543	-	38,543	-
Compensated absences	27,672	-	27,672	-
Total Current Liabilities	4,283,046	3,773	4,286,819	1,216,227
LONG-TERM LIABILITIES				
Claims payable	-	-	-	3,764,630
Bonds payable	4,672,787	-	4,672,787	-
IEPA loan payable	14,612,628	-	14,612,628	-
Lease payable	5,536	-	5,536	-
Net pension liability	306,994	-	306,994	-
Total OPEB liability	514,782	-	514,782	-
Advance from other funds	1,120,000	-	1,120,000	-
Compensated absences payable	186,653	-	186,653	-
Total Long-Term Liabilities	21,419,380	-	21,419,380	3,764,630
Total Liabilities	25,702,426	3,773	25,706,199	4,980,857
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	183,788	-	183,788	-
Deferred inflows related to pensions	1,520	-	1,520	-
Total Deferred Inflows of Resources	185,308	-	185,308	-
NET POSITION				
Net investment in capital assets	10,007,494	6,997,623	17,005,117	-
Unrestricted	5,907,921	1,603,196	7,511,117	127,687
Total Net Position	\$ 15,915,415	\$ 8,600,819	\$ 24,516,234	\$ 127,687

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, 2025

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
OPERATING REVENUES				
Charges for services				
Billings	\$ 21,695,954	\$ -	\$ 21,695,954	\$ -
Penalties	1,543,466	-	1,543,466	-
Meter sales	61,860	-	61,860	-
Internal service charges	-	-	-	4,558,666
Other revenue	224,412	93,929	318,341	2,528
	<u>23,525,692</u>	<u>93,929</u>	<u>23,619,621</u>	<u>4,561,194</u>
Total Operating Revenues				
	<u>23,525,692</u>	<u>93,929</u>	<u>23,619,621</u>	<u>4,561,194</u>
OPERATING EXPENSES				
Salaries and benefits	2,255,242	-	2,255,242	-
Internal service fund charge	178,805	2,270	181,075	-
Cost of water	10,842,241	-	10,842,241	-
Contractual services	6,077,706	26,633	6,104,339	1,971,813
Utilities and cost of fuel	186,983	44,567	231,550	-
Repairs and maintenance	107,799	32,610	140,409	-
Postage, printing and publications	90,145	-	90,145	-
Commodities and supplies	224,955	-	224,955	-
Interdepartmental charges	1,623,684	-	1,623,684	-
Other general	35,379	-	35,379	-
Equipment lease	25,829	-	25,829	-
Claims expense	-	-	-	2,576,050
Capital outlay	1,062,770	-	1,062,770	-
Depreciation	2,103,442	219,497	2,322,939	-
	<u>24,814,980</u>	<u>325,577</u>	<u>25,140,557</u>	<u>4,547,863</u>
Total Operating Expenses				
	<u>24,814,980</u>	<u>325,577</u>	<u>25,140,557</u>	<u>4,547,863</u>
Operating Income (Loss)	<u>(1,289,288)</u>	<u>(231,648)</u>	<u>(1,520,936)</u>	<u>13,331</u>
NON-OPERATING INCOME (EXPENSE)				
Investment income	-	-	-	2,978
Grant revenue	799,667	-	799,667	-
Interest expense	(464,547)	-	(464,547)	-
Total Non-operating Income (Expense)	<u>335,120</u>	<u>-</u>	<u>335,120</u>	<u>2,978</u>
Income (Loss) Before Capital Grants and Transfers	(954,168)	(231,648)	(1,185,816)	16,309
CAPITAL GRANTS AND TRANSFERS				
Capital contribution	294,872	-	294,872	-
Total Capital Grants and Transfers	<u>294,872</u>	<u>-</u>	<u>294,872</u>	<u>-</u>
CHANGE IN NET POSITION	(659,296)	(231,648)	(890,944)	16,309
NET POSITION, JANUARY 1	<u>16,574,711</u>	<u>8,832,467</u>	<u>25,407,178</u>	<u>111,378</u>
NET POSITION, DECEMBER 31	<u>\$ 15,915,415</u>	<u>\$ 8,600,819</u>	<u>\$ 24,516,234</u>	<u>\$ 127,687</u>

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-Type			Governmental Activities Internal Service
	Utilities	Parking Garage	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 22,953,619	\$ 93,928	\$ 23,047,547	\$ 4,562,966
Payments to employees	(2,067,483)	-	(2,067,483)	-
Payments to suppliers	(17,223,255)	(104,204)	(17,327,459)	(3,400,633)
Payments for interfund services used	(1,802,489)	(2,270)	(1,804,759)	-
Net cash from operating activities	<u>1,860,392</u>	<u>(12,546)</u>	<u>1,847,846</u>	<u>1,162,333</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Decrease in advance from other funds	(708,045)	-	(708,045)	-
Net cash from noncapital financing activities	<u>(708,045)</u>	<u>-</u>	<u>(708,045)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on capital debt	(486,062)	-	(486,062)	-
Principal paid on debt	(250,000)	-	(250,000)	-
Principal paid on note	(29,939)	-	(29,939)	-
Principal paid on leases	(6,723)	-	(6,723)	-
IEPA loan proceeds	1,327,473	-	1,327,473	-
Principal paid on IEPA loans payable	(649,983)	-	(649,983)	-
Grants received	799,667	-	799,667	-
Purchase of capital assets	(471,010)	-	(471,010)	-
Net cash from capital and related financing activities	<u>233,423</u>	<u>-</u>	<u>233,423</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	-	-	-	2,978
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,385,770</u>	<u>(12,546)</u>	<u>1,373,224</u>	<u>1,165,311</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>1,619,515</u>	<u>1,619,515</u>	<u>3,932,325</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,385,770</u>	<u>\$ 1,606,969</u>	<u>\$ 2,992,739</u>	<u>\$ 5,097,636</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,289,288)	\$ (231,648)	\$ (1,520,936)	\$ 13,331
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	2,103,442	219,497	2,322,939	-
Changes in assets and liabilities				
Accounts receivable	(572,775)	-	(572,775)	1,772
Prepaid expense	(17,791)	-	(17,791)	256,627
Accounts payable	1,448,343	(395)	1,447,948	-
Accrued payroll and compensated absences	(15,493)	-	(15,493)	1,117,183
Unearned revenue	702	-	702	-
Net pension obligation	184,930	-	184,930	-
Total OPEB liability	(4,308)	-	(4,308)	-
Deferred outflow and inflow of resources	22,630	-	22,630	-
Claims payable	-	-	-	(226,580)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 1,860,392</u>	<u>\$ (12,546)</u>	<u>\$ 1,847,846</u>	<u>\$ 1,162,333</u>
CASH AND INVESTMENTS				
Cash and cash equivalents	<u>\$ 1,385,770</u>	<u>\$ 1,606,969</u>	<u>\$ 2,992,739</u>	<u>\$ 5,097,636</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 1,385,770</u>	<u>\$ 1,606,969</u>	<u>\$ 2,992,739</u>	<u>\$ 5,097,636</u>
NON-CASH TRANSACTIONS				
Contribution of capital assets	\$ 294,872	\$ -	\$ 294,872	\$ -

See accompanying notes to financial statements.

CITY OF BERWYN, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
December 31, 2025

ASSETS

Cash and investments	
Cash and cash equivalents	\$ 1,684,928
Investments	
Mutual funds	4,886,900
State investment pool	303,212,783
Insurance contracts	<u>294,600</u>
 Total Cash and Investments	 <u>310,079,211</u>
 Prepays	 <u>2,050</u>
 Total Assets	 <u>310,081,261</u>

LIABILITIES

Accounts payable	<u>9,766</u>
Total Liabilities	<u>9,766</u>

NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 310,071,495</u>
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CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2025

ADDITIONS

Contributions	
Employer	\$ 4,618,004
Participants	<u>2,573,776</u>
Total Contributions	<u>7,191,780</u>

Investment income	
Net appreciation (depreciation) in fair value of investments	43,805,221
Interest earned	3,374,768
Less investment expenses	<u>(389,278)</u>
Total Investment Income	<u>46,790,711</u>
Total Additions	<u>53,982,491</u>

DEDUCTIONS

Administrative	221,145
Pension benefits and refunds	<u>15,119,944</u>
Total Deductions	<u>15,341,089</u>

NET INCREASE	38,641,402
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NET POSITION RESTRICTED FOR PENSIONS - January 1	<u>271,430,093</u>
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NET POSITION RESTRICTED FOR PENSIONS - December 31	<u>\$ 310,071,495</u>
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Berwyn, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's and Berwyn Development Corporation's (the BDC) accounting policies are described below.

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

The City's financial statements include two pension trust funds – Police Pension Fund and Firefighters' 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'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.

For both the PPERS and FPERS, the City and plan participants are obligated to fund all plan 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 they possess many of the characteristics of a legally separate government, the PPERS and FPERS are reported as if they were part of the primary government because their sole purpose is to finance and administer the pensions of the City's police and fire employees, respectively, and because of the fiduciary nature of such activities. The PPERS and FPERS are reported as pension trust funds.

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 its home rule sales tax, local share sales tax, state use tax and state income tax revenues to the BMSC. 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).

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.

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.

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 is used 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.

American Rescue Plan Fund – was created in 2021 to account for revenues and associated expenditures related to the American Rescue Plan grant.

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
IT Systems	5 - 10 years
Land improvements	18 - 25 years
Buildings	15 - 50 years
Infrastructure	17 - 75 years

Intangible right-to-use assets are amortized using the straight-line method over the shorter of the subscription/lease term or the useful life of the underlying right-to -use asset.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources: In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources and deferred inflows of resources represent a consumption or acquisition of net assets, respectively, that apply to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of resources (revenue) until then.

The items that qualify for reporting in this category for the City relate to the City's pension plans, the OPEB plan, deferred loss on debt refunding, deferred inflows from leases and unearned property taxes. The amounts related to the pension and OPEB plans and the method by which they are recognized as revenue or expense are as follows:

<u>Description of Amount</u>	<u>Recognition</u>
1. The effect of differences between expected and actual experience	Over the average of the expected remaining service lives of all employees that are provided with pension/OPEB benefits
2. Changes of assumptions	Same as above
3. The net difference between projected and actual earnings on pension plan investments	Over a five year period
4. Contributions to the Illinois Municipal Retirement Fund by the City subsequent to the measurement date of the net pension liability (December 31, 2024) and before the end of the fiscal year.	Expensed in the subsequent fiscal year

The deferred loss on the refunding of debt is being recognized in interest expense over the shorter of the remaining life of the old or the new debt.

The deferred inflows from leases is being recognized as revenue over the term of the related lease.

Deferred inflow reported in the governmental funds for unavailable revenue is revenue earned but not received within 90 days of year end and therefore not available.

Finally, 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.

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.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if 1) the leave is attributable to services already rendered, b) the leave accumulates, and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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, 2025, the City reported \$1,834,488 within its General Fund and \$27,672 within its Utilities Fund related to sick leave purchased back for 2025. 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Fund Balances/Net Position: In compliance with Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds includes the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments as well as limitations imposed by law through constitutional provision or enabling legislation. Amounts restricted for public safety are for fire (\$109,451), the 911 dispatch center (\$2,545,920) and police (\$1,406,292). 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.
- 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.
- 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 and spent 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: \$825,126 of the 2020 TIF bond issue is being held in an escrow account as a debt service reserve fund. \$270,677 of the Library is restricted for grant expenditures.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances: The City had deficit fund balances of \$24,014,230 and \$37,705,351 in the public safety pension funding fund and the debt service fund, respectively, at December 31, 2025. These resulted from advances from the Berwyn Municipal Securitization Corporation stemming from a bond issuance and will be amortized over the life of the related bonds.

In addition, the City had deficit fund balance in the capital projects fund of \$796,603 at December 31, 2025 primarily due to a grant receivable that was not received within 90 days of year end and is therefore reflected as deferred inflows of resources – unavailable revenue.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS**A. Deposits and Investments**

City Deposits and Investments: The City's cash and investments (including pension funds) at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risk
Demand Deposits	\$ 22,184,972	\$ 23,060,372	Custodial credit deposits
Illinois Funds	5,010,643	5,180,397	Credit rate risk
Certificates of deposit	971,086	971,086	Custodial credit deposits
U.S. Treasury	7,304,003	7,304,003	Custodial credit investments and interest rate risks
U.S. Agency	8,754,306	8,754,036	Custodial credit investments and interest rate risks
Money Market Mutual Funds	106,962	23,427	Custodial credit risk
Insurance Company Contracts	294,600	294,600	Credit and interest rate
Equity mutual funds	4,886,900	4,886,900	Custodial credit risk
State pension investment pools			Credit rate risk
	<u>303,212,783</u>	<u>303,212,783</u>	
	<u>\$ 352,726,255</u>	<u>\$ 353,687,604</u>	
Reconciliation to financial statements			
Per Statement of Net Position			
Cash and investments	\$ 41,551,241		
Restricted cash	1,095,803		
Per Statement of Fiduciary			
Net Position -			
Total Cash and Investments	<u>310,079,211</u>		
Total Cash and Investments	<u>\$ 352,726,255</u>		

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The City's investment policy authorizes the City to invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, corporate bonds, mutual funds and equity securities.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

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

The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held at an independent third-party institution in the name of the City. As of December 31, 2025, \$311,141 of the City's bank balances were not insured or 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.

Custody of Illinois Funds investments are maintained by a custodial bank. Other investments are in a brokerage account which is subject to regular review and testing by various regulatory agencies including the Securities and Exchange Commission. Further, such accounts are guaranteed for

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

\$500,000 by the Securities Investor Protection Corporation and other coverage for excess balances.

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 and U.S. Treasury and Agency securities. Illinois Funds is rated AAA by Fitch Ratings.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City records its investments at cost as the difference between cost and fair value is not material.

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. As of December 31, 2025 investments in debt securities were as follows:

Investment Type	Cost	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
US Treasury	\$ 7,304,003	\$ 996,000	\$ 6,308,003	\$ -	\$ -
US Agencies	8,754,306	-	8,754,306	-	-
Total	<u>\$ 16,058,309</u>	<u>\$ 996,000</u>	<u>\$ 15,062,309</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025, 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. This does not apply to direct securities, or securities with moral obligations, of the United States government.

Pension Deposits and Investments: The Illinois Police Officers Pension Investment Fund (IPOPIF) and the Illinois Firefighters' Pension Investment Fund (IFPIF) are investment trust funds responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police and firefighters' pension funds, respectively. IPOPIF and IFPOF were created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

and downstate police pension funds and IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Funds are combined in commingled external investment pools and held by IPOPIF and IFPIF, respectively. Schedules of investment expenses are included in IPOPIF's and IFPIF's annual reports. For additional information on IPOPIF's and IFPIF's investments, please refer to their annual reports as of June 30, 2024. A copy of those reports can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org and from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Police Pension Fund and Firefighters' Pension Fund transferred all eligible assets to the Investment Funds on August 19, 2022 and January 1, 2022, respectively.

Deposits - The Funds retain all their available cash with one financial institution each. Available cash is determined to be that amount which is required for the current expenditures of the Funds. The excess of available cash is required to be transferred to IPOPIF and IFPIF, respectively, for purposes of the long-term investment for the Funds. At year-end, the carrying amount of the Police Pension Fund's cash on hand (including money market accounts) totaled \$69,774 and the bank balances totaled \$71,845. At year-end, the carrying amount of the Firefighters' Pension Fund's cash on hand (including money market accounts) totaled \$1,615,154 and the bank balances totaled \$1,615,079.

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the Funds' deposits may not be returned to them. The Funds' investment policies state that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. At year-end, the entire bank balance of deposits was insured and collateralized.

Investments - At year-end the Police Pension Fund has \$166,630,923 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. In addition, the Police Pension Fund has \$4,886,900 invested in mutual funds with their fair values measured at quoted prices in active markets for identical assets.

At year-end the Firefighters' Pension Fund has \$136,581,860 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Investment Policy - IPOPIF's and IFPIF's current investment policies were adopted by their Boards of Trustees on December 17, 2021 and June 17, 2022, respectively. Both Funds are authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF and IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 (for IPOPIF) and Article 4 (for IFPIF) of the Illinois Pension Code.

Rate of Return - For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79% for IPOPIF and 17.53% for IFPIF. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Property Taxes: Property taxes for 2025 attach as an enforceable lien on January 1, 2025 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 and July 1 and are payable in two installments, on or about April 1 and August 1. The County collects such taxes and remits them periodically. The 2025 tax levy is intended to finance operations for 2026 and is therefore recorded as deferred inflows of resources. Remittance of the second installment of the 2024 tax levy to the City by the County was delayed resulting in the deferral of the unavailable portion in the governmental funds.

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 only 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 Rate</u>	<u>Beginning Balance</u>	<u>Loans Made</u>	<u>Repayments</u>	<u>Loan Write-Offs</u>	<u>Ending Balance</u>
CDBG Rehab Loan	0%	\$1,778,553	\$ -	\$ 62,422	\$ -	\$ 1,716,131

The balance of the CDBG Rehab loans is offset by the unearned revenue liability.

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	\$ 1,635,042	\$ -
Utility billings	-	12,006,146
Allowance for uncollectible	(253,509)	(2,722,847)
Unspent Finish Line Grants	463,036	-
Franchise fees	52,367	-
Grant	710,927	78,000
E-911	252,365	-
Other	489,350	115,473
Total	<u>\$ 3,349,578</u>	<u>\$ 9,476,772</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Lease Receivable: During 2022, the City implemented GASB Statement No. 87 – *Leases*. This resulted in the City recording a lease receivable at the present value of lease payments expected to be received during the lease terms and an offsetting deferred inflow of resources related to leases for which they are the lessor. The deferred inflow is being amortized on a straight-line basis over the life of the lease. The City has three such leases as follows:

<u>Location</u>	<u>Lease Termination</u>	<u>12/31/2025 Value</u>	<u>Rental Payments</u>	<u>Interest Income</u>
City Hall Roof	6/30/2031	\$ 236,988	\$ 45,002	\$ 12,738
Water Tower	2/28/2028	125,994	58,747	7,699
North Fire	9/30/2073	<u>891,340</u>	<u>35,937</u>	<u>44,338</u>
Totals		<u>\$ 1,254,323</u>	<u>\$ 139,686</u>	<u>\$ 64,775</u>

Summary of Lease Receivables 2026 to Maturity

	<u>Annual Payments</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 81,928	\$ 60,870	\$ 142,798
2027	89,400	56,605	146,005
2028	43,478	52,970	96,448
2029	39,083	51,098	90,181
2030	42,637	49,063	91,700
2031-2035	(4,499)	237,517	233,018
2036-2040	(15,913)	243,115	227,202
2041-2045	5,254	244,668	249,922
2046-2050	34,987	239,928	274,914
2051-2055	75,969	226,437	302,406
2056-2060	131,671	200,976	332,648
2061-2065	206,573	159,338	365,912
2066-2070	306,460	96,043	402,503
2071-2075	<u>217,296</u>	<u>15,733</u>	<u>233,029</u>
	<u>\$ 1,254,323</u>	<u>\$ 1,934,361</u>	<u>\$ 3,188,683</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 unearned revenue reported in the governmental funds were as follows:

<u>Description</u>	<u>Amount</u>
<u>Unavailable</u>	
IDOT grant	<u>\$378,663</u>
<u>Unearned</u>	
ARPA grant	2,591,001
CDBG loan program	1,716,131
State asset forfeiture	143,922
TIF repayment agreement	<u>17,828</u>
Total Unearned Revenue	<u>\$4,468,882</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

<u>Primary Governmental Activities</u>	<u>Balance January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 11,013,346	\$ -	\$ -	\$ 11,013,346
CIP	21,084,755	10,973,107	12,389,120	19,668,742
Total Capital Assets Not Being Depreciated	32,098,101	10,973,107	12,389,120	30,682,088
Capital Assets Being Depreciated				
Vehicles	13,221,036	2,318,794	1,425,037	14,114,793
Equipment	9,054,086	1,495,934	-	10,550,020
Intangible Right to Use Lease Vehicles	402,730	66,966	-	469,696
SBITAs	4,239,150	-	-	4,239,150
Land Improvements	13,592,333	4,622,778	-	18,215,111
Buildings	18,989,368	13,107,288	-	32,096,656
Infrastructure	61,406,665	593,337	-	62,000,002
Total Capital Assets Being Depreciated	120,905,369	22,205,098	1,425,037	141,685,428
Less Accumulated Depreciation/Amortization for:				
Vehicles	8,497,493	847,422	1,075,252	8,269,663
Equipment	3,671,395	814,678	-	4,486,073
Intangible Right to Use Lease Vehicles	154,533	85,264	-	239,797
SBITA's	1,000,112	645,348	-	1,645,460
Land Improvements	7,512,734	544,662	-	8,057,396
Buildings	8,664,688	564,488	-	9,229,176
Infrastructure	42,654,169	694,245	-	43,348,414
Total Accumulated Depreciation	72,155,125	4,196,107	1,075,252	75,275,979
Total Capital Assets Being Depreciated, Net	48,750,244	18,008,991	349,785	66,409,449
Total Governmental Activities	\$ 80,848,345	\$ 28,982,098	\$ 12,738,905	\$ 97,091,537

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

<u>Function</u>	<u>Amount</u>
Government Activities	
General government	\$ 291,040
Public safety	2,241,103
Public works	1,266,238
Economic development	77,986
Culture and recreation	319,740
Total Governmental Activities	<u>\$ 4,196,107</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	Balance January 1	Additions	Retirements	Balance December 31
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 24,600	\$ -	\$ -	\$ 24,600
CIP	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>24,600</u>	<u>-</u>	<u>-</u>	<u>24,600</u>
Capital Assets Being Depreciated				
Vehicles	1,358,413	66,241	37,532	1,387,123
Intangible Right to Use Lease Vehicles	48,010	-	-	48,010
Land Improvements	251,291	-	-	251,291
Buildings	11,203,924	-	-	11,203,924
Equipment	1,079,780	18,175	-	1,097,955
Infrastructure	<u>143,688,628</u>	<u>702,735</u>	<u>-</u>	<u>144,391,363</u>
Total Capital Assets Being Depreciated	<u>157,630,046</u>	<u>787,151</u>	<u>37,532</u>	<u>158,379,666</u>
Less accumulated depreciation for				
Vehicles	732,470	66,557	16,261	782,766
Intangible Right to Use Lease Vehicles	23,205	9,602	-	32,807
Land Improvements	251,291	-	-	251,291
Buildings	3,893,427	232,986	-	4,126,413
Equipment	638,645	63,435	-	702,080
Infrastructure	<u>113,204,462</u>	<u>1,950,359</u>	<u>-</u>	<u>115,154,821</u>
Total Accumulated Depreciation	<u>118,743,500</u>	<u>2,322,939</u>	<u>16,261</u>	<u>121,050,178</u>
Total Capital Assets Being Depreciated, Net	<u>38,886,547</u>	<u>(1,535,788)</u>	<u>21,271</u>	<u>37,329,488</u>
Total Business-Type Activities	<u>\$ 38,911,147</u>	<u>\$ (1,535,788)</u>	<u>\$ 21,271</u>	<u>\$ 37,354,088</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	\$ 2,103,442
Parking garage	<u>219,497</u>
Total Business-Type Activities	<u>\$ 2,322,939</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Disclosures

Receivable Fund	Payable Fund	Amount	Principal Purpose
<u>Major Governmental Fund</u>			
General Fund	Public Safety Pension Funding	\$ 21,934	Reimb Op. Account
General Fund	BMSC	1,711,321	Reimb Op. Account
Total Due to General Fund from Major Funds		1,733,255	
<u>Nonmajor Governmental Funds:</u>			
General Fund	Federal Asset Forfeiture-Justice	180,935	Reimb Op. Account
General Fund	State Asset Forfeiture	8,145	Reimb Op. Account
General Fund	Emergency 911 Telephone Syst	566	Miscellaneous
General Fund	Foreign Fire Insurance	2	Miscellaneous
General Fund	South Berwyn TIF	729,081	Reimb Op. Account
General Fund	Capital Projects	715,563	Reimb Op. Account
Total Due to General Fund from Nonmajor Funds		1,634,292	
Total Due to General Fund		3,367,547	
<u>Major Governmental Fund</u>			
Debt Service Fund	General Fund	412,241	Transfer of Funds
Total Due from General Fund from Major Funds		412,241	
<u>Nonmajor Governmental Funds:</u>			
Federal Asset Forfeiture-Treasury	General Fund	139,549	Transfer of Funds
Motor Fuel Tax	General Fund	341,855	Transfer of Funds
Grants	General Fund	20,575	Transfer of Funds
CDBG	General Fund	40,928	Transfer of Funds
Total Due From General Fund to Nonmajor Governmental Funds		542,907	
Total Due from General Fund		955,148	

These interfunds are expected to be repaid during 2026.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 Securitization	Public Safety Pension Funding	\$25,317,339
Berwyn Municipal Securitization	Debt Service	<u>40,774,064</u>
Total Advance from Berwyn Municipal Securitization Fund		<u>66,091,403</u>
Debt Service	Utilities	<u>1,120,000</u>
Total Advance to Utilities Fund		<u>1,120,000</u>
Total		<u>\$67,211,403</u>

The advances from the Berwyn Municipal Securities Fund represent the proceeds from the 2019 bond issue which are being amortized over the life of the bonds as discussed in Note 3E. The advance from the Debt Service Fund represents amounts owed from the Utilities Fund for their outstanding general obligation bonds that were refunded in 2022 by the City. This advance will be repaid on the same schedule as the original refunded bonds.

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	\$ 1,285,939	Advance amortization
Public Safety Pension Funding	Berwyn Municipal Securitization	718,744	Advance amortization
General Fund	Berwyn Municipal Securitization	<u>21,720,390</u>	Residual due to General Fund
Total Berwyn Municipal Securitization Fund		<u>23,725,073</u>	after debt service requirement
<u>Nonmajor Governmental Funds:</u>			
Capital Projects Fund	General Fund	159,548	Miscellaneous
Capital Projects Fund	Amercian Rescue Plan Fund	300,000	Miscellaneous
Federal Asset Forfeiture-Justice	Federal Asset Forfeiture-Treasury	<u>133,465</u>	Immaterial correction of
Total Nonmajor Funds		<u>593,013</u>	beginning fund balances
Total		<u>\$ 24,318,086</u>	

CITY OF BERWYN, ILLINOIS

Notes to financial statements December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-Term & Short-Term Obligations

Long-term obligations activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds	\$165,880,000	\$ -	\$ 5,320,000	\$ 160,560,000	\$ 5,585,000
Direct placement conveyed tax securitization bonds	79,970,000	-	-	79,970,000	-
TIF revenue bonds	5,945,000	-	420,000	5,525,000	475,000
Direct placement TIF bonds	810,790	-	140,365	670,425	146,655
Direct borrowing installment notes	1,971,515	973,697	411,138	2,534,074	523,607
Unamortized premiums	2,962,855	-	330,390	2,632,465	n/a
Unamortized (discounts)	(311,106)	-	(36,385)	(274,721)	n/a
Total bonds and notes payable	257,229,054	973,697	6,585,508	251,617,243	6,730,262
Other Liabilities:					
Leases Payable	249,395	66,967	87,112	229,250	94,947
SBITA Payable	2,764,018	-	450,755	2,313,263	293,888
Claims Payable	3,991,210	928,552	-	4,919,762	1,155,132
Net pension liability	46,085,686	-	21,822,793	24,262,893	-
Total OPEB liability	18,601,005	-	648,887	17,952,118	1,078,274
Compensated absences	6,435,377	1,243,867	-	7,679,244	1,834,488
Total Other Liabilities	78,126,691	2,239,386	23,009,547	57,356,530	4,456,729
Total long-term obligations	\$335,355,745	\$ 3,213,083	\$ 29,595,055	\$ 308,973,773	\$ 11,186,991
Business-Type Activities					
General Obligation Bonds	\$ 5,045,000	\$ -	\$ 250,000	\$ 4,795,000	\$ 250,000
Unamortized premiums	167,588	-	24,467	143,121	n/a
Unamortized (discounts)	(17,513)	-	(2,179)	(15,334)	n/a
Direct Borrowing IEPA loan	14,695,021	1,327,473	649,983	15,372,511	759,883
Notes Payable	29,939	-	29,939	-	-
Lease payable	19,325	-	6,723	12,602	7,066
Net Pension Liability	122,064	184,930	-	306,994	-
Total OPEB liability	557,633	-	4,308	553,325	38,543
Compensated absences	194,673	19,652	-	214,325	27,672
Total long-term obligations	\$ 20,813,730	\$ 1,532,055	\$ 963,241	\$ 21,382,544	\$ 1,083,164

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Bonded debt currently outstanding is as follows:

	Date of <u>Issue</u>	Current Interest <u>Rate</u>	Final <u>Maturity</u>	Original <u>Amount</u>	Balance <u>12/31/2025</u>
<u>Governmental Activities</u>					
General obligation bonds					
Corporate Purpose	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	3,895,000
	11/24/14	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	10,455,000
	01/24/22	4.00%	12/01/41	9,000,000	9,000,000
Taxable bonds	06/16/15	4.25-6.00%	12/01/35	31,000,000	28,795,000
	01/24/22	3.837%	12/01/50	90,800,000	<u>90,800,000</u>
Total general obligation debt					<u>160,560,000</u>
Direct 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 conveyed tax securitization bonds					<u>79,970,000</u>
TIF revenue bonds	11/24/20	4.00%-4.50%	12/01/33	7,140,000	5,525,000
Direct placement TIF Bonds	3/27/15	4.392%	11/27/27	1,900,000	<u>670,425</u>
Total TIF bonds					<u>6,195,425</u>
Total Governmental Activities Bonded Debt					<u>\$ 246,725,425</u>
<u>Business-type Activities</u>					
General obligation debt	11/24/2014	3.75-5.00%	12/01/34	\$ 2,015,000	\$ 2,015,000
Corporate Purpose	11/30/2015	3.75-5.00%	12/01/32	1,880,000	1,630,000
	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>\$ 4,795,000</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. Finally, general obligation bonds have been issued to fund police and fire pensions on a taxable basis. 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.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

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, 2025.

Direct Borrowing - Lines of Credit: During 2017, the City entered into an agreement with BMO Harris Bank for a \$15 million revolving line of credit. The agreement has been subsequently amended to reduce the credit limit to \$10 million with a final maturity date of December 31, 2029. The line of credit bears interest equal to the Secured Overnight Financing Rate ("SOFR") plus an additional applicable rate that varies depending on the City's credit rating. The unused portion of the line of is subject to a fee of 0.45% per annum. The line is subject to termination and any drawings are subject to repayment from a property tax the City has covented to levy if the City is downgraded below BBB. Short-term borrowing activity for fiscal 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Line of Credit	\$ -	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000

The \$5 million balance was paid in February 2026.

