CITY OF BURBANK, ILLINOIS

ANNUAL FINANCIAL REPORT

December 31, 2019

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of the City Council
City of Burbank, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Burbank, Illinois ("City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund and the Firefighters' Pension Fund, which represent 98 percent of the assets and 97 percent of the revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police Pension Fund and the Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards.*

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedule, and historical pension and retirees' health plan information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), 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's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 2, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Oak Brook, Illinois
September 2, 2020

As management of the City of Burbank ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City were exceeded by its liabilities and deferred inflows of resources at the close of fiscal year 2019 by $16.0 million (net position). Of this amount, there is a deficit $56.7 million (unrestricted net position).

As of the close of fiscal year 2019, the City's governmental funds reported combined ending fund balances of $20.1 million, an increase of $3.2 million in comparison to the prior year, or a 20% increase. At the end of fiscal year 2019, unassigned fund balance for the general fund was $14.2 million or 80% of the total general fund expenditures.

The City's total long term debt increased by $10.2 million (13%) during the current fiscal year, primarily due to the increase in the net pension liabilities for the City.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net 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. The governmental activities reflect the City's basic services, including administration, public safety, highways, streets and building control. Property taxes, shared state taxes and local utility taxes finance the majority of these services.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 6 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Debt Service Fund, and the General Obligation Bond Fund, each of which are considered to be major funds, while the SSA Debt Fund and the TIF Fund are deemed to be a nonmajor fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the City's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

Statement of Net Position

The following chart reflects the condensed Statement of Net Position:

	2018	2019
Assets:		
Current & other assets	$ 25.3	$ 29.5
Capital assets	41.5	43.1
Total assets	66.8	72.6
Deferred Outflows of Resources	18.6	27.2
Liabilities:		
Current liabilities	1.3	1.5
Long-term liabilities	80.2	90.7
Total liabilities	81.5	92.2
Deferred Inflows of Resources	21.4	23.6
Net position:		
Invested in capital assets, net	36.0	37.8
Restricted	3.5	2.9
Unrestricted	(57.0)	(56.7)
Total net position	$ (17.5)	$ (16.0)

Nearly all of the City's net position is made up of capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, those assets are not available for future spending. An additional portion of the City's net position is resources that are subject to external restrictions on their use. There is no longer unrestricted net position available from an accounting perspective to meet the City's ongoing obligations to its citizens and creditors. At the end of the fiscal year, there are positive balances in two of the three categories of the City's net position.

Analysis of Operations

Burbank has not raised property taxes beyond minor adjustments in the levy for inflation based on the consumer price index. Burbank is a home rule unit of local government and has maintained one of the lowest real estate property tax rates in the metropolitan Chicago region. For the most part, increases in expenses closely parallel inflation and growth for demand in services. The City Council passed increases in vehicle sticker fees, gasoline tax, telecommunication tax, and electric utility tax. The City Council also allowed video gaming tax and red light safety cameras. This was done to replace revenues that decreased in 2010, specifically revenues collected through the local governments' share of the state revenue tax.

The following chart reflects the condensed Statement of Activities:

	Governmental Activities	
	2018	2019
Revenues:		
Program revenues:		
Charges for Services	$ 4.9	$ 5.7
Operation Grants/Contrib.	1.7	1.1
Capital Grants/Contrib.	-	0.3
General revenues:		
Property taxes	6.4	7.2
Other taxes	12.2	12.4
Other	0.8	1.5
Total revenues	26.0	28.2
Expenses:		
General government	3.3	3.3
Public safety	17.3	18.9
Public works	4.2	4.2
Interest on debt	0.3	0.3
Total expenses	25.1	26.7
Change in net position	0.9	1.5
Beginning net position	(14.7)	(17.5)
Change in accounting principle	(3.7)	
Beginning net position, as restated	(18.4)	
Ending net position	$ (17.5)	$ (16.0)

Governmental Funds

The General Fund balance increased by $5.8 million. This was due to an increase in revenue and control over some expenditures for the year.

The Motor Fuel Tax Fund balance decreased by $0.3 million due to more planned expenditures than MFT proceeds.

The Debt Service Fund balance increased by $.1. Revenues and expenditures were as planned.

The General Obligation Bond Fund decreased in total by $2.0 million due to the spending of the bond proceeds on capital improvement projects as planned.

General Fund Budgetary Highlights

Total spending for the year was down substantially from the previous year due to an overall plan to contain spending for the majority of departments. Revenues increased at a greater rate than expenditures, increasing fund balance.