The City also has a \$2 million revolving line of credit with an interest rate equal to the Prime Rate minus one percent but in any event no less than 4.5%. It matures on September 10, 2027. As of December 31, 2025, there was no outstanding amount related to this line of credit and no draws were made on the line of credit during 2025.

Direct Placement Conveyed Tax Securitization Bonds

Sale of Future Tax Revenues: The City entered into an agreement with the BMSC under which the City sold to the BMSC future home rule sales tax, local share sales tax, state use tax and state income tax revenues ("Conveyed Revenues") through 2048. On March 11, 2019, 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. 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. Repayment of the bonds will be made from Conveyed Revenues. The City also received a residual certificate representing the City's ownership interest in Conveyed Revenues in excess of debt service to be received by the BMSC during the term of the sale agreement. The total tax revenues sold was estimated to be \$458,131,230. Residual Revenues were expected to be \$281,334,018. The estimated present value of the tax revenues sold,

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

net of the expected residuals assuming a 5.49 percent (blended rate on securitized bonds) interest rate at the time of the sale was \$222,190,752. 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%.

These bonds are not subject to any special terms or covenants, acceleration, or interest reset.

Series 2020 Tax Increment Revenue Bonds: On November 24, 2020, the City issued \$7,140,000 of Tax Increment Revenue Bonds, series 2020. The bonds were issued for the purpose of a) constructing certain underground infrastructure improvements to the South Berwyn Corridor TIF District, b) funding a reserve fund, c) funding capitalized interest, and paying for the costs of issuance associated with the bonds. Interest rates on the bonds are 4.00% - 4.50% and final maturity is December 1, 2033. The bonds are not general obligations of the City but are payable from the incremental property taxes of the TIF district and other amounts on deposit in the TIF fund.

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. The outstanding principal balance at December 31, 2025 is \$670,425. Debt service payments are level through 2026 when there is a modest balloon payment. The bonds are not subject to any special terms or covenants, acceleration or interest rate resets.

Series 2022A and 2022B General Obligation Bonds: On January 24, 2022, the City issued \$90,800,000 General Obligation Bonds (Taxable) Series 2022A and \$9,000,000 General Obligation Bonds Series 2022B. \$32,038,974 of the proceeds of the Series 2022A bonds were deposited into the Berwyn Police Pension Fund and \$45,184,726 was deposited into the Berwyn Firefighters Pension Fund in order to fund the unfunded accrued actuarial liabilities of these plans. In addition, \$5,931,416 of the proceeds was deposited into a Stabilization Account primarily to pay future unfunded liabilities or debt service on the Bonds. Finally, \$4,692,489 was used to refund \$580,000 of the Series 2008 bonds and to pay off the balance of the City's line of credit. The 2022A bonds were issued at par and carry an interest rate of 3.87% and have a final maturity date of December 1, 2050. The Series 2022B bonds were issued at a premium of \$1,414,620 with an interest rate of 4.00% and a final maturity of December 1, 2041. The proceeds were used to currently refund the 2007A 2008, 2009, 2010 and 2011 bonds. Any gain or loss on refunding was not deemed to be material.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Illinois Environmental Protection Agency (IEPA) Direct Borrowing Loans

During 2021, the City was awarded a Water Pollution Control Loan in the amount of \$7,212,677 at a simple interest rate of 1.35% to fund sewer system improvements. In addition, the City was awarded two Public Water Supply Loans in the amount of \$493,611 (simple interest rate of 1.15%) and \$7,879,600 (simple interest rate of 1.35%) to fund the replacement of Lead Service Lines.

The IEPA reimburses the City for expenditures from the loans on a draw down basis until the project is complete or the full amount of the loan proceeds have been spent. Interest during the construction period is also added to the loan amount. Upon completion, the loan amortizes over 20 years with equal semi annual payments. The City began incurring costs during 2021. Draw downs during 2025 amounted to \$1,327,427 and \$648,983 of principal was repaid during the year. Final repayment is on July 31, 2043. During 2023, one of the loans with a balance of \$487,888 was forgiven by the IEPA and an additional \$6,013 was forgiven in 2024.

The loans are secured solely from the revenues of the Utility Fund. The City has made certain covenants in connection with the loans including a covenant to impose and collect adequate water rates to provide for the repayment of the loans. The loans are not a general obligation of the City.

Debt Service Requirements: Debt service requirements (excluding direct borrowing notes) to maturity for bonded debt are as follows:

	Governmental Activities			Private Placement Bonds		
	Bonded Debt					
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 6,060,000	\$ 11,452,802	\$ 17,512,802	\$ 146,655	\$ 26,507	\$ 173,162
2027	6,390,000	11,168,927	17,558,927	523,770	18,532	542,302
2028	6,965,000	10,894,152	17,859,152	-	-	-
2029	9,290,000	10,508,752	19,798,752	-	-	-
2030	6,870,000	10,049,477	16,919,477	-	-	-
2031-2035	48,200,000	43,920,465	92,120,465	-	-	-
2036-2040	25,255,000	34,715,409	59,970,409	-	-	-
2041-2045	57,730,000	24,921,808	82,651,808	-	-	-
2046-2050	79,295,000	10,114,785	89,409,785	-	-	-
Totals	<u>\$ 246,055,000</u>	<u>\$ 167,746,577</u>	<u>\$ 413,801,577</u>	<u>\$ 670,425</u>	<u>\$ 45,039</u>	<u>\$ 715,464</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	Business-Type Activities					
	General Obligation Debt			IEPA Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 250,000	\$ 222,138	\$ 472,138	\$ 759,883	\$ 208,508	\$ 968,391
2027	250,000	212,138	462,138	770,176	194,680	964,856
2028	500,000	199,638	699,638	780,609	184,247	964,856
2029	510,000	177,138	687,138	791,183	173,674	964,857
2030	1,670,000	154,238	1,824,238	801,900	162,957	964,857
2031-2035	1,615,000	172,687	1,787,687	4,175,403	648,878	4,824,281
2036-2040	-	-	-	4,465,960	358,321	4,824,281
2041-2045	-	-	-	2,827,397	67,172	2,894,569
Totals	<u>\$ 4,795,000</u>	<u>\$ 1,137,977</u>	<u>\$ 5,932,977</u>	<u>\$ 15,372,511</u>	<u>\$ 1,998,437</u>	<u>\$ 17,370,948</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.

Direct Borrowing Notes Payable: The City has outstanding Installment Purchase Agreements for certain vehicles and equipment issued pursuant to the installment contract provisions of Illinois statutes. Such obligations are general obligations of the City without a dedicated revenue stream for payment. These obligations consist of fixed payments over a defined term with the City obtaining full title at the end of the term.

The following summarizes the activity during the year:

Governmental Activities

Purpose	Month of Issue	Interest Rate	Original Amount	2025 Principal Payments	Balance 12/31/2025
Fire Equipment	May 2021	0.00%	80,286	26,762	-
Fire Ladder Truck	July 2021	2.77%	851,787	139,858	443,559
Fire Enginge	March 2022	3.30%	630,000	84,964	383,326
Street Sweeper	April 2022	3.49%	199,339	50,660	52,427
Ford Explorer	January 2024	9.37%	51,954	16,707	18,309
Pierce Fire Engine	September 2024	5.30%	754,940	92,187	677,699
Pierce Fire Engine	April 2025	4.75%	958,754	-	958,754
Total			<u>\$ 3,527,060</u>	<u>\$ 411,138</u>	<u>\$ 2,534,074</u>
Business-type Activities (Utility Fund)					
Public Works Truck	September 2021	4.35%	<u>\$ 98,426</u>	<u>\$ 29,939</u>	<u>\$ -</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Leases Payable: The City has recognized a lease liability measured at the present value of payments expected to be made during the lease term and an intangible right-to-use asset included in capital assets and amortized over the life of the lease in accordance with GASB Statement No. 87 – *Leases*.

The City entered into a lease agreement with Enterprise Fleet Management to lease from time to time various public works vehicles for a 60 month period.

The intangible right to use assets acquired through lease are as follows:

Asset	Governmental	Business-Type
Vehicles		
Cost	\$ 469,696	\$ 48,010
Accumulated Amortization	239,797	32,807
Net Book Value	229,899	15,203

The future minimum lease obligations and the net present value on these minimum lease payments as of December 31, 2025, are as follows:

Leases Payable							
	Governmental Activities			Business-Type Activities			
	Principal	Interest Accretion	Total	Principal	Interest Accretion	Total	
2026	\$ 94,947	\$ 12,469	\$ 107,416	\$ 7,066	\$ 470	\$ 7,536	
2027	78,623	5,160	83,783	5,536	116	5,652	
2028	25,514	3,090	28,604	-	-	-	
2029	25,769	1,248	27,017	-	-	-	
2030	4,397	80	4,477	-	-	-	
Totals	\$ 229,250	\$ 22,047	\$ 251,297	\$ 12,602	\$ 586	\$ 13,188	

Subscription Based Information Technology Arrangements (SBITA)

The City implemented GASB Statement No. 96 – *Subscription Based Information Technology Arrangements* in 2023. As a result, the City has recognized a right-to-use subscription asset measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City has also recognized a corresponding

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

subscription liability measured at the present value of subscription payments expected to be made during the subscription term.

The City entered into three agreements during 2023 that qualified for reporting under GASB No. 96 as follows:

1. Saas service with respect to Computer Aided Dispatch (CAD), Records Management System including Case Management (RMS) and analytics. The initial contract term is from April 2023 through April 2026. In December of 2024, the agreement was extended through December 31, 2026 and an additional \$200,346 was paid and added to the right to use subscription asset;
2. Public Safety Video Surveillance Solutions with a service term from September 2023 through August 3033;
3. Cloud Office Services with a service term of June 2023 through June 2030.

A discount rate of 6.5 % was used in measuring the liability. Payments made to the vendors prior to commencement of the subscription's terms amounted to \$702,621.

The right to use subscription assets amortized over the life of the arrangements are as follows:

<u>Asset</u>	<u>Governmental</u>
Cost	\$ 4,239,150
Accumulated Amortization	<u>1,645,460</u>
Net Book Value	<u><u>\$ 2,593,690</u></u>

Principal and interest requirements to maturity for the subscription liability is as follows:

<u>Subscriptions Payable</u>			
<u>Governmental Activities</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
		<u>Accretion</u>	
2026	\$ 293,888	\$ 153,847	\$ 447,735
2027	313,570	134,164	447,734
2028	334,571	113,164	447,735
2029	356,977	90,757	447,734
2030	306,550	66,850	373,400
2031-3033	<u>707,707</u>	<u>71,779</u>	<u>779,486</u>
Totals	<u><u>\$ 2,313,263</u></u>	<u><u>\$ 630,561</u></u>	<u><u>\$ 2,943,824</u></u>

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 3H & I. The net pension liability has typically been liquidated by property taxes levied in the general fund and by the public safety pension funding fund and proceeds of general obligation pension bonds. The City funded the net pension liability of the Illinois Municipal Retirement Fund in 2020 and the Public Safety Pension Funds in January 2022. Any subsequent net variances in the pension funds both positive and negative are intended to be amortized on a fifteen (15) year rolling basis. The expectation is that such variances will net out over that time resulting in the annual pension costs approximating the Normal Cost associated with employee service in the current year. This funding policy differs from the calculation of Deferred Inflows and Outflows of Resources and Pension Expense pursuant to GASB 68. 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.

Unamortized Loss on Refunding: Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. Amortization for 2025 was \$25,327, which is reported in the governmental activities. The balance of the unamortized loss at December 31, 2025 was \$43,067.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**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, 2025 was \$4,919,762 and is recorded as a portion of the noncurrent liabilities balance for governmental activities.

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

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

	Beginning Balance	Incurred Claims	Claims Paid/ Settled	Ending Balance	Current Portion
2024	\$ 3,353,460	\$ 1,722,713	\$ 1,084,963	\$ 3,991,210	\$ 937,114
2025	3,991,210	1,652,758	724,206	4,919,762	1,155,132

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

G. Contingent Liabilities

Litigation: The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney, the resolution of these matters will not have a material adverse effect on the financial statements of the City.

Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of additional expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Home Equity Assurance Program: In prior years the City allowed its residents to participate in a Home Equity Assurance Program wherein residents' home market values were guaranteed by the City not to depreciate. Each participating resident, after submitting an appraisal along with the application and appropriate fee, received a Certificate of Participation. There is no expiration date on the Certificates. Given the current real estate market in the City, the City has determined that it has no exposure to liability related to this program as of the date of this report.

Loan Guarantees - Berwyn Development Corporation (BDC):

During 2025, 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 City is the guarantor of amounts drawn under this line of credit. However, as of December 31, 2025, the outstanding balance drawn under this credit line is \$0.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 until they reach age 65. 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, 2024 membership consisted of:

Active employees fully eligible	366
Retired participants	39
Inactive employees	0
Total	<u>405</u>

The City does not have a funding policy.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions and Methods:

Actuarial Valuation Date January 1, 2025

Measurement Date December 31, 2025

Actuarial Cost Method Entry Age Normal

Assumptions

Discount Rate 4.83%

Long-Term Expected Rate of
Return on Plan Assets N/A

Total Payroll Increases 3.00%

Healthcare Cost Trend Rates PPO Initial Trend 7.90%
Ultimate Trend 5.00%
Amount of Trend
Decrease 0.32% Years
Between Trend
Decreases 1 Year
Ultimate Trend Reached
2034 HMO Initial Trend
7.80% Ultimate Trend
5.00% Amount of Trend
Decrease 0.31% Years
Between Trend
Decreases 1 Year
Ultimate Trend Reached
2034

Asset Valuation Method N/A

Active IMRF Mortality follows Pub G-2010(B) improved generationally using MP-2021 Improvement Rates and weighted based on the IMRF January 4, 2024 Experience Study.

Active Firefighter and Police Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study Improved to 2021 and improved generally using MP-2021 Improvement Rates. Retiree Firefighter and Police Mortality follows the L&A Assumption Study for Firefighters

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

and Police 2024, respectively. These rates are experience weighted with the Raw Rates as developed in the PubS-2010(A) Study Improved to 2021 and improved generally using MP-2021 Improvement Rates.

Disabled Firefighter and Disabled Police Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates.

Discount rate: The discount rate used to measure the total OPEB liability as of December 31, 2025 was 4.83 percent, which was a change from the discount rate of 4.08 percent that was used as of December 31, 2024. 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:

	Total OPEB Liability (a)
Balances at January 1, 2025	\$ 19,158,638
Service cost	675,426
Interest on total OPEB liability	763,003
Differences between expected and actual experience of the total OPEB liability	-
Change of assumptions	(1,176,457)
Benefit payments, including refunds of employee contributions	<u>(915,167)</u>
Balances at December 31, 2025	<u>\$ 18,505,443</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 (3.83 percent) or 1-percentage-point higher (5.83 percent) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 20,097,948	\$ 18,505,443	\$ 17,089,593

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 16,588,814	\$ 18,505,443	\$ 20,728,995

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB: For the year ended December 31, 2025, the City recognized OPEB expense of \$1,372,126. At December 31, 2025, the City reported the following deferred outflows of resources and deferred inflows related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,036,670	\$ (2,008,334)
Changes of assumptions	3,419,383	(4,138,279)
Total Deferred Amounts Related to OPEB	<u>\$ 5,456,053</u>	<u>\$ (6,146,613)</u>

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

Fiscal Year	Amount
2026	\$ (66,303)
2027	(66,303)
2028	(66,303)
2029	(49,434)
2030	(36,420)
Thereafter	(405,797)

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

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.

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, 2025:

Total Pension Liability	\$ 398,151,260
Plan Fiduciary Net Position	373,581,373
City's net pension liability	24,569,887
Deferred Inflows of Resources	28,745,552
Deferred Outflows of Resources	24,315,213
Pension Expense	10,245,573

Illinois Municipal Retirement Fund (IMRF) & Sheriff'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.

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, 2024 was 5.41% of covered payroll and the employer annual required contribution rate was 5.41%.

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. There are no active members contributing to SLEP. The City is required to contribute at an actuarially determined rate. For the year ended December 31, 2024, there was no covered payroll.

At December 31, 2024, the following employees were covered by the benefit terms:

	<u>IMRF</u>	<u>SLEP</u>
Retirees and Beneficiaries	171	2
Inactive, Non-retired Members	161	0
Active Members	<u>241</u>	<u>0</u>
Total	573	2

Net Pension Liability

The City's net pension liability for the IMRF and SLEP plans was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Actuarial Assumptions: The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75% 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 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

There were no benefit changes during the year.

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:

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	32.5%	7.35%
International Equity	18.0%	7.45%
Fixed Income	24.0%	4.75%
Real Estate	10.5%	6.25%
Alternative Investments	14.0%	3.90-8.50%
Cash Equivalents	1.0%	3.60%
	<u>100.0%</u>	

Discount Rate: The Discount Rate used to measure the total pension liability for the Regular IMRF and SLEP Pension Plans was 7.25%, the same as in the prior year valuation. The projection of future plan cash flows that assumes member contributions made at the current employee contribution rate and City contributions made at annual amounts equal to the difference between the actuarially determined contribution and member contributions demonstrates that the Plan's future fiduciary net position will be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was used as the discount rate applied to all future projected benefit payments to current plan members to determine the total pension liability.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Changes in the Net Pension Liability

IMRF:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2023	\$ 61,386,677	\$ 59,876,961	\$ 1,509,716
Changes for the year:			
Service Cost	1,206,593	-	1,206,593
Interest on the Total Pension Liability	4,395,823	-	4,395,823
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	3,113,819	-	3,113,819
Changes of Assumptions	-	-	-
Contributions - Employer	-	798,109	(798,109)
Contributions - Employees	-	714,841	(714,841)
Net Investment Income	-	5,884,165	(5,884,165)
Benefit Payments, including Refunds of Employee Contributions	(2,715,870)	(2,715,870)	-
Other (Net Transfer)	-	(1,220,096)	1,220,096
Net Changes	6,000,365	3,461,149	2,539,216
Balances at December 31, 2024	<u>\$ 67,387,042</u>	<u>\$ 63,338,110</u>	<u>\$ 4,048,932</u>

SLEP:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A) - (B)
Balances at December 31, 2023	\$ 185,357	\$ 171,655	\$ 13,702
Changes for the year:			
Interest on the Total Pension Liability	12,829	-	12,829
Differences Between Expected and Actual Experience of the Total Pension Liability	2,734	-	2,734
Changes of Assumptions	-	-	-
Net Investment Income	-	18,349	(18,349)
Benefit Payments, including Refunds of Employee Contributions	(16,811)	(16,811)	-
Other (Net Transfer)	-	(1,425)	1,425
Net Changes	(1,248)	113	(1,361)
Balances at December 31, 2024	<u>\$ 184,109</u>	<u>\$ 171,768</u>	<u>\$ 12,341</u>

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)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 (Asset)	\$ 12,188,106	\$ 4,048,932	\$ (2,450,011)
SLEP Net Pension (Asset)	27,289	12,341	(754)

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

For the year ended December 31, 2025, the City recognized pension expense of \$3,123,649 related to IMRF and \$11,306 related to SLEP. At December 31, 2025, 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	\$ 2,955,291	\$ -
Changes of assumptions	-	20,051
Net difference between projected and actual earnings on pension plan investments	<u>1,334,477</u>	<u>-</u>
Total Deferred Amounts to be recognized in pension expense in future periods	4,289,768	20,051
Pension Contributions made subsequent to the Measurement Date	<u>1,028,155</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 5,317,923</u>	<u>\$ 20,051</u>

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 21,425	\$ -
Total Deferred Amounts Related to Pensions	<u>\$ 21,425</u>	<u>\$ -</u>

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 December 31	IMRF	SLEP
2026	\$ 1,883,145	\$ 10,213
2027	2,769,805	15,449
2028	(57,049)	(2,924)
2029	(326,184)	(1,313)
2030	-	-
Thereafter	-	-
Total	<u>\$ 4,269,717</u>	<u>\$ 21,425</u>

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

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 \$127,283 at December 31, 2025. The maximum salary cap increases every year thereafter.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% 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. Statutorily, the City needs to provide either through a tax levy or other funding mechanism (1) the normal cost of the pension fund for the year involved plus (2) additional annual contribution to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040. In making these determinations, the required minimum employer contribution shall be calculated by an enrolled actuary each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. Prior to 2022, the City had an agreement with the pension funds to fund 100% of the actuarial liabilities through periodic bond issues. This funding was completed in 2022. After achieving 100% bond funding in 2022, the City's current pension funding plan is based on (1) the normal cost of the pension fund for the year involved plus (2) annual amortization of any variance from 100% of funding over a 15 year basis on an open rolling basis. This plan exceeds the statutory requirements. For the year ended December 31, 2025, the City's contribution was 19.54% of covered payroll.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

At December 31, 2025, the Police Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	102
Terminated employees entitled to benefits but not yet receiving them	19
Current employees	<u>116</u>
Total	<u>237</u>

Net Pension Liability

The City's net pension liability for the Police Pension Plan was measured as of December 31, 2025, 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, 2025 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	3.75%-16.22%	3.75%-16.22%
Projected Increase in Payroll	3.25%	3.25%
Inflation	2.50%	2.50%

Active mortality rates follow the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis. Retired mortality follows the Lauterbach & Amen Assumption Study for Police 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis.

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
US Large	23%	5.60%
US Small	5%	6.50%
International Developed	19%	6.70%
International Developed Small	5%	8.10%
Emerging Markets	6%	6.70%
Private Equity (Direct)	7%	8.00%
Bank Loans	3%	7.30%
High Yield Corp. Credit	3%	7.13%
Emerging Market Debt	3%	6.70%
Private Credit	5%	8.40%
Real Estate	5%	6.20%
Infrastructure	3%	8.20%
Cash Equivalents	1%	3.90%
Short-Term Gov't/Credit	3%	4.90%
US Treasury	3%	4.70%
US TIPS	3%	4.70%
Core Plus Fixed Income	3%	5.60%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate used to measure the total pension liability was 6.75%. The projection of future plan cash flows that assumes member contributions made at the current employee contribution rate and City contributions made at annual amounts equal to the difference between the total actuarially determined contribution and member

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

contributions demonstrates that the Plan's future fiduciary net position will be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was used as the discount rate applied to all future projected benefit payments to current plan members to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2024	\$ 180,800,571	\$ 149,668,149	\$ 31,132,422
Changes for the year:			
Service Cost	3,522,195	-	3,522,195
Interest on the Total Pension Liability	11,917,957	-	11,917,957
Actuarial Experience	2,701,783	-	2,701,783
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	2,829,407	(2,829,407)
Contributions - Members	-	1,509,712	(1,509,712)
Contributions - Other	-	122,717	(122,717)
Net Investment Income	-	26,087,451	(26,087,451)
Benefit Payments and Refunds	(8,476,482)	(8,476,482)	-
Administrative Expenses	-	(104,682)	104,682
Net Changes	<u>9,665,453</u>	<u>21,968,123</u>	<u>(12,302,670)</u>
Balances at December 31, 2025	<u>\$ 190,466,024</u>	<u>\$ 171,636,272</u>	<u>\$ 18,829,752</u>

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:

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 45,797,139	\$ 18,829,752	\$ 3,201,411

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, 2025, the City recognized pension expense of \$5,034,313 related to the police pension plan. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,641,272	\$ 672,059
Changes of assumptions	1,497,723	999,726
Net difference between projected and actual earnings on pension plan investments	-	12,869,328
Total Deferred Amounts Related to Pensions	<u>\$ 12,138,995</u>	<u>\$ 14,541,113</u>

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	
2026	\$ 2,009,672
2027	(3,645,773)
2028	(1,632,815)
2029	(1,296,889)
2030	1,649,110
Thereafter	514,557

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 \$127,283 at December 31, 2025. The maximum cap increases each year thereafter.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 54% of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children received 12% of final salary. The maximum family survivor benefit is 75% of final salary. Employees disabled in the line of duty receive 65% of final salary.

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

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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.

Statutorily, the City needs to provide either through a tax levy or other funding mechanism (1) the normal cost of the pension fund for the year involved plus (2) additional annual contribution to bring the total assets of the pension fund up to 90% of the total actuarial liabilities of the pension fund by the end of municipal fiscal year 2040. In making these determinations, the required minimum employer contribution shall be calculated by an enrolled actuary each year as a level percentage of payroll over the years remaining up to and including fiscal year 2040 and shall be determined under the projected unit credit actuarial cost method. Prior to 2022, the City had an agreement with the pension funds to fund 100% of the actuarial liabilities through periodic bond issues. This funding was completed in 2022. After achieving 100% bond funding in 2022, the City's current pension funding plan is based on (1) the normal cost of the pension fund for the year involved plus (2) annual amortization of any variance from 100% of funding over a 15 year basis on an open rolling basis. This plan exceeds the statutory requirements. For the year ended December 31, 2025 the City's contribution was 18.40% of covered payroll.

At December 31, 2025, the Firefighters' Pension Plan membership consisted of:

<u>Membership</u>	<u>Participants</u>
Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	6
Current employees	<u>82</u>
Total	<u><u>160</u></u>

Net Pension Liability

The City's net pension liability for the Firefighters' Pension Plan was measured as of December 31, 2025, 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.

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, 2025 actuarial valuation and the prior valuation:

	Current <u>Valuation</u>	Prior <u>Valuation</u>
Interest Rate	6.50%	6.50%
Discount Rate	6.50%	6.50%
Salary Increases	3.50%-10.09%	3.50%-10.09%
Projected Increase in Payroll	3.25%	3.25%
Inflation	2.50%	2.50%

Active mortality rates follow the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2021 Improvement Rates applied on a fully generational basis. Retiree mortality follows the Lauterbach & Amen Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved fully generationally using MP-2021 Improvement Rates. Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 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, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
U.S. Equity	25%	7.50%
Developed Market Equity (Non-US)	13%	7.60%
Emerging Market Equity	7%	8.30%
Private Equity	10%	11.40%
Public Credit	3%	5.50%
Private Credit	7%	9.60%
Core Fixed Income	9%	5.10%
Core Plus Fixed Income	9%	5.60%
TIPS	3%	3.60%
Real Estate	10%	6.40%
Infrastructure	4%	6.90%
Cash Equivalents	0%	0.00%
	<u>100%</u>	

Single Discount Rate: A Single Discount Rate used to measure the total pension liability was 6.50%. The projection of future plan cash flows that assumes member contributions made at the current employee contribution rate and City contributions made at annual amounts equal to the difference between the total actuarially determined contribution and member contributions demonstrates that the Plan's future fiduciary net position will be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was used as the discount rate applied to all future projected benefit payments to current plan members to determine the total pension liability.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balances at December 31, 2024	\$ 135,313,854	\$ 121,761,944	\$ 13,551,910
Changes for the year:			
Service Cost	2,603,185	-	2,603,185
Interest on the Total Pension Liability	8,579,488	-	8,579,488
Actuarial Experience	261,020	-	261,020
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,788,597	(1,788,597)
Contributions - Members	-	941,346	(941,346)
Contributions - Other	-	-	-
Net Investment Income	-	20,703,261	(20,703,261)
Benefit Payments and Refunds	(6,643,462)	(6,643,462)	-
Administrative Expenses	-	(116,463)	116,463
Net Changes	<u>4,800,231</u>	<u>16,673,279</u>	<u>(11,873,048)</u>
Balances at December 31, 2025	<u>\$ 140,114,085</u>	<u>\$ 138,435,223</u>	<u>\$ 1,678,862</u>

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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$ 21,137,252	\$ 1,678,862	\$ (14,288,192)

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.

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

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, 2025, the City recognized pension expense of \$2,076,305 related to the firefighters' pension plan. At December 31, 2025, 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	\$ 4,206,301	\$ 1,877,547
Changes of assumptions	2,630,569	109,384
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>12,197,457</u>
Total Deferred Amounts Related to Pensions	<u>\$ 6,836,870</u>	<u>\$ 14,184,388</u>

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:

<u>Year Ended December 31</u>	
2026	\$ (98,229)
2027	(4,640,660)
2028	(2,175,392)
2029	(1,281,808)
2030	694,068
Thereafter	154,503

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**J. Component Unit – Berwyn Development Corporation (BDC)**

Additional detail regarding certain BDC account balances are provided below.

Notes Receivable: There are currently three notes receivable with a gross value of \$808,527 at December 31, 2025.

Note receivable detail is as follows:

	Beginning Balance	Loans Issued	Principal Payments	Defaulted Loans	Ending Balance	Current Portion
Heritage Funeral Home	\$ 362,292	\$ -	\$ 8,576	\$ -	\$ 353,716	\$ 8,576
Rite Price Auto	194,250	-	11,507	-	182,743	11,507
JL9	282,953	-	10,885	-	272,068	10,885
	<u>\$ 839,495</u>	<u>\$ -</u>	<u>\$ 30,968</u>	<u>\$ -</u>	<u>\$ 808,527</u>	<u>\$ 30,968</u>

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

- \$353,716 note receivable with monthly principal and interest payments of \$2,930 for the loan commencing in November 2020 with final payment of all outstanding liabilities on November 1, 2025. Interest accrues on unpaid balances at a rate of 7.5% per annum. Subsequent to year end, this note was modified to add an additional \$50,000 to the principal balance, extend the maturity date to April 1, 2028 and increase the interest rate to 8.50%. The modified note requires monthly payments of \$4,000 with a balloon payment at maturity of \$379,568.
 - \$182,743 note receivable with monthly principal and interest payments of \$254 for the loan commencing on August 8, 2021 with final payment of all outstanding liabilities June 1, 2026. Interest accrues on unpaid balances at a rate of 2.029% per annum.
 - \$272,068 note receivable with monthly principal and interest payments of \$1,860 for the loan and a balloon payment on February 1, 2031 of \$211,205. Interest accrues on unpaid balances at a rate of 8.50%. The first payments are due February 1, 2025 with interest accreting to the loan principal until that time.
-

CITY OF BERWYN, ILLINOIS

Notes to financial statements
December 31, 2025

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt - Notes Payable: The BDC has a loan from the Illinois Department of Commerce and Economic Opportunity with a balance at December 31, 2025 of \$29,517.

Maturities of long-term debt are as follows:

	<u>Principal</u>
2026	<u>\$29,517</u>
Totals	<u>\$29,517</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.

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 TIF Redevelopment Districts on behalf and for the benefit of the City. The City paid the BDC \$926,999 during the year ended December 31, 2025 for TIF management services.

L. 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 currently has a sales tax rebate with a retailer, which requires the City to rebate 50% of the sales tax collected for 25 years (from 2019 through 2043) up to a maximum amount of \$5,199,122. Total payments under this agreement in 2024 were \$394,198.