Generally, the various departmental spending is in line with the appropriations and those appropriations remaining constant from the previous year. The Administrative function saw a decrease in the amount of workman's compensation claims expense for the current year. The Fire and Police departments saw a decrease in personnel costs with both departments experiencing increases in retirements and new hires.

There were no amendments to the original budget ordinance during the fiscal year.

Capital Assets

Change in Capital Assets
(in millions)

	Balance January 1, 2019	Net Additions/ Deletions	Balance December 31, 2019
Capital assets not being depreciated	$ 2.1	$ -	$ 2.1
Capital assets being depreciated	100.3	2.0	102.3
Accumulated depreciation	(60.8)	(0.5)	(61.3)
Capital assets being depreciated, net	39.5	1.5	41.0
Total	$ 41.6	$ 1.5	$ 43.1

Burbank has replaced any deteriorated infrastructure within the last decade and will continue to replace worn side streets as needed utilizing current motor fuel funds and bond funds. Additional long term financing is planned to take place in 2020 to replace retired debt levies maintaining consistent real estate tax levels and supporting the City's capital improvement plan. More detailed information about capital assets can be found in Note 5 to the financial statements.

Debt Administration

The City retired over $2.9 million of previously classified long-term debt and saw an increase in pension of $13.5 million. The Total OPEB Liability had an increase of $.05. The City has an insignificant real estate tax receipts loss factor, and collects all revenues needed to finance debt service of the City. Long term levies have been approved and filed for all future debt service funding. The City has an "A3" rating from Moody's investor's service for general obligation debt. More detailed information about long term debt can be found in Note 7 to the financial statements.

Economic Factors

The City has a mature and stable residential tax base 12 miles southwest of Chicago. The tax base is well established with new development largely from the replacement of older homes. The City has home rule status with a manageable debt burden with rapid principal amortization. The City Council, over the years, has imposed various tax increases/user fees to diversify revenues. Imposed revenues include a ½ cent local option sales tax. The City still imposes lower sales taxes than its neighbor Chicago. The TIF district that has dissolved created the ability to add additional new property that was previously unavailable for the general corporate fund levy. This commercial property is now included in the new tax base available for the City's real estate tax levy purposes.

The City in 2018 established a new TIF district to aid in the development of a city block of land on a major thoroughfare of 79th Street. A previously closed hotel has been demolished and the City is currently seeing a new higher end extended stay hotel going up in its place. A new Tony's Super Food Store is in process to update and expand the former Food for Less facility, as well as, additional business projects at a smaller scale. Meetings were held to expand the district to encompass the Old Barn Restaurant which the City received title for after a tax delinquency process was completed as well as some vacant properties and undeveloped structures.

Management is not aware of any currently known facts, decisions, or conditions that would have a significant impact on the City's financial position or results of operations. For the foreseeable future, there is a great deal of uncertainty of what the impact of the COVID 19 pandemic will be on the normal operations of the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Burbank'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 Burbank Treasurer, 6530 W. 79th Street, Burbank, Illinois 60459.

CITY OF BURBANK, ILLINOIS

Statement of Net Position
December 31, 2019

	Primary Government
	Governmental Activities
ASSETS	
Cash and Investments	$ 19,362,751
Property Taxes Receivable	6,984,871
Other Governmental Receivables	2,846,001
Due from Fiduciary Funds	21,523
Prepaid Items	53,546
Net Pension Asset	207,623
Capital Assets Not Being Depreciated	2,148,928
Capital Assets Being Depreciated, Net	40,969,947
Total Assets	72,595,190
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	26,380,682
Deferred OPEB Outflows	789,842
Total Deferred Outflows of Resources	27,170,524
LIABILITIES	
Accounts Payable	912,141
Accrued Payroll	299,392
Accrued Payroll Taxes	39,345
Claims Payable	94,012
Other Payables	8,970
Interest Payable	24,996
Due to Fiduciary Funds	51,589
Long Term Debt, Due Within One Year:	
Compensated Absences	63,396
General Obligation Bonds Payable	3,042,000
Capital Lease Payable	27,144
Retiree Insurance Premiums Payable	193,875
Long Term Debt, Due in More Than One Year:	
Compensated Absences	846,155
General Obligation Bonds Payable	4,638,277
Capital Lease Payable	27,144
Retiree Insurance Premiums Payable	634,351
Net Pension Liabilities	76,555,744
Total OPEB Liability	4,667,174
Total Liabilities	92,125,705
DEFERRED INFLOWS OF RESOURCES	
Unearned Property Taxes	6,967,806
Deferred Pension Inflows	16,237,441
Deferred OPEB Inflows	435,975
Total Deferred Inflows of Resources	23,641,222
NET POSITION	
Net Investment in Capital Assets	37,805,389
Restricted for:	
Motor Fuel Tax Projects	2,187,105
Debt Service	502,431
Capital Projects	226,598
Unrestricted	(56,722,736)
Total Net Position	$ (16,001,213)

See accompanying notes to financial statements.