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, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 20,250,000	\$ 19,148,919	\$ (1,101,081)
Other taxes	7,607,000	6,456,226	(1,150,774)
Licenses and permits	4,000,000	3,079,593	(920,407)
Charges for services	6,844,000	7,656,527	812,527
Fines and forfeitures	6,235,000	3,139,703	(3,095,297)
Intergovernmental	960,000	1,024,214	64,214
Investment income	950,000	1,315,567	365,567
Miscellaneous	1,601,000	1,928,163	327,163
Total Revenues	<u>48,447,000</u>	<u>43,748,912</u>	<u>(4,698,088)</u>
EXPENDITURES			
Current			
General government	6,010,205	6,078,783	(68,578)
Public safety	53,404,188	56,808,490	(3,404,302)
Public works	8,376,173	8,461,281	(85,108)
Economic development	562,847	459,382	103,465
Culture and recreation	3,079,716	3,261,336	(181,620)
Total Expenditures	<u>71,433,129</u>	<u>75,069,272</u>	<u>(3,636,143)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,986,129)</u>	<u>(31,320,360)</u>	<u>(8,334,231)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	23,000,000	21,720,390	(1,279,610)
Transfers (out)	-	(159,548)	(159,548)
Issuance of debt	-	973,697	973,697
Origination of SBITA and lease obligations	-	66,967	66,967
Total Other Financing Sources (Uses)	<u>23,000,000</u>	<u>22,601,506</u>	<u>(398,494)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,871</u>	<u>(8,718,854)</u>	<u>\$ (8,732,725)</u>
FUND BALANCE, JANUARY 1		<u>18,645,200</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 9,926,346</u>	

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY PENSION FUNDING FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes	\$ 3,013,761	\$ 2,856,866	\$ (156,895)
Investment income	<u>120,000</u>	<u>75,469</u>	<u>(44,531)</u>
 Total Revenues	 <u>3,133,761</u>	 <u>2,932,335</u>	 <u>(201,426)</u>
EXPENDITURES			
Administrative	3,500	-	3,500
Police pension expenditure	4,186,119	2,834,978	1,351,141
Fire pension expenditure	<u>2,501,549</u>	<u>1,788,597</u>	<u>712,952</u>
Total Expenditures	<u>6,691,168</u>	<u>4,623,575</u>	<u>2,067,593</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(3,557,407)</u>	 <u>(1,691,240)</u>	 <u>1,866,167</u>
OTHER FINANCING SOURCES (USES)			
Transfers in - Municipal Securitization	<u>718,744</u>	<u>718,744</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>718,744</u>	<u>718,744</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ (2,838,663)</u></u>	 <u><u>(972,496)</u></u>	 <u><u>\$ 1,866,167</u></u>
 FUND BALANCE, JANUARY 1		 <u>(23,041,734)</u>	
 FUND BALANCE, DECEMBER 31		 <u><u>\$ (24,014,230)</u></u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenue	\$ 11,762,245	\$ 11,954,463	\$ 192,218
Investment income	<u>500,000</u>	<u>803,413</u>	<u>303,413</u>
Total Revenues	<u>12,262,245</u>	<u>12,757,876</u>	<u>495,631</u>
EXPENDITURES			
Capital outlay			
General government	210,639	219,857	(9,218)
Capital outlay	<u>11,551,606</u>	<u>12,690,006</u>	<u>(1,138,400)</u>
Total Expenditures	<u>11,762,245</u>	<u>12,909,863</u>	<u>(1,147,618)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>500,000</u>	<u>(151,987)</u>	<u>(651,987)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 200,000</u>	<u>(451,987)</u>	<u>\$ (651,987)</u>
FUND BALANCE, JANUARY 1		<u>2,837,912</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 2,385,925</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, 2025

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 1,206,593	\$ 1,163,663	\$ 1,089,643	\$ 1,028,561	\$ 1,027,678	\$ 1,030,780	\$ 1,000,488	\$ 1,045,930	\$ 1,053,865	\$ 954,026
Interest	4,395,823	4,145,305	3,950,585	3,698,529	3,671,819	3,528,600	3,439,779	3,454,319	3,241,622	3,071,951
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	3,113,819	971,504	285,344	1,176,014	(1,234,633)	(156,451)	(492,847)	(738,854)	629,669	99,367
Changes of Assumptions	-	(38,835)	-	-	(649,329)	-	1,397,922	(1,546,791)	(113,651)	108,003
Benefit Payments, Including Refunds of Member Contributions	(2,715,870)	(2,899,494)	(2,454,080)	(2,459,944)	(2,435,175)	(2,416,734)	(2,690,980)	(2,080,519)	(2,093,766)	(1,717,067)
Net Change in Total Pension Liability	6,000,365	3,342,143	2,871,492	3,443,160	380,360	1,986,195	2,654,362	134,085	2,717,739	2,516,280
Total Pension Liability - Beginning	61,386,677	58,044,534	55,173,042	51,729,882	51,349,522	49,363,327	46,708,965	46,574,880	43,857,141	41,340,861
Total Pension Liability - Ending (a)	\$ 67,387,042	\$ 61,386,677	\$ 58,044,534	\$ 55,173,042	\$ 51,729,882	\$ 51,349,522	\$ 49,363,327	\$ 46,708,965	\$ 46,574,880	\$ 43,857,141
Plan Fiduciary Net Position										
Contributions - employer	\$ 798,109	\$ 772,518	\$ 940,404	\$ 1,034,280	\$ 1,016,304	\$ 845,622	\$ 1,078,343	\$ 1,039,496	\$ 1,299,087	\$ 1,234,949
Contributions - member	714,841	603,139	606,259	541,035	528,564	471,148	464,670	451,947	451,564	429,839
Net Investment Income	5,884,165	5,933,931	(7,663,530)	9,059,176	7,085,524	8,061,715	(2,431,919)	7,166,588	2,524,066	194,300
Benefit Payments, Including Refunds of Member Contributions	(2,715,870)	(2,899,494)	(2,454,080)	(2,459,944)	(2,435,175)	(2,416,734)	(2,690,980)	(2,080,519)	(2,093,766)	(1,717,067)
Other	(1,220,096)	1,373,132	(329,563)	162,182	(1,659,501)	(72,227)	476,454	(1,196,968)	668,349	(922,213)
Net Change in Fiduciary Net Position	3,461,149	5,783,226	(8,900,510)	8,336,729	4,535,716	\$ 6,889,524	\$ (3,103,432)	\$ 5,380,544	\$ 2,849,300	\$ (780,192)
Plan Fiduciary Net Position - Beginning	59,876,961	54,093,735	62,994,245	54,657,516	50,121,800	43,232,276	46,335,708	40,955,164	38,105,864	38,886,056
Plan Fiduciary Net Position - Ending (b)	\$ 63,338,110	\$ 59,876,961	\$ 54,093,735	\$ 62,994,245	\$ 54,657,516	\$ 50,121,800	\$ 43,232,276	\$ 46,335,708	\$ 40,955,164	\$ 38,105,864
Net Pension Liability - Ending (a)-(b)	\$ 4,048,932	\$ 1,509,716	\$ 3,950,799	\$ (7,821,203)	\$ (2,927,634)	\$ 1,227,722	\$ 6,131,051	\$ 373,257	\$ 5,619,716	\$ 5,751,277
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.99%	97.54%	93.19%	114.18%	105.66%	97.61%	87.58%	99.20%	87.93%	86.89%
Covered Payroll	\$ 14,752,489	\$ 13,382,977	\$ 12,510,012	\$ 11,492,010	\$ 10,777,339	\$ 10,440,467	\$ 10,299,359	\$ 10,034,441	\$ 9,939,525	\$ 9,259,217
Net Pension Liability as a Percentage of Covered Payroll	27.45%	11.28%	31.58%	-68.06%	-27.16%	11.76%	59.53%	3.72%	56.54%	62.11%

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, 2025

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,014	\$ 25,187	\$ 24,702
Interest	12,829	12,939	29,997	20,732	19,676	18,372	14,398	25,793	24,713	20,729
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	2,734	2,516	(215,620)	156,211	(226)	(381)	45,399	(191,367)	(36,896)	7,689
Changes of Assumptions	-	(360)	-	-	2,812	-	1,637	137	(1,296)	1,537
Benefit Payments, Including Refunds of Member Contributions	(16,811)	(16,414)	(82,916)	(15,386)	-	-	-	-	-	-
Net Change in Total Pension Liability	(1,248)	(1,319)	(268,539)	161,557	22,262	17,991	61,434	(138,423)	11,708	54,657
Total Pension Liability - Beginning	185,357	186,676	455,215	293,658	271,396	253,405	191,971	330,394	318,686	264,029
Total Pension Liability - Ending (a)	\$ 184,109	\$ 185,357	\$ 186,676	\$ 455,215	\$ 293,658	\$ 271,396	\$ 253,405	\$ 191,971	\$ 330,394	\$ 318,686
Plan Fiduciary Net Position										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,300	\$ 21,313	\$ 19,127
Contributions - member	-	-	-	-	-	-	-	3,519	10,786	9,955
Net Investment Income	18,349	19,490	(64,480)	60,340	51,233	55,084	(5,315)	45,677	19,224	1,329
Benefit Payments, Including Refunds of Member Contributions	(16,811)	(16,414)	(82,916)	(15,386)	-	-	-	-	-	-
Other	(1,425)	5,301	(216,913)	7,509	1,245	(740)	1,049	(1,622)	(2,109)	(13,263)
Net Change in Fiduciary Net Position	\$ 113	\$ 8,377	\$ (364,309)	\$ 52,463	\$ 52,478	\$ 54,344	\$ (4,266)	\$ 54,874	\$ 49,214	\$ 17,148
Plan Fiduciary Net Position - Beginning	171,655	163,278	527,587	475,124	422,646	368,302	372,568	317,694	268,480	251,332
Plan Fiduciary Net Position - Ending (b)	\$ 171,768	\$ 171,655	\$ 163,278	\$ 527,587	\$ 475,124	\$ 422,646	\$ 368,302	\$ 372,568	\$ 317,694	\$ 268,480
Net Pension Liability - Ending (a)-(b)	\$ 12,341	\$ 13,702	\$ 23,398	\$ (72,372)	\$ (181,466)	\$ (151,250)	\$ (114,897)	\$ (180,597)	\$ 12,700	\$ 50,206
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.30%	92.61%	87.47%	115.90%	161.80%	155.73%	145.34%	194.08%	96.16%	84.25%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,915	\$ 143,817	\$ 132,733
Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-384.95%	8.83%	37.82%

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, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 3,522,195	\$ 3,392,348	\$ 3,193,102	\$ 2,934,595	\$ 2,795,795	\$ 2,847,552	\$ 2,642,769	\$ 2,647,867	\$ 2,553,287	\$ 2,391,838
Interest	11,917,957	11,191,838	10,445,803	9,917,257	9,144,305	8,903,252	8,755,072	8,368,311	8,013,778	7,760,581
Changes of Benefit Terms	-	-	132,072	(122,651)	-	-	725,111	-	-	-
Differences Between Expected and Actual Experience	2,701,783	2,456,322	5,069,846	3,011,145	4,636,109	(2,816,951)	1,276,302	37,926	(222,006)	147,889
Changes of Assumptions	-	2,010,643	-	(463,292)	-	(2,972,238)	(277,538)	-	-	(1,702,436)
Benefit Payments, Including Refunds of Member Contributions	(8,476,482)	(8,111,180)	(7,464,188)	(6,956,379)	(6,526,101)	(5,962,596)	(5,424,634)	(5,223,991)	(4,961,472)	(4,732,113)
Net Change in Total Pension Liability	9,665,453	10,939,971	11,376,635	8,320,675	10,050,108	(981)	7,697,082	5,830,113	5,383,587	3,865,759
Total Pension Liability - Beginning	180,800,571	169,860,600	158,483,965	150,163,290	140,113,182	140,114,163	132,417,081	126,586,968	121,203,381	117,337,622
Total Pension Liability - Ending (a)	<u>\$ 190,466,024</u>	<u>\$ 180,800,571</u>	<u>\$ 169,860,600</u>	<u>\$ 158,483,965</u>	<u>\$ 150,163,290</u>	<u>\$ 140,113,182</u>	<u>\$ 140,114,163</u>	<u>\$ 132,417,081</u>	<u>\$ 126,586,968</u>	<u>\$ 121,203,381</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,829,407	\$ 3,954,653	\$ 2,042,150	\$ 33,190,612	\$ 1,541,988	\$ 1,485,309	\$ 16,498,158	\$ 1,424,327	\$ 1,248,592	\$ 1,552,361
Contributions - member	1,509,712	1,410,973	1,297,075	1,238,071	1,215,319	1,058,128	1,058,824	1,041,410	1,031,688	1,023,659
Contributions - Other	122,717	88,894	379,159	492,154	155,491	6,712	5,063	7,263	30,829	62,939
Net Investment Income	26,087,451	13,238,325	16,768,015	(19,802,593)	11,935,770	13,206,907	13,529,061	(5,965,146)	10,465,494	4,388,789
Benefit Payments, Including Refunds of Member Contributions	(8,476,482)	(8,111,180)	(7,464,188)	(6,956,379)	(6,526,101)	(5,962,596)	(5,424,634)	(5,223,991)	(4,961,472)	(4,732,113)
Administrative Expense	(104,682)	(83,408)	(101,666)	(117,359)	(124,538)	(97,055)	(84,116)	(94,288)	(97,823)	(86,813)
Prior Period Audit Adjustment	-	-	49,234	(2,320)	1,523	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	<u>\$ 21,968,123</u>	<u>\$ 10,498,257</u>	<u>\$ 12,969,779</u>	<u>\$ 8,042,186</u>	<u>\$ 8,199,452</u>	<u>\$ 9,697,405</u>	<u>\$ 25,582,356</u>	<u>\$ (8,810,425)</u>	<u>\$ 7,717,308</u>	<u>\$ 2,208,822</u>
Plan Fiduciary Net Position - Beginning	<u>149,668,149</u>	<u>139,169,892</u>	<u>126,200,113</u>	<u>118,157,927</u>	<u>109,958,475</u>	<u>100,261,070</u>	<u>74,678,714</u>	<u>83,489,139</u>	<u>75,771,831</u>	<u>73,563,009</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 171,636,272</u></u>	<u><u>\$ 149,668,149</u></u>	<u><u>\$ 139,169,892</u></u>	<u><u>\$ 126,200,113</u></u>	<u><u>\$ 118,157,927</u></u>	<u><u>\$ 109,958,475</u></u>	<u><u>\$ 100,261,070</u></u>	<u><u>\$ 74,678,714</u></u>	<u><u>\$ 83,489,139</u></u>	<u><u>\$ 75,771,831</u></u>
Net Pension Liability - Ending (a)-(b)	<u><u>\$ 18,829,752</u></u>	<u><u>\$ 31,132,422</u></u>	<u><u>\$ 30,690,708</u></u>	<u><u>\$ 32,283,852</u></u>	<u><u>\$ 32,005,363</u></u>	<u><u>\$ 30,154,707</u></u>	<u><u>\$ 39,853,093</u></u>	<u><u>\$ 57,738,367</u></u>	<u><u>\$ 43,097,829</u></u>	<u><u>\$ 45,431,550</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.11%	82.78%	81.93%	79.63%	78.69%	78.48%	71.56%	56.40%	65.95%	62.52%
Covered Payroll	\$ 14,483,621	\$ 14,414,447	\$ 13,094,435	\$ 12,453,238	\$ 12,263,542	\$ 10,689,170	\$ 10,690,483	\$ 10,525,569	\$ 13,014,854	\$ 12,574,738
Net Pension Liability as a Percentage of Covered Payroll	130.01%	215.98%	234.38%	259.24%	260.98%	282.11%	372.79%	548.55%	331.14%	361.29%

Notes to Schedule:

In 2024, the changes of assumptions resulted from a study of firefighters and fire pension funds in Illinois that impacted inflation rates, individual pay increases, mortality rates, mortality improvement rates, retirement rates, disability rates, duty death probability and termination rates.

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, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 2,603,185	\$ 2,444,057	\$ 2,161,540	\$ 2,184,551	\$ 2,140,569	\$ 2,206,429	\$ 1,990,340	\$ 2,003,112	\$ 2,004,380	\$ 1,882,047
Interest	8,579,488	8,020,691	7,516,922	7,271,150	7,003,588	7,202,391	6,858,925	6,492,282	6,267,854	6,029,592
Changes of Benefit Terms	-	-	-	(266,216)	-	-	1,227,084	-	-	-
Differences Between Expected and Actual Experience	261,020	1,541,967	4,111,474	526,103	(5,992,938)	1,097,271	(1,693,789)	2,395,580	235,467	693,572
Changes of Assumptions	-	3,127,698	194,037	-	-	(660,922)	1,886,904	8,536	-	(229,445)
Benefit Payments, Including Refunds of Member Contributions	(6,643,462)	(6,431,606)	(6,031,458)	(5,880,655)	(5,786,847)	(5,517,695)	(5,319,274)	(5,198,406)	(4,911,540)	(4,508,834)
Net Change in Total Pension Liability	4,800,231	8,702,807	7,952,515	3,834,933	(2,635,628)	4,327,474	4,950,190	5,701,104	3,596,161	3,866,932
Total Pension Liability - Beginning	135,313,854	126,611,047	118,658,532	114,823,599	117,459,227	113,131,753	108,181,563	102,480,459	98,884,298	95,017,366
Total Pension Liability - Ending (a)	\$ 140,114,085	\$ 135,313,854	\$ 126,611,047	\$ 118,658,532	\$ 114,823,599	\$ 117,459,227	\$ 113,131,753	\$ 108,181,563	\$ 102,480,459	\$ 98,884,298
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,788,597	\$ 2,525,973	\$ 1,750,720	\$ 46,246,244	\$ 1,412,515	\$ 1,233,496	\$ 16,241,734	\$ 1,217,979	\$ 1,184,601	\$ 1,573,440
Contributions - member	941,346	884,646	856,333	759,850	740,292	719,900	692,418	700,615	692,937	685,432
Contributions - other	-	-	-	59,788	218,612	1,300	1,472	1,912	38,848	7,051
Net Investment Income	20,703,261	12,021,766	15,062,743	(15,957,364)	7,440,340	8,479,327	9,301,114	(3,939,327)	6,705,504	3,322,184
Benefit Payments, Including Refunds of Member Contributions	(6,643,462)	(6,431,606)	(6,031,458)	(5,880,655)	(5,786,847)	(5,517,695)	(5,319,274)	(5,198,406)	(4,911,540)	(4,508,834)
Administrative Expense	(116,463)	(89,378)	(64,405)	(56,355)	(89,354)	(98,244)	(75,694)	(64,321)	(62,921)	(60,407)
Prior Period Audit Adjustment	-	-	-	5,074	1,126	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ 16,673,279	\$ 8,911,401	\$ 11,573,933	\$ 25,176,582	\$ 3,936,684	\$ 4,818,084	\$ 20,841,770	\$ (7,281,548)	\$ 3,647,429	\$ 1,018,866
Plan Fiduciary Net Position - Beginning	121,761,944	112,850,543	101,276,610	76,100,028	72,163,344	67,345,260	46,503,490	53,785,038	50,137,609	49,118,743
Plan Fiduciary Net Position - Ending (b)	\$ 138,435,223	\$ 121,761,944	\$ 112,850,543	\$ 101,276,610	\$ 76,100,028	\$ 72,163,344	\$ 67,345,260	\$ 46,503,490	\$ 53,785,038	\$ 50,137,609
Net Pension Liability - Ending (a)-(b)	\$ 1,678,862	\$ 13,551,910	\$ 13,760,504	\$ 17,381,922	\$ 38,723,571	\$ 45,295,883	\$ 45,786,493	\$ 61,678,073	\$ 48,695,421	\$ 48,746,689
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.80%	89.98%	89.13%	85.35%	66.28%	61.44%	59.53%	42.99%	52.48%	50.70%
Covered Payroll	\$ 9,720,243	\$ 9,508,175	\$ 8,990,455	\$ 7,972,023	\$ 7,777,418	\$ 7,560,667	\$ 7,279,060	\$ 8,360,233	\$ 8,180,510	\$ 7,903,875
Net Pension Liability as a Percentage of Covered Payroll	17.27%	142.53%	153.06%	218.04%	497.90%	599.10%	629.02%	737.76%	595.26%	616.74%

Notes to Schedule:

In 2024, the changes of assumptions resulted from a study of firefighters and fire pension funds in Illinois that impacted inflation rates, individual pay increases, mortality rates, mortality improvement rates, retirement rates, disability rates, duty death probability and termination rates.

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, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 675,426	\$ 645,156	\$ 586,647	\$ 892,692	\$ 868,196	\$ 402,284	\$ 335,810	\$ 364,755
Interest	763,003	538,698	587,019	353,965	359,717	544,838	688,147	613,088
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	585,302	-	2,359,888	-	(3,831,338)	-	-
Changes of Assumptions	(1,176,457)	1,388,661	618,575	(4,036,456)	(139,236)	985,274	3,210,744	(994,767)
Benefit Payments, Including Refunds of Member Contributions	(915,167)	(1,047,272)	(1,048,462)	(897,094)	(850,279)	(1,185,484)	(1,076,769)	(971,935)
Net Change in Total OPEB Liability	(653,195)	2,110,545	743,779	(1,327,005)	238,398	(3,084,426)	3,157,932	(988,859)
Total OPEB Liability - Beginning	19,158,638	17,048,093	16,304,314	17,631,319	17,392,921	20,477,347	17,319,415	18,308,274
Total OPEB Liability - Ending (a)	\$ 18,505,443	\$ 19,158,638	\$ 17,048,093	\$ 16,304,314	\$ 17,631,319	\$ 17,392,921	\$ 20,477,347	\$ 17,319,415
Plan Fiduciary Net Position								
Contributions - employer	\$ 915,167	\$ 1,047,272	\$ 1,048,462	\$ 897,094	\$ 850,279	\$ 1,185,484	\$ 1,076,769	\$ 971,935
Contributions - member	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(915,167)	(1,047,272)	(1,048,462)	(897,094)	(850,279)	(1,185,484)	(1,076,769)	(971,935)
Administrative Expense	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total OPEB Liability - Ending (a)-(b)	\$ 18,505,443	\$ 19,158,638	\$ 17,048,093	\$ 16,304,314	\$ 17,631,319	\$ 17,392,921	\$ 20,477,347	\$ 17,319,415
OPEB Plan Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 39,430,226	\$ 38,281,773	\$ 33,978,415	\$ 32,988,752	\$ 31,540,621	\$ 29,028,355	\$ 28,382,011	\$ 28,176,343
Employer Total OPEB Liability as a Percentage of Covered-Employee Payroll	46.93%	50.05%	50.17%	49.42%	55.90%	59.92%	72.15%	61.47%

No assets have been accumulated in a trust that meets the criteria of GASB codification P22.101 and P52.101 to pay related benefits for the pension/OPEB plan.
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, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 931,566	\$ 798,110	\$ 776,213	\$ 875,701	\$ 1,034,281	\$ 1,016,303	\$ 844,634	\$ 1,078,343	\$ 1,039,568	\$ 1,273,253
Contributions in Relation to the Actuarially Determined Contribution	1,132,306	798,109	772,518	940,404	1,034,280	1,016,304	845,622	1,078,343	1,039,496	1,299,087
Contribution Deficiency (Excess)	(200,740)	1	3,695	(64,703)	1	(1)	(988)	-	72	(25,834)
Covered Payroll	14,489,778	14,752,489	13,388,916	12,510,012	11,492,010	10,777,339	10,440,467	10,299,359	10,034,441	9,939,525
Contributions as a Percentage of Covered Payroll	7.16%	5.41%	5.77%	7.52%	9.00%	9.43%	8.10%	10.47%	10.36%	13.07%

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: 18-year closed period

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

Inflation: 2.25%

Salary Increases: 2.85% to 13.75%, 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 2023 valuation pursuant to an experience study of the period 2020 to 2022

Mortality: Pub-2010, Amount-Weighted, below median income, General, Retiree. For men, 108% of the table rates were used. For females, 106.4% of the table rates were used. For disabled retirees, the Pub-2010, Amount Weighted below-median income, General, Disabled Retiree, Male and Female (both unadjusted) and future mortality improvements projected using Scale MP-2021.

Other Information: There were no benefit changes during the year

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, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,300	\$ 21,314
Contributions in Relation to the Actuarially Determined Contribution	-	-	-	-	-	-	-	-	7,300	21,313
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Covered Payroll	-	-	-	-	-	-	-	-	46,915	143,817
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.56%	14.82%

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: 19-year closed period

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

Inflation: 2.25%

Salary Increases: 2.75% to 13.75%, 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 2020 valuation pursuant to an experience study of the period 2017 to 2019

Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010 Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information: There were no benefit changes during the year

See independent auditor's report.

CITY OF BERWYN, ILLINOIS
POLICE PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2025

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 3,975,741	\$ 3,326,144	\$ 2,199,631	\$ 4,451,023	\$ 4,223,947	\$ 4,899,997	\$ 4,324,217	\$ 3,968,068	\$ 3,535,612	\$ 4,030,141
Contributions in Relation to the Actuarially Determined Contribution	2,829,407	3,954,653	2,042,150	33,190,612	1,535,310	1,485,309	16,498,451	1,424,327	1,248,592	1,552,361
Contribution Deficiency (Excess)	1,146,334	(628,509)	157,481	(28,739,589)	2,688,637	3,414,688	(12,174,234)	2,543,741	2,287,020	2,477,780
Covered Payroll	14,483,621	14,414,447	13,094,435	12,453,238	12,263,542	10,689,170	10,690,483	10,525,569	13,014,854	12,574,738
Contributions as a Percentage of Covered Payroll	19.54%	27.44%	15.60%	266.52%	12.52%	13.90%	154.33%	13.53%	9.59%	12.35%

Notes to Schedule:

The actuarially determined contribution is from the January 1, 2024 actuary's report for the December 2024 tax levy

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

Remaining Amortization Period: Since the plan was 100% funded in January 2022, no further amortization is required. See alternative amortization under Other Significant Factors Impacting Contributions

Asset Valuation Method: Fair value

Inflation: 2.25%

Projected Increase in Total Payroll: 3.25%

Investment Rate of Return: 6.75%

Retirement Rates: 70% of Lauterbach & Amen, LLP 2020 Illinois Police Retirement Rates Capped at age 65

Mortality: Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Appropriate

Other Significant Factors Impacting Contributions:

In January 2022, the City funded the remaining unfunded liability of the plan as of December 31, 2021.

The City continues to fund the "normal cost" associated with the plan.

Going forward, annual variances from actuarial assumptions including changes in assumptions for investment returns, actual investment performance, payroll increases, cost of living adjustment, mortality, early retirement, transfer from the Public Safety Pension Funding Funds due to participants changing employers, and changes in benefit payments will be amortized over a fifteen (15) year open rolling basis. It is expected that over time that the annual variances would net to zero if the actuarial assumptions are achievable. Accordingly, the net pension cost of the fund is expected to be the normal cost.

See independent auditor's report.

**CITY OF BERWYN, ILLINOIS
FIREFIGHTERS' PENSION FUND
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
DECEMBER 31, 2025**

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 2,424,881	\$ 1,915,921	\$ 1,375,691	\$ 4,889,950	\$ 4,668,152	\$ 4,791,222	\$ 4,485,479	\$ 4,038,813	\$ 3,662,334	\$ 3,868,344
Contributions in Relation to the Actuarially Determined Contribution	1,788,597	2,525,973	1,750,720	46,246,244	1,412,515	1,233,496	16,241,734	1,217,979	1,184,601	1,573,440
Contribution Deficiency (Excess)	636,284	(610,052)	(375,029)	(41,356,294)	3,255,637	3,557,726	(11,756,255)	2,820,834	2,477,733	2,294,904
Covered Payroll	9,720,243	9,508,175	8,990,455	7,972,023	7,777,418	7,560,667	7,279,060	8,360,233	8,180,510	7,903,875
Contributions as a Percentage of Covered Payroll	18.40%	26.57%	19.47%	580.11%	18.16%	16.31%	223.13%	14.57%	14.48%	19.91%

Notes to Schedule:

The actuarially determined contribution is from the January 1, 2024 actuary's report for the December 2024 tax levy

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

Remaining Amortization Period: Since the plan was 100% funded in January 2022, no further amortization is required. See alternative amortization under Other Significant Factors Impacting Contributions

Asset Valuation Method: Fair value

Inflation: 2.25%

Projected Increase in Total Payroll: 3.25%

Investment Rate of Return: 6.5%

Retirement Rates: Based on the Lauterbach & Amen, LLP 2020 Illinois Firefighters Retirement Rates Capped at age 65

Mortality: Pub-2010 Adjusted for plan status, demographics, and Illinois Public Pension Data

Other Significant Factors Impacting Contributions:

In January 2022, the City funded the remaining unfunded liability of the plan as of December 31, 2021.

The City continues to fund the "normal cost" associated with the plan.

Going forward, annual variances from actuarial assumptions including changes in assumptions for investment returns, actual investment performance,

payroll increases, cost of living adjustment, mortality, early retirement, transfer from the Public Safety Pension Funding Funds due to participants

changing employers, and changes in benefit payments will be amortized over a fifteen (15) year open rolling basis. It is expected that over time that

the annual variances would net to zero if the actuarial assumptions are achievable. Accordingly, the net pension cost of the fund is expected to be the normal cost.

See independent auditor's report.

CITY OF BERWYN, ILLINOIS

Notes to required supplementary information
December 31, 2025

NOTE 1 - BUDGETS

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting. Annual appropriated budgets are adopted for the General, Special Revenue Funds (except the Grants, Police Seizure, Federal Asset Forfeiture Justice Fund, Federal Asset Forfeiture Treasury Fund, State Asset Forfeiture, and Emergency 911 Telephone System Funds), Debt Service 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 January 1 before the end of the first quarter. 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. The budget was not amended in December of 2025.

CITY OF BERWYN, ILLINOIS

Notes to required supplementary information
December 31, 2025

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

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

<u>Fund</u>	<u>Amount</u>
General Fund Department	
City Administrator	\$ 29,834
City Clerk	40,751
Legal	5,569
Information Technology	214,742
Fire Department	2,188,818
Police Department	1,204,720
Fire and Police Commission	10,764
Fleet Department	43,786
Recreation	169,899
Senior Services	11,721
Building Department	274,387
American Rescue Plan	1,147,618
Debt Service	4,943,514
Motor Fuel Tax	2,999,258
South Berwyn Corridor TIF	674,495
Foreign Fire Insurance	365
Capital Projects	<u>190,763</u>
Total	<u>\$ 14,151,004</u>

The City funded these expenditures over the budget through savings in other departments, increased revenues including transfers from other funds, and prior year fund balances.

**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
BERWYN MUNICIPAL SECURITIZATION FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
State income tax	\$ 9,700,000	\$ 10,368,167	\$ 668,167
State/local use tax	2,750,000	513,597	(2,236,403)
1% State sales tax	6,700,000	7,010,722	310,722
Home rule sales tax	7,700,000	8,455,162	755,162
Investment income	225,000	174,148	(50,852)
Total Revenues	27,075,000	26,521,796	(553,204)
EXPENDITURES			
Professional services	112,734	107,694	5,040
Debt Service			
Interest and fiscal charges	4,462,342	4,462,342	-
Total Expenditures	4,575,076	4,570,036	5,040
Excess (Deficiency) of Revenues Over Expenditures	22,499,924	21,951,760	(548,164)
OTHER FINANCING SOURCES (USES)			
Transfer out- Debt Service Fund	(1,285,939)	(1,285,939)	-
Transfer out- Public Safety Pension Funding Fund	(718,744)	(718,744)	-
Transfer out- General Fund	(22,499,924)	(21,720,390)	779,534
Total Other Financing Sources (Uses)	(24,504,607)	(23,725,073)	779,534
NET CHANGE IN FUND BALANCE	<u>\$ (2,004,683)</u>	<u>(1,773,313)</u>	<u>\$ 231,370</u>
FUND BALANCE, JANUARY 1		<u>75,723,183</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 73,949,870</u>	

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, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - debt service	\$ 9,603,161	\$ 9,186,603	\$ (416,558)
Investment income	-	5,138	5,138
Total Revenues	<u>9,603,161</u>	<u>9,191,741</u>	<u>(411,420)</u>
EXPENDITURES			
Debt Service			
Principal	5,320,000	10,320,000	(5,000,000)
Interest and fiscal charges	<u>7,069,323</u>	<u>7,012,837</u>	<u>56,486</u>
Total Expenditures	<u>12,389,323</u>	<u>17,332,837</u>	<u>(4,943,514)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,786,162)</u>	<u>(8,141,096)</u>	<u>(5,354,934)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in - Berwyn Municipal Securitization Fund	1,285,939	1,285,939	-
Debt Proceeds	<u>1,670,000</u>	<u>10,000,000</u>	<u>8,330,000</u>
Total Other Financing Sources (Uses)	<u>2,955,939</u>	<u>11,285,939</u>	<u>8,330,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 169,777</u>	<u>3,144,843</u>	<u>\$ 2,975,066</u>
FUND BALANCE, JANUARY 1		<u>(40,850,194)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ (37,705,351)</u>	

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
PROPERTY TAXES			
Property taxes - general	\$ 20,250,000	\$ 19,148,919	\$ (1,101,081)
OTHER TAXES			
Personal property replacement	450,000	330,828	(119,172)
Cannabis	120,000	100,392	(19,608)
Municipal utility	3,000,000	2,788,927	(211,073)
Liquor	275,000	220,843	(54,157)
Real estate transfer	2,100,000	1,742,838	(357,162)
Gas	360,000	293,120	(66,880)
Video gaming	1,300,000	977,611	(322,389)
Miscellaneous	2,000	1,667	(333)
Total Other Taxes	7,607,000	6,456,226	(1,150,774)
LICENSES AND PERMITS			
Vehicle			
Passenger vehicles	1,400,000	1,206,495	(193,505)
Recreation vehicle	-	310	310
Motorcycle	12,000	7,760	(4,240)
Trucks	260,000	178,087	(81,913)
Licenses			
Business	750,000	664,066	(85,934)
Liquor	300,000	219,745	(80,255)
Pet	10,000	6,460	(3,540)
Permits			
Commuter parking	45,000	55,087	10,087
Electrical	-	75	75
Municipal parking	135,000	167,308	32,308
Building	100,000	67,135	(32,865)
Certificate of compliance	42,000	32,195	(9,805)
Local improvement	650,000	306,118	(343,882)
Service charge and escrow default	275,000	152,254	(122,746)
Electrical sign inspection	21,000	16,498	(4,502)
Total Licenses and Permits	4,000,000	3,079,593	(920,407)

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES			
Public safety			
Police reports	\$ 10,000	\$ 6,815	\$ (3,185)
Paramedic service collections	5,000,000	6,394,168	1,394,168
Miscellaneous charges for services	47,000	6,693	(40,307)
Public works			
Plumbing inspection	625,000	517,786	(107,214)
Other fees for service	-	4,000	4,000
Recreation			
Athletics	160,000	105,760	(54,240)
Adult programs	20,000	12,170	(7,830)
Children's programs	650,000	338,418	(311,582)
Pool	5,000	20	(4,980)
Concession stand	2,000	2,864	864
Senior services			
Senior breakfast	8,000	5,080	(2,920)
Other fees for service	40,000	62,625	22,625
Other			
National night out	22,000	20,302	(1,698)
Commuter parking meters	20,000	959	(19,041)
Sale of gas	160,000	140,867	(19,133)
Sidewalk construction	75,000	38,000	(37,000)
 Total Charges For Services	 6,844,000	 7,656,527	 812,527
FINES AND FORFEITURES			
Towing fees	-	4,786	4,786
Impound vehicles	425,000	292,640	(132,360)
Booting	75,000	17,190	(57,810)
Court fines	75,000	68,619	(6,381)
Parking violation fines	2,500,000	1,963,973	(536,027)
Compliance tickets	325,000	281,354	(43,646)
Local ordinance fines	335,000	287,971	(47,029)
Red Light photo enforcement	2,500,000	223,170	(2,276,830)
 Total Fines and Forfeitures	 6,235,000	 3,139,703	 (3,095,297)

(Continued)

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
	<u> </u>	<u> </u>	<u> </u>
INTERGOVERNMENTAL			
Highway maintenance	\$ 150,000	\$ 156,307	\$ 6,307
Grants	<u>810,000</u>	<u>867,907</u>	<u>57,907</u>
 Total Intergovernmental	 <u>960,000</u>	 <u>1,024,214</u>	 <u>64,214</u>
 INVESTMENT INCOME	 <u>950,000</u>	 <u>1,315,567</u>	 <u>365,567</u>
 OTHER REVENUES			
Franchises	400,000	223,982	(176,018)
Cell tower rental	400,000	264,852	(135,148)
Reimbursements	451,000	942,322	491,322
Contributions & sponsorships	-	4,357	4,357
Other	<u>350,000</u>	<u>492,649</u>	<u>142,649</u>
 Total Other Revenues	 <u>1,601,000</u>	 <u>1,928,162</u>	 <u>327,162</u>
 TOTAL REVENUES	 <u><u>\$ 48,447,000</u></u>	 <u><u>\$ 43,748,911</u></u>	 <u><u>\$ (4,698,089)</u></u>

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT			
Mayor's Office			
Salaries and benefits	\$ 200,227	\$ 197,440	\$ 2,787
Internal service fund charges	1,960	2,010	(50)
Administrative expenditures	6,000	5,187	813
Supplies	975	1,537	(562)
Postage and printing	1,875	3,248	(1,373)
Training, dues and publications	750	358	392
Other general	1,688	2,568	(880)
Copier maintenance	225	187	38
Total Mayor's Office	213,700	212,535	1,165
City Administrator's Office			
Salaries and benefits	727,261	789,701	(62,440)
Internal service fund charges	5,842	5,990	(148)
Training, dues and publications	7,500	7,624	(124)
Supplies	1,200	1,187	13
Postage and printing	675	380	295
Repairs and maintenance	375	-	375
Professional services	50,000	18,544	31,456
Other general	27,113	26,712	401
Copier maintenance	525	187	338
Total City Administrator's Office	820,491	850,325	(29,834)
City Clerk's Office			
Salaries and benefits	143,123	184,045	(40,922)
Internal service fund charges	3,349	3,434	(85)
Administrative expenditures	6,000	4,038	1,962
Training, dues and publications	1,875	5,581	(3,706)
Supplies	1,125	1,175	(50)
Postage and printing	575	1,265	(690)
Codification	2,625	889	1,736
Record retention	1,875	894	981
Other general	575	854	(279)
Copier maintenance	3,750	3,448	302
Total City Clerk's Office	164,872	205,623	(40,751)
Treasurer's Office			
Salaries and benefits	54,269	29,186	25,083
Internal service fund charges	589	604	(15)
Supplies	200	-	200
Postage, printing and publications	3,500	4,000	(500)
Other general	-	-	-
Total Treasurer's Office	58,558	33,790	24,768
City Council			
Salaries and benefits	480,716	431,486	49,230
Internal service fund charges	2,974	3,049	(75)
Ward expenditures	69,600	41,828	27,772
Other general	-	-	-
Total City Council	553,290	476,363	76,927

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT (CONTINUED)			
Legal Department			
Salaries and benefits	\$ 339,440	\$ 340,477	\$ (1,037)
Internal service fund charges	13,010	13,340	(330)
Supplies	750	116	634
Postage and printing	375	89	286
Adjudication program	26,250	28,812	(2,562)
Other general	375	357	18
Professional services	450,000	452,953	(2,953)
Copier maintenance	375	-	375
Total Legal Department	830,575	836,144	(5,569)
Finance Department			
Salaries and benefits	1,948,478	1,880,479	67,999
Internal service fund charges	21,034	29,001	(7,967)
Other general	110,731	117,610	(6,879)
Postage, printing and publications	22,500	27,233	(4,733)
Supplies	15,000	17,099	(2,099)
Training, dues and publications	7,500	9,693	(2,193)
Professional services	160,000	101,123	58,877
Copier maintenance	2,000	1,780	220
Total Finance Department	2,287,243	2,184,018	103,225
Information Technology Department			
Salaries and benefits	1,235,628	1,346,179	(110,551)
Internal service fund charges	15,953	16,358	(405)
Network infrastructure	226,250	242,475	(16,225)
Hardware purchases	93,750	98,184	(4,434)
Hardware maintenance	37,500	80,563	(43,063)
Software purchases	63,750	27,152	36,598
Software maintenance	378,750	387,147	(8,397)
Equipment lease	-	-	-
Vehicle, gas and oil	750	130	620
Training, dues and publications	1,875	-	1,875
Supplies	750	2,811	(2,061)
Repairs & maintenance	750	-	750
Other general	68,750	130,844	(62,094)
Postage, printing and publications	-	9	(9)
Professional services	250,000	264,846	(14,846)
Capital outlay	7,500	-	7,500
Total Information Technology Department	2,381,956	2,596,698	(214,742)
Statutory			
Auditing/accounting expenditures	60,000	89,739	(29,739)
Bad debt expenditure	250	107,626	(107,376)
Unallocated employee benefits	70,000	7,271	62,729
Interdepartmental charges-water	(1,535,730)	(1,623,684)	87,954
Other	15,000	14,824	176
City wide software applications	90,000	87,511	2,489
Total Statutory	(1,300,480)	(1,316,713)	16,233
Total General Government	6,010,205	6,078,783	(68,578)

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY			
Fire Department			
Salaries and benefits	\$ 14,612,365	\$ 14,659,849	\$ (47,484)
Internal service fund charges	563,264	1,038,152	(474,888)
Collection service fees	1,850,000	2,557,178	(707,178)
Other general	75,500	69,978	5,522
Supplies	28,500	25,594	2,906
Telephone	13,000	12,404	596
Utilities	18,000	29,610	(11,610)
Training, dues, and education	63,000	57,726	5,274
Repairs and maintenance	215,500	219,690	(4,190)
Vehicle gas & oil	95,000	97,880	(2,880)
Copier maintenance	2,500	1,174	1,326
Equipment purchases/capital outlay	290,000	1,245,128	(955,128)
Equipment lease	258,932	258,409	523
Software maintenance	28,500	29,016	(516)
Turnout gear	63,000	64,091	(1,091)
Total Fire Department	18,177,061	20,365,879	(2,188,818)
Police Department			
Salaries and benefits	29,748,428	30,598,960	(850,532)
Internal service fund charges	1,649,416	2,704,515	(1,055,099)
Other general	260,000	331,244	(71,244)
Postage, printing, and publications	100,000	43,502	56,498
Telephone	120,000	137,779	(17,779)
Utilities	36,000	38,782	(2,782)
Training, dues, and education	190,000	196,694	(6,694)
Vehicle gas & oil	220,000	257,143	(37,143)
Supplies	50,000	42,500	7,500
Repairs and maintenance	620,000	694,551	(74,551)
Red light camera enforcement	1,000,000	105,798	894,202
Capital outlay	160,000	135,531	24,469
Hardware maintenance	130,000	131,211	(1,211)
Software maintenance	740,000	826,692	(86,692)
Copier maintenance	35,000	18,662	16,338
Total Police Department	35,058,844	36,263,564	(1,204,720)
Fire and Police Commission			
Salaries and benefits	89,258	91,080	(1,822)
Training, dues, and education	3,000	875	2,125
Other general	76,025	87,092	(11,067)
Total Fire and Police Commission	168,283	179,047	(10,764)
Total Public Safety	53,404,188	56,808,490	(3,404,302)

(Continued)

CITY OF BERWYN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS			
Building Department			
Salaries and benefits	\$ 1,598,496	\$ 1,566,840	\$ 31,656
Internal service fund charges	23,978	37,794	(13,816)
Other general	78,750	52,317	26,433
Postage, printing, and publications	14,250	14,390	(140)
Utilities	12,000	17,526	(5,526)
Telephone	11,250	15,905	(4,655)
Training, dues, and publications	3,000	360	2,640
Supplies	7,500	16,823	(9,323)
Vehicle gas & oil	30,000	29,267	733
Professional services	315,000	514,830	(199,830)
Repairs and maintenance	200,000	290,152	(90,152)
Capital outlay	-	7,650	(7,650)
Copier maintenance	1,500	419	1,081
Equipment lease	60,000	65,838	(5,838)
Total Building Department	<u>2,355,724</u>	<u>2,630,111</u>	<u>(274,387)</u>
Street Department			
Salaries and benefits	3,845,610	3,593,695	251,915
Internal service fund charges	109,919	365,913	(255,994)
Other general	2,500	3,579	(1,079)
Telephone	25,000	5,974	19,026
Training, dues & publications	21,000	(2,384)	23,384
Utilities	28,000	24,249	3,751
Vehicle gas and oil	150,000	156,860	(6,860)
Supplies	150,000	138,136	11,864
Postage & printing	7,500	7,150	350
Equipment lease	225,000	100,684	124,316
Repairs and maintenance	385,000	465,920	(80,920)
Copier maintenance	500	239	261
Software maintenance	15,000	5,065	9,935
Capital outlay	35,000	52,414	(17,414)
Professional services	705,000	554,470	150,530
Total Street Department	<u>5,705,029</u>	<u>5,471,964</u>	<u>233,065</u>
Fleet Department			
Salaries and benefits	-	35,546	(35,546)
Internal service fund charges	3,920	4,019	(99)
Other general	2,500	-	2,500
Supplies	75,000	99,365	(24,365)
Professional services	168,000	191,518	(23,518)
Postage & printing	1,000	-	1,000
Equipment	7,000	-	7,000
Vehicle gas and oil	25,000	24,799	201
Repairs and maintenance	33,000	3,959	29,041
Repairs and maintenance labor	-	-	-
Total Fleet Department	<u>315,420</u>	<u>359,206</u>	<u>(43,786)</u>
Total Public Works	<u>8,376,173</u>	<u>8,461,281</u>	<u>(85,108)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
ECONOMIC DEVELOPMENT			
Zoning Boards of Appeals			
Salaries and benefits	\$ 6,847	\$ 6,847	\$ -
Total Zoning Boards of Appeals	<u>6,847</u>	<u>6,847</u>	<u>-</u>
Committees and Planning Department			
West Central Municipal Conference	26,000	30,717	(4,717)
Utility tax rebate	40,000	27,620	12,380
National Night Out	15,000	-	15,000
Sales tax rebate	475,000	394,198	80,802
Other general	-	-	-
Total Committees and Planning Department	<u>556,000</u>	<u>452,535</u>	<u>103,465</u>
Total Economic Development	<u>562,847</u>	<u>459,382</u>	<u>103,465</u>
CULTURE AND RECREATION			
Recreation Department			
Salaries and benefits	1,642,304	1,622,258	20,046
Internal service fund charges	41,611	59,586	(17,975)
Special events	75,000	69,657	5,343
Other general	60,000	95,561	(35,561)
Postage, printing, and publications	4,000	1,616	2,384
Telephone	8,000	11,003	(3,003)
Utilities	52,500	67,997	(15,497)
Vehicle gas & oil	17,000	13,093	3,907
Supplies	90,500	129,707	(39,207)
Repairs and maintenance	150,000	190,242	(40,242)
Equipment purchases/capital outlay	-	66,937	(66,937)
Lease	49,155	32,169	16,986
Copier maintenance	638	781	(143)
Total Recreation Department	<u>2,190,708</u>	<u>2,360,607</u>	<u>(169,899)</u>

(Continued)

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
CULTURE AND RECREATION (CONTINUED)			
Senior Services Department			
Salaries and benefits	\$ 692,408	\$ 667,342	\$ 25,066
Special events - senior breakfast	11,000	12,487	(1,487)
Vehicle, gas, and oil	35,000	26,307	8,693
Telephone	5,000	2,728	2,272
Supplies	2,000	4,663	(2,663)
Postage and printing	7,000	2,925	4,075
Professional services	4,000	6,411	(2,411)
Repairs and maintenance	106,000	126,361	(20,361)
Equipment lease	9,000	6,067	2,933
Copier maintenance	1,000	521	479
Internal service fund charges	14,600	41,667	(27,067)
Other general	2,000	3,250	(1,250)
Total Senior Services Department	<u>889,008</u>	<u>900,729</u>	<u>(11,721)</u>
 Total Culture and Recreation	 <u>3,079,716</u>	 <u>3,261,336</u>	 <u>(181,620)</u>
 TOTAL GENERAL FUND EXPENDITURES	 <u>\$ 71,433,129</u>	 <u>\$ 75,069,272</u>	 <u>\$ (3,636,143)</u>

NONMAJOR GOVERNMENTAL FUNDS

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.

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 Federal Asset Forfeiture Justice Fund is used to account for revenues obtained from the US Department of Justice from drug seizures and expenditures related to police activity in accordance with federal requirements.

The Federal Asset Forfeiture Treasury Fund is used to account for revenues obtained from the US Treasury Department from drug seizures and expenditures related to police activity in accordance with federal requirements.

State Asset Forfeiture Fund is used to account for revenues obtained from drug seizures and expenditures related to police activity in accordance with state 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 Projects Fund is used to account for the capital portions of bond proceeds to be used for capital project purposes as well as transfers from other funds that have been assigned for capital project purposes.

CITY OF BERWYN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue						
	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Harlem Avenue TIF	Grants	Federal Asset Forfeiture Justice
ASSETS							
Cash and investments	1,179,871	\$ 1,199,563	\$ 142,351	\$ 1,440,227	\$ 5,115,033	\$ 114,029	\$ 772,298
Restricted cash	270,677	-	825,126	-	-	-	-
Receivables							
Property taxes	6,233,755	-	656,033	407,066	500,738	-	-
Notes	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Accounts	-	-	89,453	177,042	196,541	-	-
Land held for resale	-	-	422,743	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	-	341,855	-	-	-	20,575	-
Due from other governments	-	231,774	-	-	-	-	-
TOTAL ASSETS	7,684,303	1,773,192	2,135,706	2,024,335	5,812,312	134,604	772,298
LIABILITIES							
Accounts payable	82,858	774,512	228,666	60,933	53,551	-	-
Accrued payroll	39,994	-	-	-	-	-	-
Unearned revenues	-	-	-	17,828	-	-	-
Due to other funds	-	-	729,081	-	-	-	180,935
Other liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	122,852	774,512	957,747	78,761	53,551	-	180,935
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	-	-	-
Deferred inflow from property taxes	4,438,701	-	56,444	-	136,713	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	4,438,701	-	56,444	-	136,713	-	-
FUND BALANCES (DEFICIT)							
Restricted							
Public safety	-	-	-	-	-	134,604	591,363
Public works	-	998,680	-	-	-	-	-
Culture and recreation	3,122,750	-	-	-	-	-	-
Economic development	-	-	1,121,515	1,945,574	5,622,048	-	-
Assigned							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICIT)	3,122,750	998,680	1,121,515	1,945,574	5,622,048	134,604	591,363
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 7,684,303	\$ 1,773,192	\$ 2,135,706	\$ 2,024,335	\$ 5,812,312	\$ 134,604	\$ 772,298

CITY OF BERWYN, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue					Capital Projects	
	Federal Asset Forfeiture Treasury	State Asset Forfeiture	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Projects	Totals
ASSETS							
Cash and investments	\$ 381,584	310,413	\$ 2,294,121	\$ 109,453	\$ 100	\$ 200	\$ 13,059,243
Restricted cash	-	-	-	-	-	-	1,095,803
Receivables							
Property taxes	-	-	-	-	-	-	7,797,592
Notes	-	-	-	-	1,716,131	-	1,716,131
Interest	-	582	-	-	15	-	597
Accounts	1,249	-	252,365	-	-	378,913	1,095,563
Land held for resale	-	-	-	-	-	-	422,743
Prepaid items	-	-	-	-	-	-	-
Due from other funds	139,549	-	-	-	40,928	-	542,907
Due from other governments	-	-	-	-	1,268	-	233,042
TOTAL ASSETS	522,382	310,995	2,546,486	109,453	1,758,442	379,113	25,963,621
LIABILITIES							
Accounts payable	-	985	-	-	650	81,490	1,283,645
Accrued payroll	-	-	-	-	3,077	-	43,071
Unearned revenues	-	143,922	-	-	1,716,131	-	1,877,881
Due to other funds	-	8,145	566	2	-	715,563	1,634,292
Other liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	153,052	566	2	1,719,858	797,053	4,838,889
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	-	378,663	378,663
Deferred inflow from property taxes	-	-	-	-	-	-	4,631,858
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	378,663	5,010,521
FUND BALANCES (DEFICIT)							
Restricted							
Public safety	522,382	157,943	2,545,920	109,451	-	-	4,061,663
Public works	-	-	-	-	-	-	998,680
Culture and recreation	-	-	-	-	-	-	3,122,750
Economic development	-	-	-	-	38,584	-	8,727,721
Assigned							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(796,603)	(796,603)
TOTAL FUND BALANCES (DEFICIT)	522,382	157,943	2,545,920	109,451	38,584	(796,603)	16,114,211
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	\$ 522,382	\$ 310,995	\$ 2,546,486	\$ 109,453	\$ 1,758,442	\$ 379,113	\$ 25,963,621

CITY OF BERWYN, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 202

	Special Revenue					
	Library	Motor Fuel Tax	South Berwyn Corridor TIF	Roosevelt Road TIF	Harlem Avenue TIF	Grants
REVENUES						
Property taxes	\$ 4,118,681	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes - increment	-	-	1,445,667	820,187	2,001,996	-
Other taxes	-	-	-	-	-	-
Fines and forfeitures	23,292	-	-	-	-	-
Intergovernmental	-	2,613,644	-	-	-	-
Investment income	107,603	107,036	96,273	40,125	176,910	3,204
Miscellaneous	40,407	-	-	-	-	-
Total Revenues	<u>4,289,983</u>	<u>2,720,680</u>	<u>1,541,940</u>	<u>860,312</u>	<u>2,178,906</u>	<u>3,204</u>
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Public works	-	4,166,258	-	-	-	-
Economic development	-	-	236,683	157,590	537,660	-
Culture and recreation	4,286,983	-	-	-	-	-
Capital outlay	56,875	-	4,186,374	327,998	587,684	-
Debt service						
Principal	-	-	420,000	-	140,365	-
Bond issuance costs	-	-	6,000	-	-	-
Interest and fiscal charges	-	-	257,400	-	32,798	-
Total Expenditures	<u>4,343,858</u>	<u>4,166,258</u>	<u>5,106,457</u>	<u>485,588</u>	<u>1,298,507</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(53,875)</u>	<u>(1,445,578)</u>	<u>(3,564,517)</u>	<u>374,724</u>	<u>880,399</u>	<u>3,204</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(53,875)</u>	<u>(1,445,578)</u>	<u>(3,564,517)</u>	<u>374,724</u>	<u>880,399</u>	<u>3,204</u>
FUND BALANCES (DEFICIT), JANUARY 1	<u>3,176,625</u>	<u>2,444,258</u>	<u>4,686,032</u>	<u>1,570,850</u>	<u>4,741,649</u>	<u>131,400</u>
FUND BALANCES (DEFICIT), DECEMBER 31	<u>\$ 3,122,750</u>	<u>\$ 998,680</u>	<u>\$ 1,121,515</u>	<u>\$ 1,945,574</u>	<u>\$ 5,622,048</u>	<u>\$ 134,604</u>

CITY OF BERWYN, ILLINOIS

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

	Special Revenue						Capital Projects	
	Federal Asset Forfeiture Justice	Federal Asset Forfeiture Treasury	State Asset Forfeiture	Emergency 911 Telephone System	Foreign Fire Insurance	CDBG	Capital Projects	Totals
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,118,681
Property taxes - increment	-	-	-	-	-	-	-	4,267,850
Other taxes	-	-	-	861,542	87,730	-	-	949,272
Fines and forfeitures	-	-	-	-	-	-	-	23,292
Intergovernmental	255,157	157,571	27,717	-	-	1,566,590	765,990	5,386,669
Investment income	16,633	14,388	14,632	58,467	-	248	100	635,619
Miscellaneous	-	-	-	-	-	62,423	-	102,830
Total Revenues	271,790	171,959	42,349	920,009	87,730	1,629,261	766,090	15,484,213
EXPENDITURES								
Current								
Public safety	114,778	65,335	108,652	848,250	77,581	-	-	1,214,596
Public works	-	-	-	-	-	-	-	4,166,258
Economic development	-	-	-	-	-	1,657,001	-	2,588,934
Culture and recreation	-	-	-	-	-	-	-	4,286,983
Capital outlay	-	-	-	-	-	-	1,070,764	6,229,695
Debt service								
Principal	-	-	-	-	-	-	139,858	700,223
Bond issuance costs	-	-	-	-	-	-	-	6,000
Interest and fiscal charges	-	-	-	-	-	-	16,366	306,564
Total Expenditures	114,778	65,335	108,652	848,250	77,581	1,657,001	1,226,988	19,499,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	157,012	106,624	(66,303)	71,759	10,149	(27,740)	(460,898)	(4,015,040)
OTHER FINANCING SOURCES (USES)								
Transfers in	133,465		-	-	-	-	459,548	593,013
Transfers (out)	-	(133,465)	-	-	-	-	-	(133,465)
Total Other Financing Sources (Uses)	133,465	(133,465)	-	-	-	-	459,548	459,548
NET CHANGE IN FUND BALANCES	290,477	(26,841)	(66,303)	71,759	10,149	(27,740)	(1,350)	(3,555,492)
FUND BALANCES (DEFICIT), JANUARY 1	300,886	549,223	224,246	2,474,161	99,302	66,324	(795,253)	19,669,703
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 591,363	\$ 522,382	\$ 157,943	\$ 2,545,920	\$ 109,451	\$ 38,584	\$ (796,603)	\$ 16,114,211

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - Library	\$ 4,327,664	\$ 4,118,681	\$ (208,983)
Fines and forfeitures			
Book fines	2,000	5,463	3,463
Copier fees - maintenance fund	12,500	17,829	5,329
Intergovernmental revenue - Grants	114,473	-	(114,473)
Investment income	60,000	107,603	47,603
Miscellaneous revenues			
Donations - building fund	-	9,389	9,389
Other revenues	19,500	31,018	11,518
Total Revenues	<u>4,536,137</u>	<u>4,289,983</u>	<u>(246,154)</u>
EXPENDITURES			
Library			
Salaries and benefits	3,247,977	3,298,531	(50,554)
Internal service fund charges	25,020	40,028	(15,008)
Books	315,000	311,580	3,420
Periodicals	13,000	11,783	1,217
Audio visual	23,000	20,599	2,401
Computer system	55,000	44,808	10,192
Dues and subscriptions	20,000	13,286	6,714
Computer support databases	111,800	159,012	(47,212)
Programs adult/children	52,500	45,921	6,579
Reciprocal borrowing	2,500	3,257	(757)
Promotions	13,000	11,475	1,525
Director expense	600	145	455
Board expense	35,000	27,018	7,982
Other general	2,000	98	1,902
Postage, printing, and publications	3,000	3,279	(279)
Vehicle gas & oil	4,500	442	4,058
Telephone	36,000	21,936	14,064
Utilities	30,000	23,838	6,162
Supplies	131,973	114,210	17,763
Repairs and maintenance	170,000	135,737	34,263
Capital improvement	235,000	56,875	178,125
Total Expenditures	<u>4,526,870</u>	<u>4,343,858</u>	<u>183,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>9,267</u>	<u>(53,875)</u>	<u>(63,142)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,267</u>	<u>(53,875)</u>	<u>\$ (63,142)</u>
FUND BALANCE, JANUARY 1		<u>3,176,625</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 3,122,750</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, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues - state allotment	\$ 1,167,000	\$ 2,613,644	\$ 1,446,644
Investment income	150,000	107,036	(42,964)
Total Revenues	<u>1,317,000</u>	<u>2,720,680</u>	<u>1,403,680</u>
EXPENDITURES			
Public Works			
Rock salt	285,000	132,449	152,551
Utilities	372,000	473,564	(101,564)
Capital outlay	-	1,944,134	(1,944,134)
Repairs and maintenance			
Streets & Sidewalks	150,000	1,102,808	(952,808)
Traffic control	<u>360,000</u>	<u>513,303</u>	<u>(153,303)</u>
Total Expenditures	<u>1,167,000</u>	<u>4,166,258</u>	<u>(2,999,258)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>150,000</u>	<u>(1,445,578)</u>	<u>(1,595,578)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 150,000</u>	<u>(1,445,578)</u>	<u>\$ (1,595,578)</u>
FUND BALANCE, JANUARY 1		<u>2,444,258</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 998,680</u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOUTH BERWYN CORRIDOR TIF FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,488,484	\$ 1,445,667	42,817
Intergovernmental	500,000	-	(500,000)
Investment income	266,648	96,273	(170,375)
	<u>2,255,132</u>	<u>1,541,940</u>	<u>(627,558)</u>
Total Revenues			
EXPENDITURES			
Economic Development			
TIF expenditures	3,522,812	4,186,374	(663,562)
TIF management services - BDC	231,750	236,683	(4,933)
Debt Service			
Principal	420,000	420,000	-
Interest - notes payable	257,400	257,400	-
Issuance cost	-	6,000	(6,000)
	<u>4,431,962</u>	<u>5,106,457</u>	<u>(674,495)</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,176,830)</u>	<u>(3,564,517)</u>	<u>(1,387,687)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,676,830)</u>	<u>(3,564,517)</u>	<u>\$ (887,687)</u>
FUND BALANCE, JANUARY 1		<u>4,686,032</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,121,515</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, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 1,080,314	\$ 820,187	\$ (260,127)
Investment income	-	40,125	40,125
Miscellaneous	-	-	-
Total Revenues	<u>1,080,314</u>	<u>860,312</u>	<u>(220,002)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	1,937,766	327,998	1,609,768
TIF management services - BDC	<u>157,590</u>	<u>157,590</u>	<u>-</u>
Total Expenditures	<u>2,095,356</u>	<u>485,588</u>	<u>1,609,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,015,042)</u>	<u>374,724</u>	<u>1,389,766</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,015,042)</u>	<u>374,724</u>	<u>\$ 1,389,766</u>
FUND BALANCE, JANUARY 1		<u>1,570,850</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 1,945,574</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, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Property taxes - increment	\$ 3,218,070	\$ 2,001,996	\$ (1,216,074)
Investment income	<u>100,000</u>	<u>176,910</u>	<u>76,910</u>
 Total Revenues	 <u>3,318,070</u>	 <u>2,178,906</u>	 <u>(1,139,164)</u>
EXPENDITURES			
Economic Development			
TIF expenditures	6,714,063	587,684	6,126,379
TIF management services - BDC	537,660	537,660	-
Debt Service			
Principal	140,365	140,365	-
Interest - notes payable	<u>32,798</u>	<u>32,798</u>	<u>-</u>
Total Expenditures	<u>7,424,886</u>	<u>1,298,507</u>	<u>6,126,379</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(4,106,816)</u>	 <u>880,399</u>	 <u>4,987,215</u>
 NET CHANGE IN FUND BALANCE	 <u><u>\$ (4,106,816)</u></u>	 <u><u>880,399</u></u>	 <u><u>\$ 4,987,215</u></u>
 FUND BALANCE, JANUARY 1		 <u>4,741,649</u>	
 FUND BALANCE, DECEMBER 31		 <u><u>\$ 5,622,048</u></u>	