CITY OF BURBANK, ILLINOIS

Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenue and Changes in Net Position: Primary Government: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 3,283,339	$ 1,463,620	$ -	$ -	$ (1,819,719)
Public Safety	18,855,948	4,208,732	131,602	-	(14,515,614)
Public Works	4,214,473	-	976,128	326,489	(2,911,856)
Economic Development	48,195	-	-	-	(48,195)
Interest on Debt	248,707	-	-	-	(248,707)
Total Primary Government	$ 26,650,662	$ 5,672,352	$ 1,107,730	$ 326,489	(19,544,091)

General Revenues:	
Taxes:	
Property Taxes	7,210,560
Home Rule Tax	1,898,501
Other Taxes	2,668,029
Shared Revenues:	
Sales Tax	3,314,863
Income Tax	3,103,466
Personel Property Replacement Tax	87,889
Telecommunications Tax	322,436
Local Use Tax	975,977
Investment Earnings	382,975
Gain on Sale of Capital Assets	566,332
Other General Revenues	550,204
Total General Revenues	21,081,232
Change in Net Position	1,537,141
Net Position, January 1, 2019	(17,538,354)
Net Position, December 31, 2019	$ (16,001,213)

See accompanying notes to financial statements.

CITY OF BURBANK, ILLINOIS

Balance Sheet
Governmental Funds
December 31, 2019

	Major Funds				Nonmajor Fund	
	General Fund	Motor Fuel Tax Fund	Debt Service Fund	General Obligation Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	$ 13,878,608	$ 1,720,473	$ 457,308	$ 2,771,670	$ 534,692	$ 19,362,751
Property Taxes Receivable	3,634,806	-	3,285,119	-	64,946	6,984,871
Other Governmental Receivables	2,504,057	216,944	-	125,000	-	2,846,001
Prepaid Items	53,546	-	-	-	-	53,546
Due from Fiduciary Funds	21,523	-	-	-	-	21,523
Interfund Advances - Receivable	224,764	271,726	-	110,389	-	606,879
Total Assets	$ 20,317,304	$ 2,209,143	$ 3,742,427	$ 3,007,059	$ 599,638	$ 29,875,571
LIABILITIES						
Accounts Payable	$ 690,181	$ 22,038	$ -	$ 176,854	$ 23,068	$ 912,141
Accrued Payroll	299,392	-	-	-	-	299,392
Accrued Payroll Taxes	39,345	-	-	-	-	39,345
Claims Payable	94,012	-	-	-	-	94,012
Other Payables	8,970	-	-	-	-	8,970
Interfund Advances - Payable	299,773	-	-	73,087	234,019	606,879
Due to Fiduciary Funds	51,589	-	-	-	-	51,589
Total Liabilities	1,483,262	22,038	-	249,941	257,087	2,012,328
DEFERRED INFLOWS OF RESOURCES						
Unearned Revenue - Property Taxes	3,625,860	-	3,277,000	-	64,946	6,967,806
Unavailable Revenue - Taxes and Grants	689,341	-	-	125,000	-	814,341
Total Deferred Inflows of Resources	4,315,201	-	3,277,000	125,000	64,946	7,782,147
FUND BALANCES						
Nonspendable						
Interfund Loans	224,764	271,726	-	110,389	-	606,879
Prepaid Items	53,546	-	-	-	-	53,546
Restricted						
Motor Fuel Tax Projects	-	1,915,379	-	-	-	1,915,379
Debt Service	-	-	465,427	-	62,000	527,427
Infrastructure Projects	-	-	-	2,521,729	215,605	2,737,334
Unassigned	14,240,531	-	-	-	-	14,240,531
Total Fund Balances	14,518,841	2,187,105	465,427	2,632,118	277,605	20,081,096
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 20,317,304	$ 2,209,143	$ 3,742,427	$ 3,007,059	$ 599,638	$ 29,875,571

See accompanying notes to financial statements.