CITY OF BERWYN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND
For the Year Ended December 31, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	\$ 77,216	\$ 87,730	\$ 10,514
Total Revenues	<u>77,216</u>	<u>87,730</u>	<u>10,514</u>
EXPENDITURES			
Public Safety			
Supplies	15,000	20,143	(5,143)
Tools and equipment	33,216	39,751	(6,535)
Repairs and maintenance	8,000	5,038	2,962
Other general	6,000	12,649	(6,649)
Training, dues, and publications	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>77,216</u>	<u>77,581</u>	<u>(365)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>10,149</u>	<u>10,149</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>10,149</u>	<u>\$ 10,149</u>
FUND BALANCE, JANUARY 1		<u>99,302</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 109,451</u>	

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	\$ 2,008,131	\$ 1,566,590	\$ (441,541)
Investment income	-	248	248
Miscellaneous	50,000	62,423	12,423
Total Revenues	2,058,131	1,629,261	(428,870)
EXPENDITURES			
Economic Development			
Salaries and benefits	278,377	274,003	4,374
Internal service fund charges	11,831	12,131	(300)
Utilities	-	168	(168)
Copier maintenance	600	87	513
Telephone	1,800	1,818	(18)
Supplies	1,500	1,186	314
Postage and printing	2,350	2,021	329
Professional services	18,700	23,513	(4,813)
Training, dues and publications	33,943	-	33,943
Repairs and maintenance	1,028,313	1,239,318	(211,005)
Other general	1,289	21	1,268
Program	348,953	102,735	246,218
Total Expenditures	1,897,828	1,657,001	240,827
Excess (Deficiency) of Revenues Over Expenditures	160,303	(27,740)	(188,043)
NET CHANGE IN FUND BALANCE	<u>\$ 160,303</u>	<u>(27,740)</u>	<u>\$ (188,043)</u>
FUND BALANCE (DEFICIT), JANUARY 1		66,324	
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ 38,584</u>	

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, 2025**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenue	\$ -	\$ 765,990	\$ 765,990
Investment income	-	100	100
	<u>-</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>-</u>	<u>766,090</u>	<u>766,090</u>
EXPENDITURES			
Capital outlay			
Public safety projects	570,000	468,783	101,217
Culture and recreational projects	310,000	59,763	250,237
Public works projects	-	542,218	(542,218)
Debt Service			
Principal	139,858	139,858	-
Interest - notes payable	16,367	16,366	1
	<u>1,036,225</u>	<u>1,226,988</u>	<u>(190,763)</u>
Total Expenditures	<u>1,036,225</u>	<u>1,226,988</u>	<u>(190,763)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,036,225)</u>	<u>(460,898)</u>	<u>575,327</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	456,225	459,548	3,323
Total Other Financing Sources (Uses)	<u>456,225</u>	<u>459,548</u>	<u>3,323</u>
NET CHANGE IN FUND BALANCE	<u>\$ (580,000)</u>	<u>(1,350)</u>	<u>\$ 578,650</u>
FUND BALANCE, JANUARY 1		<u>(795,253)</u>	
FUND BALANCE, DECEMBER 31		<u>\$ (796,603)</u>	

FIDUCIARY FUNDS

CITY OF BERWYN, ILLINOIS

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
December 31, 2025

	Police Pension	Firefighters' Pension	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments			
Cash and cash equivalents	\$ 69,774	\$ 1,615,154	\$ 1,684,928
Investments			
Mutual funds	4,886,900	-	4,886,900
State investment pool	166,630,923	136,581,860	303,212,783
Insurance contracts	<u>52,218</u>	<u>242,382</u>	<u>294,600</u>
Total Cash and Investments	<u>171,639,815</u>	<u>138,439,396</u>	<u>310,079,211</u>
Prepays	<u>750</u>	<u>1,300</u>	<u>2,050</u>
Total Assets	<u>171,640,565</u>	<u>138,440,696</u>	<u>310,081,261</u>
LIABILITIES			
Accounts payable	<u>4,293</u>	<u>5,473</u>	<u>9,766</u>
Total Liabilities	<u>4,293</u>	<u>5,473</u>	<u>9,766</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 171,636,272</u>	<u>\$ 138,435,223</u>	<u>\$ 310,071,495</u>

CITY OF BERWYN, ILLINOIS

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

For the Year Ended December 31, 2025

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 2,829,407	\$ 1,788,597	\$ 4,618,004
Participants	<u>1,632,430</u>	<u>941,346</u>	<u>2,573,776</u>
Total Contributions	<u>4,461,837</u>	<u>2,729,943</u>	<u>7,191,780</u>
Investment Income			
Net appreciation (depreciation) in fair value of investments	25,379,542	18,425,679	43,805,221
Interest earned	841,428	2,533,340	3,374,768
Less investment expenses	<u>(133,520)</u>	<u>(255,758)</u>	<u>(389,278)</u>
Total Investment Income	<u>26,087,450</u>	<u>20,703,261</u>	<u>46,790,711</u>
Total Additions	<u>30,549,287</u>	<u>23,433,204</u>	<u>53,982,491</u>
DEDUCTIONS			
Administrative	104,682	116,463	221,145
Pension benefits and refunds	<u>8,476,482</u>	<u>6,643,462</u>	<u>15,119,944</u>
Total Deductions	<u>8,581,164</u>	<u>6,759,925</u>	<u>15,341,089</u>
NET INCREASE	21,968,123	16,673,279	38,641,402
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - JANUARY 1	<u>149,668,149</u>	<u>121,761,944</u>	<u>271,430,093</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - DECEMBER 31	<u>\$ 171,636,272</u>	<u>\$ 138,435,223</u>	<u>\$ 310,071,495</u>

DEBT SCHEDULES



CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Governmental Activities--Principal Payments
December 31, 2025

Payment Year	General Obligation Bonds									Securitization Bonds (1)			Tax Increment Bonds (2)			Installment	
	Series 2012	Series 2013	Series 2014	Series 2015A	Series 2015B	Series 2016	Series 2022A	Series 2022B	Total	Series 2019A	Series 2019B	Total	Series 2015	Series 2020	Total	Contracts (3)	Total
2026	\$ -	\$ 1,900,000	\$ -	\$ 2,300,000	\$ -	\$ 1,385,000	\$ -	\$ -	\$ 5,585,000	\$ -	\$ -	\$ -	\$ 146,655	\$ 475,000	\$ 621,655	\$ 517,971	\$ 6,724,626
2027	-	1,995,000	-	2,400,000	-	1,460,000	-	-	5,855,000	-	-	-	523,770	535,000	1,058,770	464,896	7,378,666
2028	250,000	-	-	2,510,000	-	3,610,000	-	-	6,370,000	2,150,000	-	2,150,000	-	595,000	595,000	492,664	9,607,664
2029	260,000	-	-	2,625,000	-	3,595,000	-	-	6,480,000	2,255,000	-	2,255,000	-	660,000	660,000	360,107	9,755,107
2030	715,000	-	-	2,760,000	-	405,000	-	-	3,880,000	2,370,000	-	2,370,000	-	735,000	735,000	261,579	7,246,579
2031	790,000	-	-	2,900,000	-	-	-	-	3,690,000	2,485,000	-	2,485,000	-	765,000	765,000	280,109	7,220,109
2032	6,485,000	-	-	3,050,000	120,000	-	-	-	9,655,000	2,610,000	-	2,610,000	-	840,000	840,000	156,748	13,261,748
2033	-	-	2,005,000	3,220,000	2,225,000	-	-	-	7,450,000	2,740,000	-	2,740,000	-	920,000	920,000	-	11,110,000
2034	-	-	2,265,000	3,415,000	2,500,000	-	-	-	8,180,000	1,820,000	1,060,000	2,880,000	-	-	-	-	11,060,000
2035	-	-	-	3,615,000	-	-	-	-	3,615,000	-	3,030,000	3,030,000	-	-	-	-	6,645,000
2036	-	-	-	-	-	-	-	-	-	-	3,205,000	3,205,000	-	-	-	-	3,205,000
2037	-	-	-	-	-	-	-	-	-	-	3,385,000	3,385,000	-	-	-	-	3,385,000
2038	-	-	-	-	-	-	-	-	-	-	3,580,000	3,580,000	-	-	-	-	3,580,000
2039	-	-	-	-	-	-	-	2,000,000	2,000,000	-	3,785,000	3,785,000	-	-	-	-	5,785,000
2040	-	-	-	-	-	-	1,405,000	4,865,000	6,270,000	-	4,005,000	4,005,000	-	-	-	-	10,275,000
2041	-	-	-	-	-	-	4,385,000	2,135,000	6,520,000	-	4,235,000	4,235,000	-	-	-	-	10,755,000
2042	-	-	-	-	-	-	6,780,000	-	6,780,000	-	4,475,000	4,475,000	-	-	-	-	11,255,000
2043	-	-	-	-	-	-	7,050,000	-	7,050,000	-	4,730,000	4,730,000	-	-	-	-	11,780,000
2044	-	-	-	-	-	-	7,320,000	-	7,320,000	-	5,005,000	5,005,000	-	-	-	-	12,325,000
2045	-	-	-	-	-	-	7,610,000	-	7,610,000	-	5,290,000	5,290,000	-	-	-	-	12,900,000
2046	-	-	-	-	-	-	7,910,000	-	7,910,000	-	5,590,000	5,590,000	-	-	-	-	13,500,000
2047	-	-	-	-	-	-	8,215,000	-	8,215,000	-	5,915,000	5,915,000	-	-	-	-	14,130,000
2048	-	-	-	-	-	-	8,545,000	-	8,545,000	-	6,250,000	6,250,000	-	-	-	-	14,795,000
2049	-	-	-	-	-	-	15,485,000	-	15,485,000	-	-	-	-	-	-	-	15,485,000
2050	-	-	-	-	-	-	16,095,000	-	16,095,000	-	-	-	-	-	-	-	16,095,000
Total	<u>\$ 8,500,000</u>	<u>\$ 3,895,000</u>	<u>\$ 4,270,000</u>	<u>\$ 28,795,000</u>	<u>\$ 4,845,000</u>	<u>\$ 10,455,000</u>	<u>\$ 90,800,000</u>	<u>\$ 9,000,000</u>	<u>\$ 160,560,000</u>	<u>\$ 16,430,000</u>	<u>\$ 63,540,000</u>	<u>\$ 79,970,000</u>	<u>\$ 670,425</u>	<u>\$ 5,525,000</u>	<u>\$ 6,195,425</u>	<u>\$ 2,534,074</u>	<u>\$ 249,259,499</u>

(1) Debt service includes July 1 and January 1 of the subsequent year. Funds are accumulated within the noted fiscal to make such payments. City views debt service in the same manner as general obligation debt.

(2) Debt service is payable only from tax increment revenues. The City has no further obligation to make payments from other sources.

(3) Payments are general obligations of the City. Payments are made from the appropriations in the General Fund.

CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Governmental Activities--Interest Payments
December 31, 2025

Payment Year	General Obligation Bonds									Securitization Bonds (1)			Tax Increment Bonds				
	Series 2012	Series 2013	Series 2014	Series 2015A	Series 2015B	Series 2016	Series 2022A	Series 2022B	Total	Series 2019A	Series 2019B	Total	Series 2015	Series 2020	Total	Installment Contracts	Total
2026	\$ 277,595	\$ 194,750	\$ 213,500	\$ 1,535,550	\$ 189,094	\$ 495,875	\$ 3,483,996	\$ 360,000	\$ 6,750,360	\$ 821,500	\$ 3,640,842	\$ 4,462,342	\$ 26,507	\$ 240,600	\$ 267,107	\$ 107,959	\$ 11,587,768
2027	277,595	99,750	213,500	1,434,925	189,094	426,625	3,483,996	360,000	6,485,485	821,500	3,640,842	4,462,342	18,532	221,600	240,132	87,170	11,275,129
2028	277,595	-	213,500	1,326,925	189,094	381,000	3,483,996	360,000	6,232,110	821,500	3,640,842	4,462,342	-	200,200	200,200	68,766	10,963,418
2029	269,470	-	213,500	1,207,700	189,094	200,500	3,483,996	360,000	5,924,260	714,000	3,640,842	4,354,842	-	176,400	176,400	49,587	10,505,089
2030	261,020	-	213,500	1,076,450	189,094	20,750	3,483,996	360,000	5,604,810	601,250	3,640,842	4,242,092	-	146,700	146,700	33,982	10,027,584
2031	237,425	-	213,500	935,000	189,094	-	3,483,996	360,000	5,419,015	482,750	3,640,842	4,123,592	-	113,625	113,625	21,035	9,677,267
2032	210,763	-	213,500	782,750	189,094	-	3,483,996	360,000	5,240,102	358,500	3,640,842	3,999,342	-	79,200	79,200	7,446	9,326,090
2033	-	-	213,500	615,000	183,094	-	3,483,996	360,000	4,855,590	228,000	3,640,842	3,868,842	-	41,400	41,400	-	8,765,832
2034	-	-	113,250	421,800	96,875	-	3,483,996	360,000	4,475,921	91,000	3,640,842	3,731,842	-	-	-	-	8,207,763
2035	-	-	-	216,900	-	-	3,483,996	360,000	4,060,896	-	3,580,104	3,580,104	-	-	-	-	7,641,000
2036	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	3,406,485	3,406,485	-	-	-	-	7,250,481
2037	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	3,222,839	3,222,839	-	-	-	-	7,066,835
2038	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	3,028,878	3,028,878	-	-	-	-	6,872,874
2039	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	2,823,744	2,823,744	-	-	-	-	6,667,740
2040	-	-	-	-	-	-	3,483,996	280,000	3,763,996	-	2,606,864	2,606,864	-	-	-	-	6,370,860
2041	-	-	-	-	-	-	3,430,086	85,400	3,515,486	-	2,377,377	2,377,377	-	-	-	-	5,892,863
2042	-	-	-	-	-	-	3,261,834	-	3,261,834	-	2,134,712	2,134,712	-	-	-	-	5,396,545
2043	-	-	-	-	-	-	3,001,685	-	3,001,685	-	1,878,294	1,878,294	-	-	-	-	4,879,979
2044	-	-	-	-	-	-	2,731,177	-	2,731,177	-	1,607,265	1,607,265	-	-	-	-	4,338,442
2045	-	-	-	-	-	-	2,450,308	-	2,450,308	-	1,320,479	1,320,479	-	-	-	-	3,770,787
2046	-	-	-	-	-	-	2,158,313	-	2,158,313	-	1,017,362	1,017,362	-	-	-	-	3,175,674
2047	-	-	-	-	-	-	1,854,806	-	1,854,806	-	697,055	697,055	-	-	-	-	2,551,860
2048	-	-	-	-	-	-	1,539,596	-	1,539,596	-	358,125	358,125	-	-	-	-	1,897,721
2049	-	-	-	-	-	-	1,211,725	-	1,211,725	-	-	-	-	-	-	-	1,211,725
2050	-	-	-	-	-	-	617,565	-	617,565	-	-	-	-	-	-	-	617,565
Total	\$ 1,811,463	\$ 294,500	\$ 1,821,250	\$ 9,553,000	\$ 1,603,625	\$ 1,524,750	\$ 74,517,034	\$ 5,405,400	\$ 96,531,022	\$ 4,940,000	\$ 62,827,158	\$ 67,767,158	\$ 45,039	\$ 1,219,725	\$ 1,264,764	\$ 375,945	\$ 165,938,889

(1) Debt service includes July 1 and January 1 of the subsequent year. Funds are accumulated within the payment year to make such payments. City views debt service in the same manner as general obligation debt.

(2) Debt service is payable only from tax increment revenues. The City has no further obligation to make payments from other sources.

(3) Payments are general obligations of the City. Payments are made from the appropriations in the General Fund.

CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Governmental Activities--Total Debt Service Payments
December 31, 2025

Payment Year	General Obligation Bonds									Securitization Bonds (1)			Tax Increment Bonds			Installment	
	Series	Series	Series	Series	Series	Series	Series	Series	Total	Series	Series	Total	Series	Series	Total	Contracts	Total
	2012	2013A	2014	2015A	2015B	2016	2022A	2022B		2019A	2019B		2015	2020			
2026	\$ 277,595	\$ 2,094,750	\$ 213,500	\$ 3,835,550	\$ 189,094	\$ 1,880,875	\$ 3,483,996	\$ 360,000	\$ 12,335,360	\$ 821,500	\$ 3,640,842	\$ 4,462,342	\$ 173,162	\$ 715,600	\$ 888,762	\$ 625,930	\$ 18,312,394
2027	277,595	2,094,750	213,500	3,834,925	189,094	1,886,625	3,483,996	360,000	12,340,485	821,500	3,640,842	4,462,342	542,305	756,600	1,298,905	552,066	18,653,798
2028	527,595	-	213,500	3,836,925	189,094	3,991,000	3,483,996	360,000	12,602,110	2,971,500	3,640,842	6,612,342	-	795,200	795,200	561,430	20,571,082
2029	529,470	-	213,500	3,832,700	189,094	3,795,500	3,483,996	360,000	12,404,260	2,969,000	3,640,842	6,609,842	-	836,400	836,400	409,694	20,260,196
2030	976,020	-	213,500	3,836,450	189,094	425,750	3,483,996	360,000	9,484,810	2,971,250	3,640,842	6,612,092	-	881,700	881,700	295,561	17,274,163
2031	1,027,425	-	213,500	3,835,000	189,094	-	3,483,996	360,000	9,109,015	2,967,750	3,640,842	6,608,592	-	878,625	878,625	301,144	16,897,376
2032	6,695,763	-	213,500	3,832,750	309,094	-	3,483,996	360,000	14,895,102	2,968,500	3,640,842	6,609,342	-	919,200	919,200	164,194	22,587,838
2033	-	-	2,218,500	3,835,000	2,408,094	-	3,483,996	360,000	12,305,590	2,968,000	3,640,842	6,608,842	-	961,400	961,400	-	19,875,832
2034	-	-	2,378,250	3,836,800	2,596,875	-	3,483,996	360,000	12,655,921	1,911,000	4,700,842	6,611,842	-	-	-	-	19,267,763
2035	-	-	-	3,831,900	-	-	3,483,996	360,000	7,675,896	-	6,610,104	6,610,104	-	-	-	-	14,286,000
2036	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	6,611,485	6,611,485	-	-	-	-	10,455,481
2037	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	6,607,839	6,607,839	-	-	-	-	10,451,835
2038	-	-	-	-	-	-	3,483,996	360,000	3,843,996	-	6,608,878	6,608,878	-	-	-	-	10,452,874
2039	-	-	-	-	-	-	3,483,996	2,360,000	5,843,996	-	6,608,744	6,608,744	-	-	-	-	12,452,740
2040	-	-	-	-	-	-	4,888,996	5,145,000	10,033,996	-	6,611,864	6,611,864	-	-	-	-	16,645,860
2041	-	-	-	-	-	-	7,815,086	2,220,400	10,035,486	-	6,612,377	6,612,377	-	-	-	-	16,647,863
2042	-	-	-	-	-	-	10,041,834	-	10,041,834	-	6,609,712	6,609,712	-	-	-	-	16,651,545
2043	-	-	-	-	-	-	10,051,685	-	10,051,685	-	6,608,294	6,608,294	-	-	-	-	16,659,979
2044	-	-	-	-	-	-	10,051,177	-	10,051,177	-	6,612,265	6,612,265	-	-	-	-	16,663,442
2045	-	-	-	-	-	-	10,060,308	-	10,060,308	-	6,610,479	6,610,479	-	-	-	-	16,670,787
2046	-	-	-	-	-	-	10,068,313	-	10,068,313	-	6,607,362	6,607,362	-	-	-	-	16,675,674
2047	-	-	-	-	-	-	10,069,806	-	10,069,806	-	6,612,055	6,612,055	-	-	-	-	16,681,860
2048	-	-	-	-	-	-	10,084,596	-	10,084,596	-	6,608,125	6,608,125	-	-	-	-	16,692,721
2049	-	-	-	-	-	-	16,696,725	-	16,696,725	-	-	-	-	-	-	-	16,696,725
2050	-	-	-	-	-	-	16,712,565	-	16,712,565	-	-	-	-	-	-	-	16,712,565
Total	\$ 10,311,463	\$ 4,189,500	\$ 6,091,250	\$ 38,348,000	\$ 6,448,625	\$ 11,979,750	\$ 165,317,034	\$ 14,405,400	\$ 257,091,022	\$ 21,370,000	\$ 126,367,158	\$ 147,737,158	\$ 715,467	\$ 6,744,725	\$ 7,460,192	\$ 2,910,019	\$ 415,198,391

(1) Debt service includes July 1 and January 1 of the subsequent year. Funds are accumulated within the payment year to make such payments. City views debt service in the same manner as general obligation debt.

(2) Debt service is payable only from tax increment revenues. The City has no further obligation to make payments from other sources.

(3) Payments are general obligations of the City. Payments are made from the appropriations in the General Fund.

CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Business Type Activities--Principal Payments
December 31, 2025

Payment						
<u>Year</u>	<u>Series</u> <u>2014</u>	<u>Series</u> <u>2015A</u>	<u>Series</u> <u>2016</u>	<u>Total</u>	<u>Total</u>	
2026	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	
2027	-	250,000	-	250,000	250,000	
2028	250,000	250,000	-	500,000	500,000	
2029	260,000	250,000	-	510,000	510,000	
2030	270,000	250,000	1,150,000	1,670,000	1,670,000	
2031	285,000	250,000	-	535,000	535,000	
2032	300,000	130,000	-	430,000	430,000	
2033	320,000	-	-	320,000	320,000	
2034	<u>330,000</u>	<u>-</u>	<u>-</u>	<u>330,000</u>	<u>330,000</u>	
Total	<u>\$ 2,015,000</u>	<u>\$ 1,630,000</u>	<u>\$ 1,150,000</u>	<u>\$ 4,795,000</u>	<u>\$ 4,795,000</u>	

(1) City intends to pay the debt service on these bonds from the Utilities Fund. Accordingly, the bonds are reflected as liabilities of the Utilities Fund. The City abates the debt service property tax levy for this debt service

CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Business Type Activities--Interest Payments
December 31, 2025

Payment	Series			Total	
<u>Year</u>	<u>2014</u>	<u>2015B</u>	<u>2016</u>	<u>Total</u>	<u>Total</u>
2026	\$ 85,638	\$ 79,000	\$ 57,500	\$ 222,138	\$ 222,138
2027	85,638	69,000	57,500	212,138	212,138
2028	85,638	56,500	57,500	199,638	199,638
2029	75,638	44,000	57,500	177,138	177,138
2030	65,238	31,500	57,500	154,238	154,238
2031	54,438	19,000	-	73,438	73,438
2032	43,750	6,500	-	50,250	50,250
2033	32,500	-	-	32,500	32,500
2034	<u>16,500</u>	<u>-</u>	<u>-</u>	<u>16,500</u>	<u>16,500</u>
Total	<u>\$ 544,975</u>	<u>\$ 305,500</u>	<u>\$ 287,500</u>	<u>\$ 1,137,975</u>	<u>\$ 1,137,975</u>

(1) City intends to pay the debt service on these bonds from the Utilities Fund. Accordingly, the bonds are reflected as liabilities of the Utilities Fund. The City abates the debt service property tax levy for this debt service

CITY OF BERWYN, ILLINOIS

Long Term Debt Requirements--Businesss Type Activities--Total Debt Service Payments
December 31, 2025

Payment					
	Series	Series	Series	Total	Total
<u>Year</u>	<u>2014</u>	<u>2015A</u>	<u>2016</u>		
2026	\$ 85,638	\$ 329,000	\$ 57,500	\$ 472,138	\$ 472,138
2027	85,638	319,000	57,500	462,138	462,138
2028	335,638	306,500	57,500	699,638	699,638
2029	335,638	294,000	57,500	687,138	687,138
2030	335,238	281,500	1,207,500	1,824,238	1,824,238
2031	339,438	269,000	-	608,438	608,438
2032	343,750	136,500	-	480,250	480,250
2033	352,500	-	-	352,500	352,500
2034	<u>346,500</u>	<u>-</u>	<u>-</u>	<u>346,500</u>	<u>346,500</u>
Total	<u>\$ 2,559,975</u>	<u>\$ 1,935,500</u>	<u>\$ 1,437,500</u>	<u>\$ 5,932,975</u>	<u>\$ 5,932,975</u>

(1) City intends to pay the debt service on these bonds from the Utilities Fund. Accordingly, the bonds are reflected as liabilities of the Utilities Fund. The City abates the debt service property tax levy for this debt service

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds, Series 2012

December 31, 2025

Date of Issue	November 20, 2012
Date of Maturity	December 1, 2032
Original Issue Amount	\$8,500,000
Interest Rates	3.25-3.375%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ -	\$ 277,595	\$ 277,595
2027	-	277,595	277,595
2028	250,000	277,595	527,595
2029	260,000	269,470	529,470
2030	715,000	261,020	976,020
2031	790,000	237,425	1,027,425
2032	6,485,000	210,763	6,695,763
	<u>\$ 8,500,000</u>	<u>\$ 1,811,463</u>	<u>\$ 10,311,463</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds, Series 2013A
December 31, 2025**

Date of Issue	November 7, 2013
Date of Maturity	December 1, 2027
Original Issue Amount	\$5,705,000
Interest Rates	3.25%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 1,900,000	\$ 194,750	\$ 2,094,750
2027	1,995,000	99,750	2,094,750
	<u>\$ 3,895,000</u>	<u>\$ 294,500</u>	<u>\$ 4,189,500</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds, Series 2014
December 31, 2025**

Date of Issue	November 24, 2014
Date of Maturity	December 1, 2034
Original Issue Amount	\$6,285,000
Interest Rates	3.75-5.00%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ -	\$ 299,138	\$ 299,138
2027	-	299,138	299,138
2028	250,000	299,137	549,137
2029	260,000	289,137	549,137
2030	270,000	278,737	548,737
2031	285,000	267,937	552,937
2032	300,000	257,250	557,250
2033	2,325,000	246,000	2,571,000
2034	2,595,000	129,750	2,724,750
	<u>\$ 6,285,000</u>	<u>\$ 2,366,224</u>	<u>\$ 8,651,224</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Tax Bonds, Series 2015A
December 31, 2025**

Date of Issue	June 16, 2015
Date of Maturity	December 1, 2035
Original Issue Amount	\$31,000,000
Interest Rates	4.25-6.00%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 2,300,000	\$ 1,535,550	\$ 3,835,550
2027	2,400,000	1,434,925	3,834,925
2028	2,510,000	1,326,925	3,836,925
2029	2,625,000	1,207,700	3,832,700
2030	2,760,000	1,076,450	3,836,450
2031	2,900,000	935,000	3,835,000
2032	3,050,000	782,750	3,832,750
2033	3,220,000	615,000	3,835,000
2034	3,415,000	421,800	3,836,800
2035	3,615,000	216,900	3,831,900
	<u>\$ 28,795,000</u>	<u>\$ 9,553,000</u>	<u>\$ 38,348,000</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Tax Bonds, Series 2015B
December 31, 2025**

Date of Issue	November 30, 2015
Date of Maturity	December 1, 2034
Original Issue Amount	\$6,725,000
Interest Rates	3.75-5.00%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 250,000	\$ 268,094	\$ 518,094
2027	250,000	258,094	508,094
2028	250,000	245,594	495,594
2029	250,000	233,094	483,094
2030	250,000	220,594	470,594
2031	250,000	208,093	458,093
2032	250,000	195,593	445,593
2033	2,225,000	183,093	2,408,093
2034	2,500,000	96,875	2,596,875
	<u>\$ 6,475,000</u>	<u>\$ 1,909,124</u>	<u>\$ 8,384,124</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Bonds, Series 2016A

December 31, 2025

Date of Issue	November 9, 2016
Date of Maturity	December 1, 2030
Original Issue Amount	\$20,155,000
Interest Rates	3.75-5.00%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 1,385,000	\$ 552,875	\$ 1,937,875
2027	1,460,000	483,625	1,943,625
2028	3,610,000	438,000	4,048,000
2029	3,595,000	257,500	3,852,500
2030	1,555,000	77,750	1,632,750
	<u>\$ 11,605,000</u>	<u>\$ 1,809,750</u>	<u>\$ 13,414,750</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

BMSC Securitization Bonds, Series 2019A

December 31, 2025

Date of Issue	March 13, 2019
Date of Maturity	January 1, 2035
Original Issue Amount	\$16,430,000
Interest Rates	5.00%
Interest Payment Dates	July 1 and January 1
Principal Payment Dates	January 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31 (1)	Principal	Interest	Total
2026	\$ -	\$ 821,500	\$ 821,500
2027	-	821,500	821,500
2028	2,150,000	767,750	2,917,750
2029	2,255,000	657,625	2,912,625
2030	2,370,000	542,000	2,912,000
2031	2,485,000	420,625	2,905,625
2032	2,610,000	293,250	2,903,250
2033	2,740,000	159,500	2,899,500
2034	1,820,000	45,500	1,865,500
	<u>\$ 16,430,000</u>	<u>\$ 4,529,250</u>	<u>\$ 20,959,250</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

BMSC Securitization Bonds, Series 2019B

December 31, 2025

Date of Issue	March 13, 2019
Date of Maturity	January 1, 2049
Original Issue Amount	\$63,540,000
Interest Rates	5.73%
Interest Payment Dates	July 1 and January 1
Principal Payment Dates	January 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31 (1)	Principal	Interest	Total
2026	\$ -	\$ 3,640,842	\$ 3,640,842
2027	-	3,640,842	3,640,842
2028	-	3,640,842	3,640,842
2029	-	3,640,842	3,640,842
2030	-	3,640,842	3,640,842
2031	-	3,640,842	3,640,842
2032	-	3,640,842	3,640,842
2033	-	3,640,842	3,640,842
2034	1,060,000	3,610,473	4,670,473
2035	3,030,000	3,493,295	6,523,295
2036	3,205,000	3,314,662	6,519,662
2037	3,385,000	3,125,858	6,510,858
2038	3,580,000	2,926,311	6,506,311
2039	3,785,000	2,715,304	6,500,304
2040	4,005,000	2,492,120	6,497,120
2041	4,235,000	2,256,044	6,491,044
2042	4,475,000	2,006,503	6,481,503
2043	4,730,000	1,742,779	6,472,779
2044	5,005,000	1,463,872	6,468,872
2045	5,290,000	1,168,920	6,458,920
2046	5,590,000	857,208	6,447,208
2047	5,915,000	527,590	6,442,590
2048	6,250,000	179,062	6,429,062
	<u>\$ 63,540,000</u>	<u>\$ 61,006,737</u>	<u>\$ 124,546,737</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds (Taxable), Series 2022A
December 31, 2025**

Date of Issue	January 25, 2022
Date of Maturity	December 1, 2050
Original Issue Amount	\$90,800,000
Interest Rates	3.837%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ -	\$ 3,483,996	\$ 3,483,996
2027	-	3,483,996	3,483,996
2028	-	3,483,996	3,483,996
2029	-	3,483,996	3,483,996
2030	-	3,483,996	3,483,996
2031	-	3,483,996	3,483,996
2032	-	3,483,996	3,483,996
2033	-	3,483,996	3,483,996
2034	-	3,483,996	3,483,996
2035	-	3,483,996	3,483,996
2036	-	3,483,996	3,483,996
2037	-	3,483,996	3,483,996
2038	-	3,483,996	3,483,996
2039	-	3,483,996	3,483,996
2040	1,405,000	3,483,996	4,888,996
2041	4,385,000	3,430,086	7,815,086
2042	6,780,000	3,261,834	10,041,834
2043	7,050,000	3,001,685	10,051,685
2044	7,320,000	2,731,177	10,051,177
2045	7,610,000	2,450,308	10,060,308
2046	7,910,000	2,158,313	10,068,313
2047	8,215,000	1,854,806	10,069,806
2048	8,545,000	1,539,596	10,084,596
2049	15,485,000	1,211,725	16,696,725
2050	16,095,000	617,565	16,712,565
	<u>\$ 90,800,000</u>	<u>\$ 74,517,034</u>	<u>\$ 165,317,034</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds, Series 2022B
December 31, 2025**

Date of Issue	January 25, 2022
Date of Maturity	December 1, 2041
Original Issue Amount	\$9,000,000
Interest Rates	4.000%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ -	\$ 360,000	\$ 360,000
2027	-	360,000	360,000
2028	-	360,000	360,000
2029	-	360,000	360,000
2030	-	360,000	360,000
2031	-	360,000	360,000
2032	-	360,000	360,000
2033	-	360,000	360,000
2034	-	360,000	360,000
2035	-	360,000	360,000
2036	-	360,000	360,000
2037	-	360,000	360,000
2038	-	360,000	360,000
2039	2,000,000	360,000	2,360,000
2040	4,865,000	280,000	5,145,000
2041	2,135,000	85,400	2,220,400
	<u>\$ 9,000,000</u>	<u>\$ 5,405,400</u>	<u>\$ 14,405,400</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

**Tax Increment Revenue Private Placement Bonds, Series 2015
December 31, 2025**

Date of Issue	March 27, 2015
Date of Maturity	November 27, 2027
Original Issue Amount	\$1,900,000
Interest Rates	4.392%
Interest Payment Dates	Monthly on the 27th of month
Principal Payment Dates	Monthly on the 27th of month

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 146,655	\$ 26,507	\$ 173,163
2027	523,770	18,532	542,304
	<u>\$ 670,425</u>	<u>\$ 45,039</u>	<u>\$ 715,467</u>

CITY OF BERWYN, ILLINOIS

Long-Term Debt Requirements

Tax Increment Revenue Bonds, Series 2020

December 31, 2025

Date of Issue	November 24, 2020
Date of Maturity	December 1, 2033
Original Issue Amount	\$7,140,000
Interest Rates	4.00-4.50%
Interest Payment Dates	June 1 and December 1
Principal Payment Dates	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December 31	Principal	Interest	Total
2026	\$ 475,000	\$ 240,600	\$ 715,600
2027	535,000	221,600	756,600
2028	595,000	200,200	795,200
2029	660,000	176,400	836,400
2030	735,000	146,700	881,700
2031	765,000	113,625	878,625
2032	840,000	79,200	919,200
2033	920,000	41,400	961,400
	<u>\$ 5,525,000</u>	<u>\$ 1,219,725</u>	<u>\$ 6,744,725</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Berwyn's annual comprehensive 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.

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	156 - 160
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	161 - 165
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.	166 - 169
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.	170 - 171
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.	172 - 174

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		Note 3					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<u>Governmental Activities</u>											
Net investment in capital assets	\$ (33,352,778)	\$ (27,940,941)	\$ (24,632,819)	\$ (27,867,456)	\$ (24,963,362)	\$ 4,446,246	\$ 17,009,429	\$ 17,009,429	\$ 33,511,173	\$ 49,474,200	
Restricted	4,374,268	3,964,998	3,784,265	89,567,917	95,573,963	95,550,308	96,642,955	55,297,524	55,337,947	53,155,333	
Unrestricted	<u>(145,555,971)</u>	<u>(170,442,605)</u>	<u>(182,069,967)</u>	<u>(273,069,875)</u>	<u>(281,372,326)</u>	<u>(302,124,626)</u>	<u>(300,110,536)</u>	<u>(258,765,105)</u>	<u>(263,705,931)</u>	<u>(276,950,255)</u>	
	Note 4										
Total Governmental Activities	<u>\$ (174,534,481)</u>	<u>\$ (194,418,548)</u>	<u>\$ (202,918,521)</u>	<u>\$ (211,369,414)</u>	<u>\$ (210,761,725)</u>	<u>\$ (202,128,072)</u>	<u>\$ (186,458,152)</u>	<u>\$ (186,458,152)</u>	<u>\$ (174,856,811)</u>	<u>\$ (174,320,722)</u>	
<u>Business-Type Activities</u>											
Net investment in capital assets	\$ 21,163,985	\$ 19,645,695	\$ 19,410,585	\$ 19,451,290	\$ 18,331,734	\$ 17,677,220	\$ 20,592,311	\$ 20,592,311	18,971,785	17,005,117	
Restricted	-	-	-	-	-	-	-	-	-	-	
Unrestricted	<u>4,273,785</u>	<u>2,477,439</u>	<u>1,912,046</u>	<u>1,729,262</u>	<u>2,855,774</u>	<u>3,438,627</u>	<u>3,606,248</u>	<u>3,606,248</u>	<u>6,435,394</u>	<u>7,511,117</u>	
Total Business-Type Activities	<u>\$ 25,437,770</u>	<u>\$ 22,123,134</u>	<u>\$ 21,322,631</u>	<u>\$ 21,180,552</u>	<u>\$ 21,187,508</u>	<u>\$ 21,115,847</u>	<u>\$ 24,198,559</u>	<u>\$ 24,198,559</u>	<u>\$ 25,407,179</u>	<u>\$ 24,516,234</u>	
<u>Primary Government</u>											
Net investment in capital assets	\$ (12,188,793)	\$ (8,295,246)	\$ (5,222,234)	\$ (8,416,166)	\$ (6,631,628)	\$ 22,123,466	\$ 37,601,740	\$ 37,601,740	\$ 52,482,958	\$ 66,479,317	
Restricted	4,374,268	3,964,998	3,784,265	89,567,917	95,573,963	95,550,308	96,642,955	55,297,524	55,337,947	53,155,333	
Unrestricted	<u>(141,282,186)</u>	<u>(167,965,166)</u>	<u>(180,157,921)</u>	<u>(271,340,613)</u>	<u>(278,516,552)</u>	<u>(298,685,999)</u>	<u>(296,504,288)</u>	<u>(255,158,857)</u>	<u>(257,270,537)</u>	<u>(269,439,138)</u>	
Total Primary Government	<u>\$ (149,096,711)</u>	<u>\$ (172,295,414)</u>	<u>\$ (181,595,890)</u>	<u>\$ (190,188,862)</u>	<u>\$ (189,574,217)</u>	<u>\$ (181,012,225)</u>	<u>\$ (162,259,593)</u>	<u>\$ (162,259,593)</u>	<u>\$ (149,449,632)</u>	<u>\$ (149,804,488)</u>	

Note 1 : GASB Standard 75 required 2017 Financial Statements be restated to Establish the Total Other Post Employee Benefit (OPEB) liability instead of Net OPEB Obligation

Note 2 : GASB Standard 54 requires Advance to other funds be presented as Restricted Fund Balance for Debt Service

Note 3 : Statement of Net Position Restated to include Harlem TIF private place liability of \$1.427 million

Data Source

Audited Financial Statements

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
<u>Governmental Activities</u>										
General government	\$ 4,069,138	\$ 4,151,187	\$ 4,322,035	\$ 4,444,154	\$ 3,431,673	\$ 4,245,901	\$ 4,199,177	\$ 5,425,348	\$ 6,586,459	\$ 7,797,399
Public safety	48,121,837	47,884,063	52,991,988	52,132,315	48,456,281	44,699,607	60,080,177	57,017,197	62,661,783	66,895,876
Public works	9,574,448	8,030,594	7,050,783	7,558,885	8,279,018	9,601,235	6,941,001	12,335,552	10,119,910	14,175,847
Economic development	3,680,408	3,321,527	2,948,818	3,685,048	2,607,616	3,742,683	4,415,223	4,855,732	5,370,971	2,838,266
Culture and recreation	5,384,622	5,098,182	5,288,508	5,074,881	4,921,945	5,250,279	5,256,227	6,199,671	6,577,812	7,301,831
Interest	8,224,634	7,415,620	7,410,680	9,960,909	9,776,916	9,592,316	10,500,601	11,968,531	11,629,628	11,630,948
Total Governmental Activities Expenses	79,055,087	75,901,173	80,012,812	82,856,192	77,473,449	77,132,021	91,392,406	97,802,031	102,946,563	110,640,167
<u>Business-Type Activities</u>										
Utilities	20,206,762	18,418,318	18,223,176	17,459,824	17,979,956	18,878,431	19,765,632	19,866,954	21,513,033	25,279,527
Parking garage	299,391	273,938	291,169	269,462	249,205	262,885	269,523	274,826	322,243	325,577
Total Business-Type Activities Expenses	20,506,153	18,692,256	18,514,345	17,729,286	18,229,161	19,141,316	20,035,155	20,141,780	21,835,276	25,605,104
Total Primary Government Expenses	\$ 99,561,240	\$ 94,593,429	\$ 98,527,157	\$ 100,585,478	\$ 95,702,610	\$ 96,273,337	\$ 111,427,561	\$ 117,943,811	\$ 124,781,839	\$ 136,245,271
Program Revenues										
<u>Governmental Activities</u>										
Charges for Services										
General government	\$ 2,503,370	\$ 2,412,000	\$ 2,603,194	\$ 2,832,766	\$ 2,552,355	\$ 2,420,268	\$ 2,366,742	\$ 2,547,491	\$ 2,806,341	\$ 2,506,277
Public safety	6,994,123	6,305,832	6,040,508	7,011,487	5,866,208	6,805,807	10,468,164	10,796,630	11,391,632	10,228,887
Public works	2,083,000	2,094,248	1,919,016	1,955,806	1,508,503	1,925,572	2,150,803	1,829,649	1,997,526	1,800,326
Culture and recreation	565,083	611,512	604,146	632,535	105,336	348,437	627,215	626,118	670,929	570,799
Health and sanitation	85,724	76,818	64,911	19,217	10,000	10,000	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	4,376,808	3,839,854	3,224,755	3,609,094	4,037,465	4,037,820	4,467,834	5,589,696	5,248,926	5,204,448
Capital Grants and Contributions	634,086	3,428,047	960,511	726,582	1,499,806	1,802,418	2,081,799	8,017,483	13,733,005	12,828,884
Total Governmental Activities Program Revenues	17,242,194	18,768,311	15,417,041	16,787,487	15,579,673	17,350,322	22,162,557	29,407,067	35,848,359	33,139,621
<u>Business-Type Activities</u>										
Charges for Services										
Utilities	15,999,846	15,720,377	17,100,085	16,928,161	18,170,033	18,849,974	20,012,936	21,310,285	22,113,055	23,525,692
Parking garage	231,366	225,613	204,562	208,009	66,084	57,057	61,353	57,169	56,727	93,929
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	65,877	-	-	-	-	-	377,250	613,348	324,013	799,667
Total Business-Type Activities Program Revenues	16,297,089	15,945,990	17,304,647	17,136,170	18,236,117	18,907,031	20,451,539	21,980,802	22,493,795	24,419,288
Total Primary Government Program Revenues	\$ 33,539,283	\$ 34,714,301	\$ 32,721,688	\$ 33,923,657	\$ 33,815,790	\$ 36,257,353	\$ 42,614,096	\$ 51,387,869	\$ 58,342,154	\$ 57,558,909
Net (Expense) Revenue										
Governmental Activities	\$ (61,812,893)	\$ (57,132,862)	\$ (64,595,771)	\$ (66,068,705)	\$ (61,893,776)	\$ (59,781,699)	\$ (69,229,849)	\$ (68,394,964)	\$ (67,098,204)	\$ (77,500,546)
Business-Type Activities	(4,209,064)	(2,746,266)	(1,209,698)	(593,116)	6,956	(234,285)	416,384	1,839,022	658,519	(1,185,816)
Total Primary Government Net (Expense) Revenue	\$ (66,021,957)	\$ (59,879,128)	\$ (65,805,469)	\$ (66,661,821)	\$ (61,886,820)	\$ (60,015,984)	\$ (68,813,465)	\$ (66,555,942)	\$ (66,439,685)	\$ (78,686,362)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
<u>Governmental Activities</u>										
Taxes										
Property	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213	\$ 34,742,608	\$ 36,948,986	\$ 37,528,981	\$ 39,584,811	\$ 42,080,502	\$ 41,783,651	\$ 40,739,683
Sales	3,802,911	3,852,290	4,184,732	4,459,522	4,392,484	5,676,562	5,966,457	6,134,219	6,076,099	7,010,722
Home Rule Sales	2,761,930	2,683,029	2,810,011	3,927,872	4,570,878	6,875,174	7,373,763	7,384,286	7,510,511	8,455,162
Local Use					2,529,919	2,181,162	2,320,236	2,228,459	2,029,261	513,597
Replacement	-	-	-	-	-	-	-	644,388	387,426	330,828
Municipal Utility	3,090,740	2,994,314	2,996,948	2,889,681	2,739,274	2,758,312	3,194,819	2,918,956	2,564,600	2,788,927
Real Estate Transfer	1,905,205	1,890,665	2,317,555	2,107,324	2,138,624	2,346,630	2,316,100	1,931,115	1,853,692	1,742,838
Other	1,685,018	1,828,770	2,240,806	2,347,604	2,166,974	2,628,967	3,293,754	2,708,700	2,435,990	2,442,513
Income taxes	6,819,192	6,612,784	7,129,677	7,990,631	6,278,236	7,748,183	9,493,554	9,291,639	9,947,535	10,468,559
Investment Earnings	72,127	111,264	171,082	346,821	126,422	77,731	851,425	3,159,067	3,749,841	3,012,332
Gain on sale of capital assets	63,195	-	-	-	-	-	-	-	-	-
Loss on debt refunding	(671,960)	-	-	-	-	-	-	-	-	-
Miscellaneous	170,277	265,359	621,885	682,738	609,668	756,274	572,541	687,944	911,040	826,346
Transfers	(455,191)	(501,557)	(406,111)	(449,886)	-	(162,624)	(544,808)	(297,194)	(550,101)	(294,872)
Total Governmental Activities	52,555,579	53,831,441	56,095,798	59,044,915	62,501,465	68,415,352	74,422,652	78,872,081	78,699,545	78,036,635
<u>Business-Type Activities</u>										
Investment Earnings	4,080	3,019	3,084	1,151	-	-	(14,696)	-	-	-
Transfers	455,191	501,557	406,111	449,886	-	162,624	544,808	297,194	550,101	294,872
Total Business-Type Activities	459,271	504,576	409,195	451,037	-	162,624	530,112	297,194	550,101	294,872
Total Primary Government	\$ 53,014,850	\$ 54,336,017	\$ 56,504,993	\$ 59,495,952	\$ 62,501,465	\$ 68,577,976	\$ 74,952,764	\$ 79,169,275	\$ 79,249,646	\$ 78,331,507
Change in Net Position										
Governmental Activities	\$ (9,257,314)	\$ (3,301,421)	\$ (8,499,973)	\$ (7,023,790)	\$ 607,689	\$ 8,633,653	\$ 5,192,803	\$ 10,477,117	\$ 11,601,341	\$ 536,089
Business-Type Activities	(3,749,793)	(2,241,690)	(800,503)	(142,079)	6,956	(71,661)	946,496	2,136,216	1,208,620	(890,944)
Total Primary Government Change in Net Position	\$ (13,007,107)	\$ (5,543,111)	\$ (9,300,476)	\$ (7,165,869)	\$ 614,645	\$ 8,561,992	\$ 6,139,299	\$ 12,613,333	\$ 12,809,961	\$ (354,855)

Data Source

Audited Financial Statements

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nondisposable	\$ 92,119	\$ 307,940	\$ 181,465	\$ 161,104	\$ 204,057	\$ 236,267	\$ 113,298	\$ 1,992,207	\$ 834,665	\$ 185,029
Assigned	35,767	37,972	38,619	41,536	41,536	41,536	41,536	-	-	-
Unassigned	<u>12,786,535</u>	<u>12,675,459</u>	<u>12,055,377</u>	<u>12,167,337</u>	<u>11,361,863</u>	<u>12,861,197</u>	<u>18,573,628</u>	<u>18,849,825</u>	<u>17,810,536</u>	<u>9,741,317</u>
Total General Fund	<u>\$ 12,914,421</u>	<u>\$ 13,021,371</u>	<u>\$ 12,275,461</u>	<u>\$ 12,369,977</u>	<u>\$ 11,607,456</u>	<u>\$ 13,139,000</u>	<u>\$ 18,728,462</u>	<u>\$ 20,842,032</u>	<u>\$ 18,645,201</u>	<u>\$ 9,926,346</u>
All Other Governmental Funds										
Nondisposable	\$ 432,323	\$ 43,291	\$ 43,291	\$ 78,162,793	\$ 76,370,610	\$ 74,322,635	\$ 72,105,453	\$ 70,144,061	\$ 68,096,086	\$ 66,091,403
Restricted	5,340,814	5,463,764	5,697,050	11,448,415	21,137,620	23,096,543	27,696,276	28,883,045	28,092,055	24,769,281
Committed	1,643,877	1,085,968	1,027,117	1,141,030	268,312	118,877	705,020	-	-	-
Assigned	-	-	-	-	-	880,000	880,000	738,777	2,837,913	2,385,925
Unassigned	<u>(1,052,201)</u>	<u>(1,125,978)</u>	<u>(561,567)</u>	<u>(77,483,574)</u>	<u>(74,816,025)</u>	<u>(71,648,069)</u>	<u>(62,307,284)</u>	<u>(61,853,855)</u>	<u>(64,687,181)</u>	<u>(62,516,184)</u>
Total All Other Governmental Funds	<u>\$ 6,364,813</u>	<u>\$ 5,467,045</u>	<u>\$ 6,205,891</u>	<u>\$ 13,268,664</u>	<u>\$ 22,960,517</u>	<u>\$ 26,769,986</u>	<u>\$ 39,079,465</u>	<u>\$ 37,912,028</u>	<u>\$ 34,338,873</u>	<u>\$ 30,730,425</u>

Data Source

Audited Financial Statements

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

	2016	2017	Note 1 2018	Note 2 2019	Note 3 2020	Note 4 2021	Note 5 2022	2023	2024	Note 6 2025
Revenues										
Property taxes	\$ 33,312,135	\$ 34,094,523	\$ 34,029,213	\$ 34,742,608	\$ 36,948,986	\$ 37,528,981	\$ 39,584,811	\$ 42,080,502	\$ 41,783,651	\$ 39,578,919
Other taxes	20,053,166	19,911,224	21,679,729	23,722,634	24,816,389	30,214,990	33,958,683	33,241,762	32,805,114	33,753,146
Licenses and permits	3,625,012	3,672,370	3,552,298	3,665,588	3,184,960	3,270,543	3,308,698	3,107,094	3,614,318	3,079,593
Intergovernmental	4,219,375	3,770,003	4,185,264	4,335,676	5,537,271	3,081,771	6,549,633	13,607,179	18,271,254	18,365,346
Fines and forfeitures	6,365,397	5,215,889	4,966,251	5,556,734	3,939,493	4,562,606	4,563,938	5,348,544	5,528,162	3,162,995
Charges for services	1,690,521	1,819,564	1,966,890	2,627,777	2,331,321	5,840,239	7,011,310	6,469,389	6,937,829	7,656,527
Investment income	72,002	110,891	170,672	346,821	125,329	77,758	851,348	3,157,812	3,744,750	3,009,354
Miscellaneous	1,403,193	4,506,474	1,368,221	1,284,450	1,189,815	1,351,461	1,282,546	1,550,137	1,479,332	2,030,992
Total Revenues	70,740,801	73,100,938	71,918,538	76,282,288	78,073,564	85,928,349	97,110,967	108,562,419	114,164,410	110,636,872
Expenditures										
General government	3,763,962	3,882,855	4,105,923	4,079,645	3,756,892	3,819,107	4,363,609	5,057,832	5,800,095	6,406,334
Public safety	39,487,804	38,157,125	39,448,318	69,468,798	43,471,748	44,669,574	124,010,287	52,343,398	60,191,565	62,646,661
Highways and streets	7,291,226	10,551,626	7,179,906	7,640,758	7,992,734	9,333,544	9,132,446	12,754,150	11,639,373	12,627,539
Health & welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	5,057,693	4,924,183	2,762,155	5,302,802	4,879,705	5,407,502	5,814,197	6,556,783	7,215,249	7,548,319
Economic development	3,524,490	3,140,306	4,997,313	3,048,009	2,388,737	3,834,056	4,486,877	4,525,979	5,108,835	3,048,316
Capital outlay	680,942	568,136	1,198,017	551,171	1,030,314	1,693,332	1,985,867	13,749,347	14,979,580	18,919,701
Debt service										
Principal	10,557,831	5,008,444	19,941,271	18,609,491	7,510,162	6,672,789	16,642,783	3,715,914	3,925,385	11,020,223
Interest	8,016,080	7,659,081	7,468,510	7,631,782	9,208,243	9,197,796	11,708,058	12,089,944	11,934,620	11,781,743
Other charges	268,395	-	-	-	244,820	64,950	3,166,118	-	-	6,000
Total Expenditures	78,648,423	73,891,756	87,101,413	116,332,456	80,483,355	84,692,650	181,310,242	110,793,347	120,794,702	134,004,836
Excess (deficiency) of revenues over (under) expenditures	(7,907,622)	(790,818)	(15,182,875)	(40,050,168)	(2,409,791)	1,235,699	(84,199,275)	(2,230,928)	(6,630,292)	(23,367,964)
Other Financing Sources (Uses)										
Transfers in	5,852,329	4,108,815	5,246,047	13,822,550	16,063,067	20,497,410	23,632,309	23,296,542	23,105,754	24,318,086
Transfers (out)	(5,852,329)	(4,108,815)	(5,246,047)	(13,822,550)	(16,063,067)	(20,497,410)	(23,632,309)	(23,546,542)	(23,105,754)	(24,318,086)
Proceeds of long term debt	19,483,528	-	15,175,811	79,970,000	11,339,123	4,105,314	100,683,596	3,427,060	806,894	973,697
Proceeds of short term debt	-	-	-	-	-	-	-	-	-	10,000,000
Premium (discount) on bonds issued	2,278,565	-	-	924,187	-	-	1,414,620	-	-	-
Transfer to bond escrow agent	(21,016,667)	-	-	(33,686,730)	-	-	-	-	-	-
Origination of SBITA and lease obligations	-	-	-	-	-	-	-	-	53,414	66,967
Sale of capital assets	28,075	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	773,501	-	15,175,811	47,207,457	11,339,123	4,105,314	102,098,216	3,177,060	860,308	11,040,664
Net Change in Fund Balances	\$ (7,134,121)	\$ (790,818)	\$ (7,064)	\$ 7,157,289	\$ 8,929,332	\$ 5,341,013	\$ 17,898,941	\$ 946,132	\$ (5,769,984)	\$ (12,327,300)
Debt Service as a Percentage of										
Noncapital Expenditures	24.14%	18.45%	32.01%	22.81%	21.19%	19.51%	16.00%	16.72%	15.50%	15.72%

Note 1: 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 2: 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).

Note 3: The City issued about \$7.4 million in Revenue Bonds for the South Berwyn Corridor TIF. Also, the City drew \$3.85 million from the line of credit established with BMO Harris to retire principal from the 2010 Bonds

Note 4: The City drew \$3 million from the line of credit established with BMO Harris to retire principal from the 2011 Bonds. Both draws totaing \$6.85 million from 2020 and 2021 were repaid in January 2022

Note 5: The City issued about \$86 million in bonds to fund fire and police pensions resulting in large increases in public safety expenditures. In addition, about \$14 million of bonds were issued to refund/pay off existing debt.

Note 6: The City drew on a \$10 million line of credit included in other financing sources with a \$5 million repayment shown as principal expenditures. This is excluded from the debt percentage calculation

[Data Source](#)

Audited Financial Statements

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Income Tax</u>	<u>Local Use Tax</u>	<u>Sales Tax</u>	<u>Home Rule Sales Tax</u>	<u>Personal Prop. Replacement</u>	<u>Municipal Utility Tax</u>	<u>Liquor Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Gas Tax</u>	<u>Motor Fuel Tax</u>	<u>Other Taxes</u>
2016	\$ 33,312,135	\$ 5,443,084	\$ 1,376,108	\$ 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	5,147,264	1,465,520	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	5,465,440	1,664,237	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	6,078,931	1,911,700	4,459,522	3,927,872	275,021	2,889,681	183,829	2,107,324	341,869	1,868,822	1,546,885
2020	36,948,986	6,278,236	2,529,919	4,392,484	4,570,878	236,515	2,739,274	215,219	2,138,624	264,914	2,160,371	1,330,443
2021	37,528,981	7,748,183	2,181,162	5,676,562	6,875,174	452,561	2,758,312	285,695	2,346,630	318,519	2,473,811	1,572,192
2022	39,584,811	9,493,554	2,320,236	5,966,457	7,373,763	869,776	3,194,819	219,575	2,316,100	292,724	2,289,333	1,911,679
2023	42,080,502	9,291,639	2,228,459	6,134,219	7,384,286	644,388	2,918,956	228,756	1,931,115	298,569	3,473,505	2,181,375
2024	41,783,651	9,947,535	2,029,261	6,076,099	7,510,511	387,426	2,564,600	228,560	1,853,692	301,168	3,044,023	1,906,262
2025	40,739,683	10,468,559	513,597	7,010,722	8,455,162	330,828	2,788,927	220,843	1,742,838	293,120	2,613,644	1,928,551

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

Data Source

Audited Financial Statements

CITY OF BERWYN, ILLINOIS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Levy Years

Levy Year	Fiscal Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Valuation (1)	Less: Homeowners Exemptions	Less: Tax Increment	Equalized Assessed Valuation for Taxation (2)	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Estimated Taxable Value As a Percentage
2015	2016	\$ 552,120,527	\$ 129,607,940	\$ 4,326,066	\$ 1,571,631	\$ 687,626,164	\$ (96,824,659)	\$ (15,576,539)	\$ 575,224,966	5.48	\$ 2,062,878,492	33.333%
2016	2017	573,727,381	133,610,746	3,840,149	1,679,354	712,857,630	(96,824,659)	(15,576,539)	600,456,432	5.30	2,138,572,890	33.333%
2017	2018	744,086,744	155,943,001	6,134,462	1,399,286	907,563,493	(150,679,516)	(20,024,994)	736,858,983	4.49	2,722,690,479	33.333%
2018	2019	715,782,528	151,752,602	4,225,750	1,708,064	873,468,944	(149,889,541)	(16,467,092)	707,112,311	4.74	2,620,406,832	33.333%
2019	2020	705,637,443	156,749,002	4,104,333	1,817,416	868,308,194	(151,930,462)	(26,386,965)	689,990,767	4.99	2,604,924,582	33.333%
2020	2021	899,177,329	171,364,581	4,838,588	2,026,833	1,077,407,331	(169,574,334)	(41,333,052)	866,499,945	4.07	3,232,221,993	33.333%
2021	2022	831,937,489	162,631,283	4,264,967	1,998,240	1,000,831,979	(169,492,267)	(34,453,980)	796,885,732	4.55	3,002,495,937	33.333%
2022	2023	804,670,883	156,006,243	3,442,709	2,437,196	966,557,031	(155,415,815)	(36,002,820)	775,138,396	4.30	2,899,671,093	33.333%
2023	2024	1,099,733,714	168,340,884	4,176,669	2,498,278	1,058,995,569	(176,873,274)	(38,880,702)	843,241,593	3.19	3,176,986,707	33.333%
2024	2025	910,664,300	127,976,285	4,015,758	2,386,564	1,045,042,907	(182,796,527)	(39,611,885)	822,634,495	3.23	3,135,128,721	33.333%

Data Source: Office of the County Clerk

(1) Total Equalized Assessed Valuation of property based on the Assessed Valuation of property determined by the Cook County Assessor based on 10% of fair value for residential property and 25% of fair value for commercial and industrial property (except for certain exemptions) equalized by the Equalization Factor calculated by the Illinois Department of Revenue applicable to Cook County. Equalized Assessed Valuation should approximate 33% of the market value of taxable property in the City.

(2) Total Equalized Assessed Valuation of the City is reduced by Homeowners Exemptions and the Tax Increment (the Equalized Valuation of property in a Tax Increment District that exceeds the Frozen Level at the inception of the Tax Increment District) for purposes of billing and collecting taxes for the City.

(3) Tax rate is \$ per \$100 of Equalized Assessed Valuation for Taxation.

(4) The Total Estimated Market Value of the City is based on the Equalized Assessed Valuation before Homeowners Exemptions and Tax Increment multiplied by 3. This calculation assumes that the countrywide Equalization Factor adjusts Assessed Valuation in the City to one third of market.