CITY OF BURBANK, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2019

Total fund balances - governmental funds		$ 20,081,096
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 funds:		
Capital Assets	$ 104,484,538	
Accumulated Depreciation	(61,365,663)	
Net Capital Assets		43,118,875
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds. These assets consist of:		
Receivables Unavailable in Governmental Funds		814,341
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(24,996)
Deferred outflows of resources applicable to the City's pension and OPEB activities do not involve available financial resources and accordingly are not reported on the fund financial statements		27,170,524
Deferred inflows of resources applicable to the City's pension and OPEB activities do not involve available financial resources and accordingly are not reported on the fund financial statements		(16,673,416)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Provision for Compensated Absences	(909,551)	
Retiree Insurance Premiums Payable	(828,226)	
Capital Lease Payable	(54,288)	
Total OPEB Liability	(4,667,174)	
Net Pension Asset	207,623	
Net Pension Liabilities	(76,555,744)	
Bonds Payable	(7,680,277)	
Total Long-term liabilities		(90,487,637)
Net position of governmental activities		$ (16,001,213)

See accompanying notes to financial statements.

CITY OF BURBANK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019

	Major Funds					
	General Fund	Motor Fuel Tax Fund	Debt Service Fund	General Obligation Bond Fund	Nonmajor Funds	Total Governmental Funds
REVENUES						
Property Taxes	$ 3,538,856	$ -	$ 3,210,010	$ -	$ 461,694	$ 7,210,560
Sales Tax	3,327,985	-	-	-	-	3,327,985
Home Rule Tax	1,896,559	-	-	-	-	1,896,559
Income Tax	3,103,466	-	-	-	-	3,103,466
Other Taxes	4,039,846	976,128	-	-	-	5,015,974
Licenses, Permits and Fees	2,188,755	-	-	-	-	2,188,755
Fines	3,535,201	-	-	-	-	3,535,201
Investment Income	196,780	39,776	44,253	95,983	6,183	382,975
Grants	131,602	-	-	201,489	-	333,091
Other Revenue	494,825	-	-	-	-	494,825
Total Revenues	22,453,875	1,015,904	3,254,263	297,472	467,877	27,489,391
EXPENDITURES						
Current:						
Administration	2,791,065	-	-	-	268,214	3,059,279
Building & Grounds	39,478	-	-	-	-	39,478
Fire Department	5,026,275	-	-	-	-	5,026,275
Police Department	7,707,500	-	-	-	-	7,707,500
Civil Defense	20,074	-	-	-	-	20,074
Public Works Department	1,880,405	-	-	-	-	1,880,405
Building & License Enforcement	229,628	-	-	-	-	229,628
Zoning Board of Appeals	52,810	-	-	-	-	52,810
Liquor Commission	31,481	-	-	-	-	31,481
Police & Fire Commission	44,583	-	-	-	-	44,583
Capital Outlay	-	1,270,226	-	2,259,951	-	3,530,177
Debt Service - Principal Retired	27,144	-	2,755,000	-	104,000	2,886,144
Debt Service - Interest and Fees	-	-	394,527	-	8,066	402,593
Total Expenditures	17,850,443	1,270,226	3,149,527	2,259,951	380,280	24,910,427
Excess (Deficiency) of Revenues Over Expenditures	4,603,432	(254,322)	104,736	(1,962,479)	87,597	2,578,964
OTHER FINANCING SOURCES (USES)						
Proceeds from lease	81,432	-	-	-	-	81,432
Proceeds from sale of assets	566,332	-	-	-	-	566,332
Transfers In	512,970	-	-	-	-	512,970
Transfers Out	-	-	-	-	(512,970)	(512,970)
Total Other Financing Sources (Uses)	1,160,734	-	-	-	(512,970)	647,764
Net Change in Fund Balances	5,764,166	(254,322)	104,736	(1,962,479)	(425,373)	3,226,728
Fund Balances at Beginning of Year	8,754,675	2,441,427	360,691	4,594,597	702,978	16,854,368
Fund Balances at End of Year	$ 14,518,841	$ 2,187,105	$ 465,427	$ 2,632,118	$ 277,605	$ 20,081,096

See accompanying notes to financial statements.

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities

Year Ended December 31, 2019

Net change in total fund balances		$ 3,226,728
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.		132,080
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Reduction of Retiree Insurance Premiums Payable	$ 221,695	
Reduction in Compensated Absences	105,369	
Change in Claims Payable	60,622	
Change in Pension Liability and Deferred Items	(6,722,003)	
Change in Total OPEB Liability and Deferred items	(8,359)	
Change in Accrued Interest Payable on Bonds	(5,495)	
Amortization of Capitalized Bond Premium	159,381	
Total expenses of non-current resources		(6,188,790)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital Outlay	3,612,266	
Depreciation	(2,049,855)	