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

<u>Tax Levy Year</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
South Berwyn Tax Rates (62.02% of City EAV)										
City Direct Rates										
General	\$ 3.2456	\$ 3.2381	\$ 2.6883	\$ 2.7961	\$ 2.9228	\$ 2.3276	\$ 2.5879	\$ 2.6599	\$ 1.9469	\$ 1.9729
Bond & Interest	1.1035	1.0672	0.9427	1.0548	1.1570	0.9820	1.1336	1.2331	0.9522	0.9649
City of Berwyn Library	0.5777	0.5760	0.4760	0.4950	0.5070	0.4040	0.4390	0.5638	0.4210	0.4265
Police Pension	0.2737	0.2142	0.2049	0.2199	0.2254	0.1865	0.2028	0.2183	0.1526	0.1546
Fire Pension	<u>0.2781</u>	<u>0.2029</u>	<u>0.1760</u>	<u>0.1828</u>	<u>0.1874</u>	<u>0.1717</u>	<u>0.1867</u>	<u>0.1828</u>	<u>0.1405</u>	<u>0.1424</u>
Total Direct Rate	5.479	5.298	4.488	4.749	5.000	4.072	4.550	4.858	3.613	3.661
Overlapping Rates										
Cook County	0.586	0.533	0.527	0.489	0.484	0.453	0.465	0.431	0.386	0.390
Cook County Forest Preserve	0.069	0.063	0.062	0.060	0.059	0.058	0.058	0.081	0.075	0.069
Metropolitan Water Rec.	0.426	0.406	0.402	0.396	0.389	0.378	0.382	0.374	0.345	0.340
Berwyn Township	0.311	0.306	0.261	0.280	0.296	0.244	0.276	0.300	0.046	0.048
High School District #201	3.339	3.251	2.875	3.036	3.128	2.461	2.728	2.925	2.222	2.320
Community College #527	<u>0.698</u>	<u>0.680</u>	<u>0.583</u>	<u>0.619</u>	<u>0.645</u>	<u>0.509</u>	<u>0.572</u>	<u>0.614</u>	<u>0.467</u>	<u>0.490</u>
Total Common Rates	10.908	10.537	9.198	9.629	10.001	8.175	9.031	9.583	7.154	7.318
Souh Berwyn Overlapping Rates										
School District #100	4.568	4.490	5.076	4.539	5.024	4.395	5.242	5.526	4.146	4.381
Berwyn Park District	<u>0.456</u>	<u>0.443</u>	<u>0.381</u>	<u>0.406</u>	<u>0.431</u>	<u>0.355</u>	<u>0.408</u>	<u>0.432</u>	<u>0.334</u>	<u>0.348</u>
Total South Tax Rates	<u>\$ 15.932</u>	<u>\$ 15.470</u>	<u>\$ 14.655</u>	<u>\$ 14.574</u>	<u>\$ 15.456</u>	<u>\$ 12.925</u>	<u>\$ 14.681</u>	<u>\$ 15.541</u>	<u>\$ 11.634</u>	<u>\$ 12.047</u>
North Berwyn Tax Rates (37.98x% of City EAV)										
Total Common Rates	10.908	10.537	9.198	9.629	10.001	8.175	9.031	9.583	7.154	7.318
North Berwyn Overlapping Rates										
School District #98	4.134	4.049	3.346	3.540	3.681	2.984	3.267	3.549	2.632	2.772
North Berwyn Park District	<u>0.513</u>	<u>0.502</u>	<u>0.416</u>	<u>0.442</u>	<u>0.462</u>	<u>0.373</u>	<u>0.414</u>	<u>0.575</u>	<u>0.420</u>	<u>0.440</u>
Total North Tax Rates	<u>\$ 15.555</u>	<u>\$ 15.088</u>	<u>\$ 12.960</u>	<u>\$ 13.611</u>	<u>\$ 14.144</u>	<u>\$ 11.532</u>	<u>\$ 12.712</u>	<u>\$ 13.707</u>	<u>\$ 10.206</u>	<u>\$ 10.531</u>

Data Source

Office of the County Clerk

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

<u>Taxpayer</u>	2025			2016		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Valuation</u>
Cermak Plaza Associates (Formerly Andrew Bermant)	\$ 19,913,432	1	1.91%	N/A	N/A	0.00%
Berwyn Gateway Partners	8,177,475	2	0.78%	3,590,347	4	0.20%
Extra Space Storage	7,354,583	3	0.70%	N/A	N/A	0.00%
Shurgard	4,896,189	4	0.47%	3,272,027	5	0.18%
Grove/Fairfax)	4,499,557	5	0.43%	2,796,840	7	0.16%
McDonalds	3,768,285	6	0.36%	2,892,630	6	0.16%
Invitation Homes	3,109,919	7	0.30%	N/A	N/A	0.00%
Individual Investor (19 Parcels)	2,777,752	8	0.27%	N/A	N/A	0.00%
ARHC BMBEMLo1 LLC (Real Estate Investments: 4 Parcels)	2,354,045	9	0.23%	N/A	N/A	0.00%
Realty & Mortgage Co.	2,313,099	10	0.22%	N/A	N/A	0.00%
Loyola/ MacNeal Memorial Hospital	N/A	N/A	0.00%	21,394,238	1	1.19%
Concordia Realty	N/A	N/A	0.00%	8,233,141	2	0.46%
Meijer	N/A	N/A	0.00%	5,319,055	3	0.30%
Bank)	N/A	N/A	0.00%	2,335,049	8	0.13%
BMO Harris Bank NA	N/A	N/A	0.00%	1,383,752	9	0.08%
Turanno Baking Company	N/A	N/A	0.00%	1,360,642	10	0.08%
TOTAL	\$ 59,164,336		5.66%	\$ 52,577,721		2.93%

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 2025 is based on the 2024 tax information for 2025 collection and revenue in 2024. The 2025 property information is not currently 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
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%	35,068	32,547,033	97.06%
2019	34,492,979	33,166,184	96.15%	(148,373)	33,017,810	95.72%
2020	35,274,155	33,762,817	95.72%	(353,342)	33,409,475	94.71%
2021***	36,258,300	33,298,021	91.84%	2,331,921	35,629,942	98.27%
2022	37,663,974	35,780,351	95.00%	(260,503)	35,519,848	94.31%
2023	38,262,733	36,550,887	95.53%	524,196	37,075,083	96.90%
2024****	38,262,733	24,745,870	64.67%	N/A	24,745,870	64.67%

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

***Collections for 2021 Tax Levy about 10% lower due to Cook County 2nd portion disbursement delays.

****Collections for 2024 Tax Levy substantially lower due to Cook County 2nd portion disbursement delays.

Remaining 30-35% collection January to March 31, 2026

[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 ****	TIF Revenue Bonds	Private Placement TIF Bonds	Line of Credit**	Mortgage Notes Payable ***	SBITA Payable	Leases	General Obligation Bonds	Installment Notes Payable *****	Capital Leases	Total Primary Government	Personal Income*	Per Capita*
2016	\$ 155,937,891	\$ -	\$ -	\$ -	\$ -	\$ 1,792,579		\$ 899,500	\$ 8,218,379	\$ -	\$ 131,409	\$ 166,979,758	13.45%	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		1,427,103		457,648		362,711	7,726,515	-	-	187,556,648	13.94%	3,448
2020	90,148,827	79,970,000	7,140,000	1,314,575	3,850,000	300,000		438,898	7,529,227	-	-	190,691,527	12.84%	3,506
2021	83,669,981	79,970,000	7,140,000	1,196,786	3,000,000	-		1,332,689	7,256,939	5,353,338	128,542	189,048,275	12.73%	3,302
2022	172,140,000	79,970,000	6,795,000	1,073,719		1,856,903		241,033	5,045,000	14,238,472	44,451	284,844,255	16.49%	5,177
2023	169,085,000	79,970,000	6,395,000	945,134		1,524,415	3,336,183	262,910	5,045,000	13,813,312	25,720	280,402,674	16.24%	5,153
2024	165,880,000	79,970,000	5,945,000	810,790		1,971,515	2,764,018	249,395	5,045,000	14,724,960	19,325	277,380,003	14.71%	5,029
2025	160,560,000	79,970,000	5,525,000	670,425	5,000,000	2,534,074	2,313,263	229,250	4,795,000	15,372,511	12,602	276,982,125	14.47%	5,036

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. Repaid March 2019. Draw November 2020 and November 2021. Repaid January 2022. Draw 11/28/2025. Repaid 2/27/26.

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

in lieu of paying a \$1.5 million guarantee made in 2007 on a defaulted car dealership loan. See notes to financial statements for more details.

****Securitization Bonds issued March, 2019 for Police and Fire Pension Funding along with 2007, 2008, and 2013 Bond Refunding

*****IEPA Loan for Depot District Project. Eligible Loan Proceed Costs totaling \$14,238,472 were incurred and disbursed to City

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

Fiscal Year	Gen Oblig/ Securitization Bonds	Less: Amounts Available		Total	Percentage of Estimated Actual Taxable		Per Capita
		In Debt Service Fund**			Value of Property*		
2016	\$ 166,979,758	\$ 1,138,254		\$ 165,841,504	8.04%	\$	2,927.11
2017	161,345,062	64,873		161,280,189	7.54%		2,846.61
2018	156,042,582	64,873		155,977,709	5.73%		2,753.02
2019**	186,736,289	1,332,851		185,403,438	7.08%		3,408.72
2020**	189,952,629	1,577,384		188,375,245	7.23%		3,463.35
2021**	186,083,706	2,480,274		183,603,432	5.68%		3,207.05
2022**	268,463,396	3,067,198		265,396,198	8.84%		4,823.54
2023	264,560,885	2,000,511		262,560,374	9.05%		4,825.24
2024	260,452,644	1,209,809		259,242,835	8.16%		4,700.52
2025	259,005,956	3,068,713		255,937,243	8.16%		4,653.32

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, 2025

<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	\$ 247,723,499	100.00%	\$ 247,723,499
Cook County	1,930,661,750	0.50%	9,659,900
Cook County Forest Preserve District	75,290,000	0.50%	376,707
Metropolitan Water Reclamation District	2,739,741	0.51%	13,936
Berwyn Park District	4,255,618	100.00%	4,255,618
North Berwyn Park District	7,414,042	100.00%	7,414,042
Schools			
Elementary District No. 100	17,348,370	100.00%	17,348,370
High School District No. 201	66,260,072	40.58%	26,890,918
Community College District No. 527	<u>7,998,764</u>	40.58%	<u>3,246,210</u>
	<u>2,111,968,357</u>		<u>69,205,701</u>
	<u>\$ 2,359,691,856</u>		<u>\$ 316,929,200</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
Cook County Treasurer Taxing Districts Financial Statements and Disclosures
Various Agency 2024 Annual Comprehensive Finance Reports

CITY OF BERWYN, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2025

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2025	55,001	\$ 1,914,694,812	\$ 34,812	4.8%
2024	55,152	1,886,032,944	34,197	4.3%
2023	54,414	1,726,882,704	31,736	4.9%
2022	55,021	1,555,828,817	28,277	3.8%
2021	57,250	1,485,007,750	25,939	5.7%
2020	54,391	1,389,581,268	25,548	11.9%
2019	54,391	1,345,306,994	24,734	4.2%
2018	54,821	1,287,361,543	23,483	4.4%
2017	55,435	1,291,358,325	23,295	5.2%
2016	55,986	1,241,769,480	22,180	6.4%

Data Source

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

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

2025			2016		
Employer	Number of Employees	% of Total City Employment	Employer	Number of Employees	% of Total City Employment
Loyola (Formerly MacNeal Memorial) Hospital	2,200	7.54%	MacNeal Memorial Hospital	2,200	16.52%
Morton West High School (District 201)	1,030	3.53%	Morton West High School (District 201)	1,000	7.51%
City of Berwyn	550	1.89%	City of Berwyn	566	4.25%
Berwyn South (District 100)	525	1.80%	Berwyn South School (District 100)	456	3.42%
Berwyn North School (District 98)	402	1.38%	Berwyn North School (District 98)	370	2.78%
Campagna-Turano Baking Company, Inc.	300	1.03%	Campagna-Turano Baking Company, Inc.	300	2.25%
Rosin Eyecare	85	0.29%	Rosin Eyecare	85	0.64%
Byline Bank (Formerly Citizens Community)	35	0.12%	Vanguard Distribution	50	0.38%
Buona Catering LLC	25	0.09%	Byline Bank (Formerly Citizens Community)	35	0.26%
Socitec US, LLC	25	0.09%	Physician's Record Company	32	0.24%

Data Source

Illinois Service Directory and 2025 Illinois Manufacturer's Directory. US Census Bureau's American Community Survey 2020-2024 5-year Estimates

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
Administration	17	17	19	18	15	19	21	21	22	26
Finance	14	14	14	15	15	17	15	18	19	19
Community Development	17	18	17	17	17	19	20	20	19	20
Public Safety										
Police										
Officers	111	113	110	113	115	113	116	122	121	117
Civilians	49	49	49	40	55	53	62	62	65	69
Fire										
Firefighters and officers	80	80	80	79	80	80	79	84	82	81
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works	41	41	42	40	40	41	38	41	39	38
Culture & Recreation	45	46	42	43	41	43	49	47	53	54

Data Source

City payroll office

CITY OF BERWYN, ILLINOIS
OPERATING INDICATORS
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Public Safety										
Police										
Physical arrests	991	979	913	946	685	1,056	1,314	1,543	1,085	1,086
Parking violations	52,044	52,389	52,451	56,565	37,575	42,680	39,496	53,511	61,005	50,202
Traffic tickets issued	7,257	5,776	5,294	3,972	3,248	3,407	2,395	13,256	8,601	5,705
Fire										
Emergency responses	7,587	7,519	7,795	8,125	7,788	8,814	8,867	9,140	9,002	9,795
Fires extinguished	112	139	131	147	124	65	94	97	95	98
Public Works										
Street resurfacing (miles)	0.3	0.7	0.2	1.1	1.6	6.0	3.1	5.9	4.97	5.24
Pothole repairs	4,500	4,950	6,450	6,050	5,600	5,200	4,500	4,250	4,180	3,900
Water										
New connections	50	67	97	58	54	76	79	58	69	92
Water main breaks	91	97	88	79	62	57	46	44	59	65
Average daily consumption	4.77 MGD	4.99 MGD	5.20 MGD	4.31 MGD	4.69 MGD	4.81 MGD	4.92 MGD	4.90 MGD	4.89 MGD	5.23 MGD
Peak daily consumption	5.48 MGD	6.59 MGD	5.86 MGD	5.16 MGD	5.22 MGD	6.74 MGD	5.83 MGD	5.70 MGD	6.12 MGD	7.39 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	87	89	83	81	83	79	83	81	84	80
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines and trucks	5	5	5	5	5	5	5	6	6	7
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
Fire hydrants	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,079	1,079	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

APPENDIX C

SUMMARY OF CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

DEFINITION OF CERTAIN TERMS

“Authorized Denomination” means \$5,000 and any integral multiple thereof.

“Authorized Officer” means (a) the Mayor, the City Treasurer or any other official of the City so designated by a Certificate signed by the Mayor and filed with the Trustee for so long as such designation shall be in effect, and (b) the City Clerk with respect to the certification of any ordinance or resolution of the Corporate Authorities or any other document filed in his or her office.

“Beneficial Owner” means the owner of a beneficial interest in the Bonds registered in the name of Cede & Co., as nominee of DTC (or a successor securities depository or nominee for either of them).

“Bond Counsel” means one or more firms of nationally recognized bond counsel designated by the Corporation Counsel of the City.

“Bond Fund” means the fund of that name established and described in Section 4.03 of the Indenture.

“Bondholder”, “holder”, or “owner of the Bonds” means the Registered Owner or Beneficial Owner of any Bond, as the case may be.

“Bond Ordinance” means the ordinance duly adopted by the Corporate Authorities on August 11, 2026, as supplemented by a Bond Order dated November __, 2026.

“Bond Register” means the registration books of the City kept by the Trustee to evidence the registration and transfer of Bonds.

“Bond Year” means a 12-month period commencing on December 2 of each calendar year and ending on December 1 of the next succeeding calendar year.

“Bonds” means the Series 2026 Bonds.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which banks located in the city where the Designated Corporate Trust Office is located are authorized or required by law to close, and (iii) a day on which The New York Stock Exchange, Inc., is closed.

“Call Date” or “Call Dates” means the date of the redemption of each of the Refunded Bonds as set forth on Exhibit B attached to the Indenture.

“Cash Deposit” shall mean cash on hand and lawfully available to the City in the amount of \$_____.

“Certificate” means an instrument of the City in writing signed by an Authorized Officer; Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more

so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture or any Supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

“*City*” means the City of Berwyn, Cook County, Illinois, a home rule unit of local government, organized and existing under the Constitution and laws of the State.

“*City Clerk*” means the duly qualified and acting City Clerk of the City or any Deputy City Clerk or other person that may lawfully take a specific action or perform a specific duty prescribed for the City Clerk pursuant to the Bond Ordinance.

“*City Treasurer*” means the Treasurer of the City.

“*Code*” means the United States Internal Revenue Code of 1986, as amended. References to the Code and to Sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the Date of Issuance.

“*Corporate Authorities*” means the City Council of the City.

“*Costs of Issuance Account*” means the Account of that name established within the Costs of Issuance Fund, as described in Section 4.06 of the Indenture.

“*County*” means the County of Cook, Illinois.

“*County Clerk*” means the County Clerk of the County, in its capacity as county clerk, or, such other officer as may be lawfully appointed in the future to serve as county clerk in the County.

“*County Collector*” means the County Treasurer of the County, in its capacity as county collector, or, such other officer as may be lawfully appointed in the future to serve as county collector in the County.

“*Date of Issuance*” means November ____, 2026, the date of issuance and delivery of the Bonds to the initial purchasers thereof.

“*Defeasance Obligations*” means: (A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America; (C) obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corp. (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt obligations, Federal Home Loan Banks (FHL Banks) debt obligations, Fannie Mae debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding Corp. (REFCORP) debt obligations, and U.S. Agency for International Development (U.S. A.I.D.) Guaranteed notes; (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified

in the notice; or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C).

“Delivery Office” shall mean the following office of the Trustee:

For Purposes of Notice and Presentation of Bonds for payment or transfers:

Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, Illinois 60602
Attn: Cathey Walls

“Deposit Date” means the date which is fifteen (15) days immediately preceding each Interest Payment Date.

“Deposit Direction” means the written direction of the City filed with the County Collector pursuant to Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200 (or other applicable statutory authority) directing the County Collector to deposit the Pledged Taxes directly with the Trustee for deposit into the Bond Fund.

“Designated Corporate Trust Office” means the corporate trust office of the Trustee located at the address of the Trustee set forth in the definition of “Delivery Office” herein, as such address may be changed from time to time by the Trustee.

“DTC” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository performing similar functions.

“Escrow Agent” means Amalgamated Bank of Chicago, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated the Date of Issuance between the City and the Escrow Agent.

“Escrow Fund” means the fund of that name established and described in Section 4.05 of the Indenture.

“Federal Obligation” means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

“Indenture” means the Indenture, as amended and/or supplemented from time to time in accordance with Article IX of the Indenture.

“Interest Payment Date” means each June 1 and December 1. The initial Interest Payment Date shall be June 1, 2027.

“Maturity Date” means, for the Bonds of each specified series and maturity, the applicable maturity date set forth in Section 2.02 of the Indenture.

“New Money Projects” has the meaning given to such term in the recitals hereto.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel in form and substance acceptable to the City.

“Optional Supplemental Payments” means any (i) incremental property taxes deposited into the special tax allocation fund for the City’s Harlem-Cermak tax increment financing redevelopment area, which was established by the City pursuant to the Tax Increment Allocation Redevelopment Act of the State of Illinois, 65 ILCS 5/11-74.4-1 *et seq.*, as amended, and/or (ii) available amounts in the City’s Utilities Fund.

“Outstanding” means, when used with reference to any Bonds, all of such obligations issued under the Indenture that are unpaid, *provided* that such term does not include:

- (a) Bonds canceled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation;
- (b) matured or redeemed Bonds which have not been presented for payment in accordance with the provisions of the Indenture and for the payment of which the City has deposited funds with the Trustee;
- (c) Bonds for which the City has provided for payment by depositing in an irrevocable trust or escrow, cash or Defeasance Obligations, in each case, the maturing principal of and interest on which will be sufficient to pay at maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such Bonds;
- (d) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and
- (e) Bonds owned by the City and tendered to the Trustee for cancellation.

“Participant” when used with respect to any Securities Depository, means any participant of such Securities Depository.

“Paying Agent” means the Trustee and any Paying Agent designated by the Trustee, and any successor thereto.

“Permitted Investments” means any of the following obligations or securities permitted under the laws of the State and the Municipal Code:

- (a) interest-bearing general obligations of the United States of America, the State or the City;
- (b) United States treasury bills and other non-interest-bearing general obligations of the United States of America when offered for sale in the open market at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;
- (c) short-term discount obligations of the United States Government or United States Government agencies;
- (d) certificates of deposit of national banks or banks located within the City which are either (i) fully collateralized at least 110% by marketable United States Government securities marked to market at least monthly or (ii) secured by a corporate surety bond issued by an insurance company licensed to do business in the State and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment;

- (e) banker's acceptances of banks and commercial paper of banks whose senior obligations are rated in the top two short-term rating categories by at least two national rating agencies and maintaining such rating during the term of such investment;
- (f) tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;
- (g) shares of money market mutual funds registered under the Investment Company Act of 1940, which shares are registered under the Securities Act of 1933, including any such fund for which the Trustee or any of its affiliates provides any service including any service for which a fee may be paid; and
- (h) U.S. denominated deposit account(s) that are fully and continuously insured by the FDIC.

"Pledged Taxes" means the ad valorem taxes upon all the taxable property in the City pledged in the Bond Ordinance for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

"Principal and Interest Account" means the Account of that name established within the Bond Fund, as described in Section 4.03 of the Indenture.

"Principal and Interest Account Requirement" means the amounts, equal to the total principal installment and interest due on the Bonds as of each June 1 and December 1, set forth on Exhibit C attached to the Indenture, which amounts shall be deposited into the Principal and Interest Account not later than the Deposit Date for each such Interest Payment Date.

"Prior Bonds" means, collectively the following bonds previously issued by the City: (i) General Obligation Bonds, Series 2012A in the original principal amount of \$8,500,000, (ii) General Obligation Bonds, Series 2013A in the original principal amount of \$5,705,000; (iii) General Obligation Bonds, Series 2014A in the original principal amount of \$6,285,000, (iv) General Obligation Bonds, Series 2015B in the original principal amount of \$6,725,000, and (v) the General Obligation Bonds, Series 2016A in the original principal amount of \$20,155,000.

"Project Fund" means the fund of that name established and described in Section 4.04 of the Indenture.

"Qualified Collateral" means:

- (a) Federal Obligations;
- (b) direct and general obligations of any state of the United States of America or any political subdivision of the State which are rated not less than "AA" or "Aa2" or their equivalents by any nationally recognized securities rating agency; and
- (c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under any annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

"Record Date" means each May 15 and November 15 (whether or not a Business Day).

“Redemption Price” means with respect to the Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bonds.

“Refunded Bonds” means the existing general obligation bonds of the City as set forth on Exhibit B attached to the Indenture.

“Registered Owner” or *“Owner”* means the person or persons in whose name or names a Bond shall be registered in the Bond Register.

“Securities Depository” means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Bonds.

“Series 2026 Bonds” means the General Obligation Bonds, Series 2026 issued pursuant to Section 2.01 of the Indenture.

“State” means the State of Illinois.

“Supplemental Indenture” means any indenture modifying, altering, amending, supplementing or confirming the Indenture duly entered into in accordance with the terms of the Indenture.

“Tax Certificate” means the tax certificate of the City dated the Date of Issuance.

“Tax Collection Year” means with respect to each annual levy of the Pledged Taxes, the calendar year such annual levy is extended for collection.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses in the Indenture.

“Trustee” means Amalgamated Bank of Chicago, Chicago, Illinois, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee under the Indenture.

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. Such summary does not purport to be complete and reference is made to the Indenture for full and complete statements of such and all provisions.

Section 2.01. Issuance of Bonds.

The Bonds are authorized to be issued by virtue of and pursuant to, and within the parameters set forth in, the Bond Ordinance and as an exercise by the City of its home rule powers. No Bonds may be issued under the provisions of the Indenture except in accordance with Article 2.01.

Section 2.02. General Terms of Bonds.

The Bonds shall constitute a single series in the aggregate principal amount of \$_____, and be designated “City of Berwyn, Cook County, Illinois General Obligation Bonds, Series 2026” and shall be issued as fully registered bonds, without coupons, in Authorized Denominations substantially in the form attached as Exhibit A to the Indenture. Unless the City shall otherwise direct, the Bonds shall be lettered and numbered from R-1 and upwards. The Bonds shall be dated the Date of Issuance and shall mature, subject to prior redemption as provided in Article III of the Indenture, on its Maturity Date.

(a) The Bonds shall bear interest from the later of its date or the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest being payable on June 1 and December 1 of each year, commencing on June 1, 2027. Interest on the Bonds shall be paid to the person in whose name such Bond is registered at the close of business on the Record Date next preceding the applicable Interest Payment Date, by check or draft of the Trustee, or, at the option of any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds of a series, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such Bonds shall request in writing to the Trustee.

(b) The principal of the Bonds and any redemption premium shall be payable in lawful money of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, upon presentation and surrender thereof at the Designated Corporate Trust Office of the Trustee.

(c) The Bonds shall mature on December 1, 2036, shall bear interest at the rate of [_____] per annum and shall be subject to mandatory redemption as set forth in Section 3.01 of the Indenture. The Bonds shall not be subject to optional redemption prior to maturity.

(d) The Bonds shall bear interest from and including the Date of Issuance as shown in the Official Statement until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions in the Indenture, whether at the applicable Maturity Date, upon redemption, or otherwise. Interest accrued on the Bonds shall be paid in arrears on each Interest Payment Date. Interest on the Bonds shall be computed upon the basis of a 360-day year consisting of twelve 30-day months.

Section 2.06. Delivery of Bonds.

Upon the execution and delivery of the Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to the purchasers as may be directed by the City as hereinafter in this Section provided.

Prior to the delivery by the Trustee of any of the Bonds there shall be filed with the Trustee:

- (1) copies, duly certified by the City Clerk of the City, of the Bond Ordinance;
- (2) original executed counterparts of the Indenture;
- (3) an executed copy of the Deposit Direction filed with the County Collector providing for the direct deposit of the Pledged Taxes to the Trustee for deposit into the Bond Fund.
- (4) an Opinion of Bond Counsel to the effect that the Indenture (i) has been duly and lawfully authorized by the Corporate Authorities and executed by the City in accordance with the provisions of the Bond Ordinance and (ii) will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms; and
- (5) a Certificate executed by the City Treasurer stating that all conditions precedent with respect to the execution of all documents by the City relating to the Bonds have been satisfied.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds.

If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Trustee may authenticate a new Bond of like date, maturity date, interest rate, denomination and principal amount and bearing a number not contemporaneously outstanding; *provided* that (i) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and (ii) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the City and the Trustee, together with indemnification of the City and the Trustee, satisfactory to the Trustee. If any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the Trustee shall pay the same without surrender thereof if there shall be first furnished to the Trustee evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

All Bonds shall be owned upon the express condition that the foregoing provisions, to the extent permitted by law, are exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or purchased Bonds, and shall preclude any and all other rights or remedies.

Section 2.08. Transfer and Exchange of Bonds; Persons Treated as Owners.

(a) Subject to the limitations contained in subsection (c) of Section 2.08, upon surrender for registration of transfer of any Bond at the Designated Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Bondholder or such Bondholder's attorney duly authorized in writing in such form and with guarantee of signature as shall be satisfactory to the Trustee, the City shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees, one or more fully registered Bonds of the same interest rate and Maturity Date of Authorized Denominations, for a like principal amount bearing numbers not contemporaneously outstanding. Subject to the limitations contained in subsection (c) of this Section, Bonds may be exchanged at the Designated Corporate Trust Office of the

Trustee for a like aggregate principal amount of Bonds of the same interest rate and Maturity Date of other Authorized Denominations bearing numbers not contemporaneously outstanding.

(b) No service charge shall be made for any transfer or exchange of Bonds, but the City or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(c) The Trustee shall not be required to transfer or exchange any Bond during the period commencing on the Record Date next preceding any Interest Payment Date of such Bond and ending on such Interest Payment Date, or to transfer or exchange such Bond after the mailing of notice calling such Bond for redemption has been made as herein provided or during the period of 15 days next preceding the giving of notice of redemption of Bonds of the same Maturity Date and interest rate.

(d) Bonds delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.07 of the Indenture shall be valid general obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture and of the Bond Ordinance to the same extent as the Bond surrendered. The City and the Trustee may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Bond as herein provided shall be made only to or upon the written order of the Registered Owner thereof or such Registered Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 4.01. Source of Payment of Bonds.

Pursuant to the Bond Ordinance, the Bonds constitute direct and general obligations of the City for the punctual payment of which the City pledges its full faith and credit and, pursuant to the Bond Ordinance, the Pledged Taxes. The City covenants that, subject to the terms contained in the Indenture, the Pledged Taxes shall be used only for the payment of principal of, interest on and Redemption Price, if any, on the Bonds (or for the purchase by the City of the Bonds which are then cancelled), unless and until all of the Bonds are paid in full or are fully defeased pursuant to Article VI of the Indenture; provided, however, that the levy of Pledged Taxes is subject to abatement as provided in the Bond Ordinance.

Section 4.02. Application of Bond Proceeds.

The proceeds of the sale of the Bonds, consisting of the principal amount of the Bonds less an underwriter's discount of \$_____, together with the Cash Deposit of \$_____, and less a bond insurance premium in the amount of \$_____, shall be applied by the Trustee simultaneously with their delivery as follows:

- (i) Deposit into the Project Fund: \$_____;
- (ii) Deposit to the into the Escrow Fund: \$_____ (consisting of Bond proceeds in the amount of \$_____ and the Cash Deposit); and
- (iii) Deposit to the Costs of Issuance Account of the Costs of Issuance Fund: \$_____.

Section 4.03. Creation of Funds and Accounts.

(a) *Bond Fund.* The Indenture establishes with the Trustee a trust fund designated the “Bond and Interest Fund” (the “*Bond Fund*”), which shall be the fund for the payment of the principal of and interest on the Bonds when due. The Bond Fund shall contain the “Principal and Interest Account”. Collection of taxes levied pursuant to the Bond Ordinance, and any other funds as may be identified in the Bond Order, shall be deposited into the Bond Fund, as required by the Bond Ordinance, and in the amounts set forth in the Bond Ordinance (including, without limitation, the Optional Supplemental Payments). Amounts on deposit in the Bond Fund shall be used solely and only for the payment of the principal of and interest on the Bonds when due. In the event that sufficient amounts are not yet deposited into the Bond Fund so as to provide for the timely payment of the Bonds, the City shall deposit other legally available moneys into the Bond Fund so as to provide for the timely payment of the Bonds. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the Interest Payment Date next after such interest or profit is received. All monies remaining in the Bond Fund at any time such monies in the Bond Fund exceed the required amount to pay the remaining principal and interest on the Bonds for the then-current twelve-month period, may be transferred to the General Fund of the City pursuant to written direction from the City to the Trustee. To the extent that all or a portion of such excess balance came from another fund of the City, the City shall, to the extent lawful and as determined by the Corporate Authorities, reimburse such fund of the City. The Bond Fund shall be subject to use and application in accordance with the Indenture, all of the moneys and securities held in the Bond Fund are pledged as security for the payment of the principal of, redemption premium, if any, and interest on, the Bonds to the extent provided in the Indenture, shall be subject to the lien of the Indenture and a security interest in said funds is granted in favor of the Trustee for the benefit of the Owners of the Bonds.

- (i) At each such time as is required under the Indenture, the City shall deposit, or cause to be deposited as set forth in the Indenture, into the Principal and Interest Account an amount sufficient to satisfy the Principal and Interest Account Requirement.
- (ii) Money on deposit in the Bond Fund shall be applied by the Trustee to pay the principal of and interest on the Bonds as the same shall become due.
- (iii) Pending the use of moneys held in the Bond Fund, the Trustee shall invest such moneys in Permitted Investments upon the written direction of the City Treasurer or any person designated by the City Treasurer. In the absence of such written direction, the Trustee is directed to invest moneys in Permitted Investments of the type described in subparagraph (g) of the definition thereof. Income from such investments shall be credited to the account within the Bond Fund from which the investment was made.

(b) *Required Deposit of Pledged Taxes.* For the purpose of providing funds required to pay the principal of and interest on the Bonds when and as the same becomes due, all of the Pledged Taxes shall, pursuant to the Deposit Direction, be paid directly by the County Collector to the Trustee, for immediate deposit into the Bond Fund. The City shall do, or cause to be done, all acts and things necessary to cause the Pledged Taxes to be paid to the Trustee for deposit into the Bond Fund and not to any other fund or account of the City or any other person, including, without limiting the foregoing, filing the Deposit Direction with the County Collector promptly upon the issuance of the Bonds.

(c) *Deposit of Optional Supplemental Payments.* In the event that, pursuant to the Bond Ordinance, the City determines to allocate any Optional Supplemental Payments to provide funds to pay all or a portion of the principal of and interest on the Bonds, any such Optional Supplemental Payments shall be deposited into the Bond Fund and shall be used solely and only for the payment of the principal of

and interest on the Bonds when due. To the extent that any Optional Supplemental Payments shall be deposited into the Bond Fund, the City may direct the abatement of the Pledged Taxes by the amount of Optional Supplemental Payments so transferred into the Bond Fund by filing with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds directing the abatement of such Pledged Taxes. Notwithstanding anything contained in the Indenture to the contrary, the City's Utilities Fund and the special tax allocation fund for the City's Harlem-Cermak tax increment financing redevelopment area are not pledged by the City for repayment of the debt service on the Bonds.

Section 404. Project Fund.

The Indenture establishes a special fund of the City known as the "Project Fund, Series 2026" (the "*Project Fund*") to be held by the City Treasurer or, at the City Treasurer's option, in an investment account for the City held by Stifel Nicolaus & Company, Incorporated. Proceeds of the Bonds remaining after payment into the Escrow Fund as described in Section 4.05 shall be deposited into the Project Fund, and the Project Fund shall be used for the purpose of paying the costs of the New Money Project, and costs of issuance. For the purpose of paying first interest due on the Bonds, an amount necessary for that purpose may be loaned from the Project Fund to the Bond Fund. Said amount shall be reimbursed to the Project Fund from the Bond Fund as Pledged Taxes are received and available therefor.

Additional loans from the Project Fund to the Bond Fund to pay debt service on the Bonds may be made upon further direction of the Corporate Authorities so long as provision is made to reimburse the Project Fund with Pledged Taxes.

Interest received from deposits in the Project Fund shall, at the discretion of the Corporate Authorities, either be transferred for the payment of the principal of and interest on the Bonds on the interest payment date next after such interest is received or be retained in the Project Fund.

In the event that any monies remain in the Project Fund upon completion of the New Money Projects, the City shall deposit the remaining moneys in the Project Fund into the Bond Fund and shall cause such moneys to be used to pay the interest on the Bonds on the earliest possible date.

Section 4.05. Escrow Fund.

The Indenture establishes a special fund of the City known as the "*Escrow Fund*" to be held and applied by the Escrow Agent in accordance with the terms and provisions of the Escrow Agreement for the refunding of the Refunded Bonds on the applicable Call Date. There shall be deposited into the Escrow Fund proceeds of the Bonds which, together with cash on hand, are sufficient to refund the Refunded Bonds and all accrued interest thereon in the amounts and on the Call Dates as set forth in Exhibit B to the Indenture. Such amounts are to be held in the Escrow Fund for the sole and exclusive benefit of the City and the holders or registered owners of the Refunded Bonds, to pay the principal of and accrued interest on the Refunded Bonds on the respective Call Dates. The Escrow Fund shall be maintained separate and apart from all other accounts of the City and shall be used to pay the costs of refunding the Refunded Bonds. Upon the refunding of the Refunded Bonds, the Bond Ordinance directs the Mayor, the City Clerk and the Treasurer to prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds and directing the abatement of the taxes theretofore levied to pay the Refunded Bonds.

Section 4.06. Costs of Issuance Fund.

The Indenture establishes with the Trustee a fund designated as the "Costs of Issuance Fund" (the "*Costs of Issuance Fund*"). Moneys on deposit in the Costs of Issuance Fund shall be withdrawn by the

Trustee and paid to or as directed by the City, upon receipt by the Trustee of a written disbursement request from the City identifying (i) the costs of issuance, and (ii) the amounts thereof to be paid pursuant to such request. Moneys on deposit in the Costs of Issuance Fund, including the investment earnings thereon, remaining after all disbursements for payment of the costs of issuance have been made shall be deposited by the Trustee into the Bond Fund.

Section 4.07. Deposits into Bond Fund and Accounts Therein.

- (a) All Pledged Taxes received by the Trustee from the County Collector and any Optional Supplemental Payments received by the Trustee from the City shall be deposited into the Bond Fund upon receipt thereof. Not later than the Deposit Date, the Trustee shall deposit an amount equal to the Principal and Interest Account Requirement with respect to the Bonds.
- (b) In the event that the Trustee determines that sufficient amounts have not been deposited, or will not be deposited, into the Bond Fund by the Deposit Date so as to provide for the timely payment of the Principal and Interest Account Requirement, the Trustee shall notify the City of the amount of such shortfall in the Bond Fund and, in the such event, the City shall promptly deposit other legally available moneys into the Bond Fund by the Deposit Date so as to provide for the timely payment of the Principal and Interest Account Requirement.
- (c) In the event the Trustee determines that there remain funds on deposit in the Bond Fund following any December 1 payment of principal of and interest on the Bonds, the Trustee shall notify the City of any such excess amounts on deposit in the Bond Fund, and, at the written direction of the City, shall (i) retain any remaining excess in the Bond Fund, or (ii) transfer such excess to the City for deposit into the General Fund of the City. The City may, pursuant to the Bond Ordinance, direct the abatement of the taxes theretofore levied by such excess amount.
- (d) In addition to the Principal and Interest Account Requirement, there shall be deposited into the Bond Fund any other moneys received by the Trustee under and pursuant to the Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund and to one or more accounts therein.
- (e) The Principal and Interest Account Requirement shall be as set forth on Exhibit C attached to the Indenture, provided, however, that upon any partial redemption of the Bonds pursuant to the Indenture, the City shall notify the Trustee of any revisions to the Principal and Interest Account Requirement.

Section 4.08. Tax Covenants.

(a) The City covenants that it will take no action in the investment of the proceeds of the Bonds which would result in making the interest payable on any of such Bonds subject to federal income taxes by reason of such Bonds being classified as “arbitrage bonds” within the meaning of Section 148 of the Code.

(b) The City further covenants that it will act with respect to the proceeds of the Bonds, the earnings on the proceeds of such Bonds and any other moneys on deposit in any fund or account maintained in respect of such Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on the Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code.

Section 4.09. Non-Presentation of Bonds.

In the event any Bond shall not be presented for payment when the principal thereof becomes due, whether at maturity, at the date fixed for redemption or otherwise, if moneys sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Registered Owner thereof, subject to the provisions of the immediately following paragraph, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under the Indenture or on, or with respect to, such Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two years after the date on which the same shall have become due shall be repaid by the Trustee to the City, and thereafter the Registered Owners of such Bonds shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and all liability of the Trustee with respect to such moneys shall thereupon cease, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. The obligation of the Trustee under Section 4.09 to pay any such funds to the City shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.10. Moneys Held in Trust.

All moneys required to be deposited with or paid to the Trustee for the account of any fund or account referred to in any provision of the Indenture shall be held by the Trustee in trust as provided in Section 8.06 of the Indenture, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 4.11. Covenants Regarding Pledged Taxes.

(a) The City has executed and delivered the Deposit Direction to the County Collector to deposit all collections of the Pledged Taxes in each year directly with the Trustee. So long as any of the Bonds remain Outstanding, the City will not agree, and will not attempt to, and will not amend, modify, terminate or revoke the Deposit Direction, except for such modifications or amendments as may be necessitated by changes in State law and applicable rules or regulations thereunder; provided, that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Pledged Taxes to be paid to the Trustee on behalf of the City during any Tax Collection Year.

(b) The City will take all actions necessary (i) to confirm, if needed, the annual levy and extension of the Pledged Taxes for collection on a timely basis in an annual amount not less than the amount required to satisfy the Principal and Interest Account Requirement and (ii) to cause Pledged Taxes, when collected by the County Collector, to be deposited directly with the Trustee for application in accordance with the Indenture. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes are levied annually and that the Pledged Taxes are collected and paid to the Trustee for application in accordance with the Indenture.

Section 5.01. Investment of Moneys.

Moneys held in the funds, accounts and subaccounts established under the Indenture shall be invested and reinvested, pursuant to written directions of the Authorized Officer, in accordance with the provisions of the Indenture in Permitted Investments which mature or are subject to redemption by the

owner thereof before the date such funds are expected to be needed. In the absence of such written direction, the Trustee is hereby directed to invest moneys in Permitted Investments of the type described in subparagraph (g) of the definition thereof. All such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund, account or subaccount for which they were made. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees.

Section 5.02. Investment Income.

The interest earned on any investment of moneys held hereunder, any profit realized from such investment and any loss resulting from such investment shall be credited or charged to the fund, account or subaccount for which such investment was made.

Section 6.01. Defeasance.

(a) If the City shall pay to the Registered Owners of the Bonds, or provide for the payment of, the principal, premium, if any, and interest to become due on the Bonds, then the Indenture and the Bond Ordinance shall be fully discharged and satisfied with respect to the Bonds. Upon the satisfaction and discharge of the Indenture, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and all fiduciaries shall pay over or deliver to the City all funds, accounts and other moneys or securities held by them pursuant to the Indenture which are not required for the payment or redemption of the Bonds. If payment or provision for payment is made to or for the Registered Owners of all or a portion of the Bonds, of the principal of and interest due and to become due on any Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, then these presents and the estate and rights hereby and by the Bond Ordinance granted shall cease, terminate and be void as to those Bonds or portions thereof except for purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. Any Bond shall be deemed to be paid within the meaning of Section 6.01 when payment of the principal of any such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Defeasance Obligations, or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). If the City shall pay and discharge a portion of the Bonds as aforesaid, such portion shall cease to be entitled to any lien, benefit or security under the Indenture and the Bond Ordinance. The liability of the City with respect to such Bonds shall continue, but the Registered Owners thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the Defeasance Obligations deposited with the Trustee under Article VIII of the Indenture.

(b) No such deposit under Section 6.01 shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of such Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code or any successor provision thereto.

(c) Nothing in the Indenture shall prohibit a defeasance deposit of escrow securities as provided in this Section from being subject to a subsequent sale of such escrow securities and reinvestment

of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium, if any, and interest on any of the defeased Bonds (all as confirmed by a nationally recognized firm of independent public accountants). Amounts held by the Trustee in excess of the amounts needed so to provide for payment of the defeased Bonds may be subject to withdrawal by the City. No such sale and reinvestment as provided in this paragraph shall be made or accepted hereunder unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such sale and reinvestment would not cause any of the defeased Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code or any successor provision thereto.

Section 7.01. Defaults.

Each of the following events is an “Event of Default” under the Indenture:

- (a) payment of the principal or Redemption Price, if any, of any Bonds shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;
- (b) payment of any installment of interest on any Bonds shall not be made when and as the same shall become due; or
- (c) the City shall fail or refuse to comply with the provisions of the Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, which materially affects the rights of the Owners of the Bonds and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds; *provided, however*, that in the case of any such default which can be cured by due diligence but which cannot be cured within the forty-five (45) day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all diligence.

Section 7.02. Remedies.

- (a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of Section 7.01 of the Indenture, the Trustee shall proceed, or upon the happening and continuance of any Event of Default (beyond the time periods specified therein) as specified in paragraph (c) of Section 7.01 of the Indenture, the Trustee may proceed, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, and indemnified as provided in Section 8.03 of the Indenture, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the Owners of the Bonds by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:
 - (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of the Bonds including the right to require the City to receive and collect taxes adequate to carry out the covenants and agreements as to such taxes and to require the City to carry out any other covenant or agreement with the Owners of the Bonds and to perform its duties under the Indenture;
 - (ii) by bringing suit upon the Bonds;

- (iii) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the Owners of the Bonds; and/or
 - (iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Bonds.
- (b) In the enforcement of any rights and remedies under the Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City but only out of moneys pledged as security for the Bonds for principal, Redemption Price, interest or otherwise, under any provision of the Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of the Bonds, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under the Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.
- (c) Under no circumstance may the Trustee declare the principal of any Bond to be due and payable prior to its Maturity Date following the occurrence of an Event of Default under the Indenture.

Section 7.03. Application of Moneys in Event of Default.

- (a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of all fees, costs, expenses, liabilities and advances incurred or made by the Trustee (including any attorneys' fees, costs and expenses), be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied to the payment of the principal and interest then due on the Bonds as follows:
- (i) first, to the payment to the persons so entitled of all installments of interest then due and owing on the Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled to such payment, without any discrimination or preference; and
 - (ii) second, to the payment to the persons so entitled of the unpaid principal of any of the Bonds which shall have become due and owing (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled to payment without any discrimination or preference.

- (b) When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.04. Notice of Default.

The Trustee shall, within ten (10) days after the Trustee receives notice or obtains knowledge of the occurrence of an Event of Default, mail to the City and the Bondholders at the address shown on the registration books of the City maintained by the Bond Registrar, notice of all Events of Default known to the Trustee unless such Events of Default shall have been cured before the giving of such notice.

Section 7.05. Right of Bondholders to Control Proceedings.

Notwithstanding anything set forth in the Indenture to the contrary, the holders of a majority in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Section 8.06. Funds Held in Trust and Security Therefor.

Any moneys held by the Trustee, as such, at any time pursuant to the terms of the Indenture or any Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and upon the terms and conditions of the Indenture or any Supplemental Indenture. Subject to the terms of the Indenture concerning Permitted Investments, all moneys (not including securities) held by the Trustee, as such, may be deposited by the Trustee in its banking department, or with such other banks, trust companies, or national banking associations, each having a place of business in the City of Chicago, Illinois, as may be designated by the City and approved by the Trustee. No such funds shall be deposited with any bank, trust company or national banking association, other than the Trustee, in an amount exceeding 25% of the amount which an officer of such bank, trust company or national banking association shall certify to the Trustee and the City as the combined capital, surplus and undivided profits of such bank, trust company or national banking association. No such funds shall be deposited or remain on deposit with any bank, trust company or national banking association in excess of the amount insured by the Federal Deposit Insurance Corporation, unless (a) such bank, trust company or national banking association shall have deposited in trust with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the City, pledged to some other bank, trust company or national banking association, for the benefit of the City and the appropriate fund, account, subfund or subaccount, as collateral security for the moneys deposited, Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys, or (b) in lieu of such collateral security as to all or any part of such moneys, there shall have been deposited in trust with the trust department of the Trustee, for the benefit of the City and the appropriate fund, account, subfund or subaccount, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States of America and qualified to transact business in the State in a sum at least equal to the amount of such moneys or part thereof. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any fund, account, subfund or subaccount shall be credited in each case to the fund, account, subfund or subaccount in which such moneys or securities are held.

Section 8.09. Resignation.

The Trustee may at any time resign and be discharged of its duties and obligations created by the Indenture by giving not fewer than sixty (60) days' written notice to the City and mailing notice thereof, to the Owners of Bonds at their addresses shown on the registration books kept by the Trustee within twenty (20) days after the giving of such written notice. Such resignation shall take effect upon the appointment and acceptance of appointment of a successor by the City or the Owners of Bonds.

Section 8.10. Removal.

The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners of Bonds or by their attorneys duly authorized in writing and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor. The City may remove the Trustee at any time, except during the existence of an Event of Default, for such cause (or upon thirty (30) days' notice for any reason) as shall be determined in the sole discretion of the City by filing with the Trustee an instrument signed by an Authorized Officer and by mailing notice thereof to the Bank and to the Owners of Bonds at their addresses shown on the registration books kept by the Trustee. Any removal of the Trustee shall take effect upon the appointment and acceptance of appointment of a successor Trustee.

Section 8.11. Appointment of Successor.

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the City and the predecessor Trustee. Pending such appointment, the City shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners of Bonds as authorized by the Indenture. The City shall mail notice to Owners of Bonds of any such appointment within twenty (20) days after such appointment. Any successor Trustee appointed by the City shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of Bonds. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the City written notice of resignation as provided in Section 8.09 of the Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, or any Owner of Bonds may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, in any such case having corporate trust powers, doing business and having a corporate trust office in the City of Chicago, Illinois.

Section 8.12. Transfer of Rights and Property to Successor.

Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the City, a written instrument of acceptance respecting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor

Trustee, with like effect as if originally named as Trustee and the duties and obligations of such predecessor hereunder shall thereafter cease and terminate; but the Trustee ceasing to act shall nevertheless, on the request of the City, or of the successor Trustee, and after the payment of the fees and expenses owed to the predecessor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Should any deed, conveyance or instrument in writing from the City be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City.

Section 8.13. Merger or Consolidation.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 8.11 of the Indenture and shall be authorized by law to perform all the duties imposed upon it by the Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 8.14. Adoption of Authentication.

In case any of the Bonds contemplated to be issued under the Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in its own name.

Section 8.17. Trust Estate May be Vested in Co-trustee.

(a) It is the purpose of the Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under the Indenture, and in particular in case of the enforcement of either on default or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted to the Trustee in the Indenture, or take any other action which may be desirable or necessary in connection therewith, it may be necessary or desirable that the Trustee appoint an additional individual or institution as a co-trustee or separate trustee, and the Trustee is hereby authorized to appoint such co-trustee or separate trustee.

(b) If the Trustee appoints an additional individual or institution as a co-trustee or separate trustee (which appointment shall be subject to the approval of the City), each and every remedy, power, right, claim, demand, cause of action, immunity, title, interest and lien expressed or intended by the Indenture to be exercised by the Trustee with respect thereto shall be exercisable by such co-trustee or separate trustee but only to the extent necessary to enable such co-trustee or separate trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee or separate trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the City be required by the co-trustee or separate trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to such co-trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

(d) In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the properties, rights, powers, trusts, duties and obligations of such co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such co-trustee or separate trustee.

Section 9.01. Supplemental Indenture Effective Upon Execution by the Trustee.

For any one or more of the following purposes and the purposes enumerated in Section 9.04 of the Indenture, and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the Corporate Authorities, which, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk and the execution and delivery of such Supplemental Indenture by the City and the Trustee, shall be fully effective in accordance with its terms and not subject to consent by the Registered Owners of the Bonds:

- (a) to add to the covenants and agreements of the City in the Indenture other covenants and agreements to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (b) to add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (c) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the City contained in the Indenture;
- (d) to confirm, as further assurance, the pledge herein, and the subjection of, additional properties, taxes or other collateral to any lien, claim or pledge created or to be created by, the Indenture;
- (e) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;
- (f) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; or
- (g) to provide additional duties of the Trustee under the Indenture.

Section 9.02. Supplemental Indentures Effective With Consent of Owners of Bonds.

At any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the Corporate Authorities, subject to consent by the Owners of Bonds in accordance with and

subject to the provisions of Article 9 of the Indenture, which Supplemental Indenture, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk, upon compliance with the provisions of this Article, and upon execution and delivery of such Supplemental Indenture by the City and the Trustee, shall become fully effective in accordance with its terms.

Section 9.03. General Provisions.

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of Article 9 of the Indenture. Nothing in such Article shall affect or limit the right or obligation of the City to adopt, make, do, execute, acknowledge or deliver any ordinance, resolution, act or other instrument pursuant to the provisions of this Article or the right or obligation of the City to execute and deliver to the Trustee any instrument which elsewhere in the Indenture it is provided shall be delivered to the Trustee.

(b) Any ordinance authorizing a Supplemental Indenture referred to and permitted or authorized by Section 9.01 or 9.04 of the Indenture may be adopted by the City Council of the City without the consent of any of the Owners of Bonds, but such Supplemental Indenture shall be executed and delivered by the City and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in this Article. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully authorized by the City Council of the City and executed by the City in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by this Article and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(e) No Supplemental Indenture shall take effect unless and until there has been delivered to the Trustee an Opinion of Bond Counsel to the effect that such Supplemental Indenture (a) does not adversely affect the exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled, (b) the execution of such Supplemental Indenture is permitted by and in compliance with the Indenture, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, be a valid and binding obligation of the City.

Section 9.05. Mailing of Notice of Amendment.

Any provision in this Article for the mailing of a notice or other paper to owners of Bonds shall be fully complied with if it is mailed postage prepaid only (i) to each Registered Owner of then Outstanding Bonds at his or her address, if any, appearing upon the registration books maintained by the City at the Designated Corporate Trust Office of the Trustee, and (ii) to the Trustee.

Section 9.06. Powers of Amendment.

Any modification or amendment of the Indenture or of the rights and obligations of the City and of the Owners of the Bonds, in particular, which requires the consent of the Bondholders, may be made by a

Supplemental Indenture, with the written consent given as provided in Section 9.07, (a) of the Owners of a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the then Outstanding Bonds are affected by the modification or amendment, of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds so affected. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase or the purchase price thereof, without the consent of the owner of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section, a Bond shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the owners of such Bond.

Section 9.07. Consent of Owners of Bonds.

(a) The City may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 9.06, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to the Owners of the Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the City to the Owners of the Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Notwithstanding the foregoing, such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (i) there shall have been filed with the Trustee (1) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 9.06 and (2) an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the City and the Trustee in accordance with the provisions of the Indenture, is authorized or permitted hereby and is valid and binding upon the City and enforceable in accordance with its terms upon its becoming effective as in this Section provided, and (ii) a notice shall have been mailed as hereinafter in this Section provided.

(b) The consent of an Owner of Bonds to any modification or amendment shall be effective only if accompanied by proof of the Ownership, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 8.15. A certificate or certificates signed by the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 8.15 shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the City a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the City and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Bonds and will be effective as provided in this Section, shall

be given to Owners by the Trustee by mailing such notice to the Owners of the Bonds (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section). The Trustee shall file with the City proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Trustee and the Owners of all Bonds at the expiration of forty (40) days after the filing with the Trustee of proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; except that the Trustee and the City, during such forty (40) day period and any such further period during which any such action or proceeding may be pending, shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 9.08. Modifications by Unanimous Consent.

The terms and provisions of the Indenture and the rights and obligations of the City and of the Owners of the Bonds hereunder may be modified or amended in any respect upon the consent of the Owners of all the then Outstanding Bonds to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 9.07 except that no notice to the Owners of the Bonds shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Section 9.09. Exclusion of Bonds.

Bonds owned by or for the account of the City shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all Bonds so to be excluded.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

See attached

CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this “*Agreement*”) is executed and delivered as of this ___ day of November, 2026, by the City of Berwyn, Cook County, Illinois (the “*Issuer*”) in connection with the issuance by the Issuer of its \$_____ General Obligation Bonds, Series 2026 (the “*Bonds*”). The Bonds are being issued pursuant to the powers of the Issuer as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 and the Municipal Code of the Issuer, as amended, and under applicable provisions of the Illinois Municipal Code and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory and supplementary thereto, and a bond ordinance adopted by the Mayor and City Council of the Issuer on August 11, 2026 (as supplemented by the Bond Order dated November ___, 2026, together the “*Bond Ordinance*”). The Bonds will be as described in, and secured pursuant to, the Bond Ordinance.

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. **Definitions.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Bond Ordinance.

Annual Financial Information means the financial information and operating data described in **Exhibit A** attached hereto.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 5.

Audited Financial Statements means the financial statements of the Issuer as audited annually by independent certified public accountants. Audited Financial Statements will be prepared pursuant to the standards and as described in **Exhibit A**.

Commission means the Securities and Exchange Commission.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the Issuer means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _____, 2026 and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the events set forth in **Exhibit B** attached hereto.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 6.

Rule means Rule 15c2-12 adopted by the Commission under the 1934 Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the Issuer pursuant to Sections 5 and 6 of this Agreement.

2. **Purpose of this Agreement.** This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule.

3. **Representations of Issuer.** The Issuer represents that:

(a) it will be the only “obligated person” (within the meaning of paragraph f(10) of the Rule) with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds; and

(b) Except as noted in the Official Statement, the Issuer has not, in the previous five years, failed to comply with all previous continuing disclosure undertakings pursuant to the Rule.

4. **CUSIP Numbers.** The CUSIP Numbers of the Bonds are set forth in **Exhibit C**. All filings required under this Agreement will be filed on EMMA under the CUSIP Numbers. If the Bonds are refunded after the date hereof, the Issuer will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the Issuer remains legally liable for the payment of such Bonds; provided, however, that the Issuer will not be required to make such filings under new CUSIP Numbers unless the Issuer has been notified in writing by the Participating Underwriter or the Issuer’s financial advisor that new CUSIP Numbers have been assigned to the Bonds. The Issuer will not make any filings pursuant to this Agreement under new CUSIP Numbers

assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

5. **Annual Financial Information Disclosure.** Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in **Exhibit A** to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

6. **Reportable Events Notification; Reportable Events Disclosure.** Subject to Section 9 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to the Reportable Events, if, in the judgment of the Issuer, such other event or events are material with respect to the Bonds. References to “material” in **Exhibit B** refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Bond Ordinance. As of the date of this Agreement, the internet website for EMMA is available at <http://emma.msrb.org/>.

7. **Consequences of Failure of the Issuer to Provide Information.** The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Bond Ordinance, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

8. **Amendments; Waiver.** Notwithstanding any other provision of this Agreement, the Issuer, by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

- (a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or
- (b) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or any other State or federal regulatory authority approves or requires Annual Financial Information Disclosure or Reportable Events Disclosure to be filed with a central post office, government agency, or similar entity other than the MSRB or in lieu of the MSRB, the Issuer shall, if required, make such dissemination to such central post office, government agency, or similar entity without the necessity of amending this Agreement.

9. **Termination of Undertaking.** The Undertaking of the Issuer shall be terminated hereunder if the Issuer no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. If this Section is applicable, the Issuer shall give notice in a timely manner to the MSRB.

10. **Future Changes to the Rule.** As set forth in Section 1 of this Agreement, the Issuer has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Issuer shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 8 of this Agreement, in order

to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Issuer shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

11. **Dissemination Agent; Other Methods of Disclosure.** The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

12. **Contact Person.** The Issuer has designated, and will in the future maintain, a contact person from whom Annual Financial Information Disclosure and Reportable Events Disclosure may be obtained. That person is:

Name:	Monica L. Martin
Title:	Director of Finance
Address:	6700 West 26 th Street Berwyn, Illinois 60402
Telephone:	(708) 788-2660

13. **Additional Information.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or Reportable Event Disclosure, in addition to that which is required by this Agreement. If the Issuer chooses to include any other information in any Annual Financial Information Disclosure or Reportable Event Disclosure in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such other information or include it in any future disclosure or notice of occurrence of a Reportable Event.

14. **Beneficiaries.** This Agreement has been executed to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

15. **Recordkeeping.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

16. **Assignment.** The Issuer shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

17. **Governing Law.** This Agreement shall be governed by the internal laws of the State applicable to contracts performed wholly therein and without reference to its conflict of laws principles, provided that to the extent this Agreement addresses matters of federal

securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

[Signature Page to Follow]

CITY OF BERWYN, COOK COUNTY, ILLINOIS

By: _____
Name: Robert J. Lovero
Title: Mayor

Date: November ____, 2026

EXHIBIT A

ANNUAL FINANCIAL INFORMATION AND ANNUAL FINANCIAL INFORMATION DISCLOSURE

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

- a. **Annual Financial Information.** The following financial information will be supplied annually with the filing of Annual Financial Statements:
 1. The table in the Official Statement contained under the caption “DEBT INFORMATION—Direct and Overlapping Bonded Debt” (City direct debt only).
 2. The table in the Official Statement contained under the caption “DEBT INFORMATION— Statement of Indebtedness”.
 3. The table in the Official Statement contained under the caption “DEBT INFORMATION— Debt Structure”.
 4. The table in the Official Statement contained under the caption “PROPERTY TAX INFORMATION—Composition of Equalized Assessed Valuations”.
 5. The table in the Official Statement contained under the caption “PROPERTY TAX INFORMATION—City Tax Extensions and Collections”.
 6. The table in the Official Statement contained under the caption “PROPERTY TAX INFORMATION—Tax Rates Per \$100 of Equalized Assessed Valuation”. (City direct tax rates only.)
 7. The table in the Official Statement contained under the caption “PROPERTY TAX INFORMATION—Largest Taxpayers”.

b. Audited Financial Statements.

1. Audited Financial Statements will be prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time (i.e., as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of Illinois law).
2. Audited Financial Statements for each twelve (12) month period (the “*Fiscal Year*”), beginning with the twelve (12) month period ending December 31, 2026, together with the opinion of such independent certified public accountants engaged by the Issuer and all notes thereto, will be submitted to EMMA in such format and manner and accompanied by identifying information as is prescribed by the MSRB within the earlier of two hundred ten (210) days after the end of the Fiscal Year or within sixty (60) days of receipt from said accountants.

EXHIBIT B

EVENTS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;^{1*}
13. The consummation of a merger, consolidation, or acquisition, acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Bonds, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

EXHIBIT C

CUSIP NUMBERS

<u>MATURITY DATE</u>	<u>AMOUNT</u>	<u>CUSIP</u>
2027		086257
2028		086257
2029		086257
2030		086257
2031		086257
2032		086257
2033		086257
2034		086257
2035		086257
2036		086257

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

(See attached)



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer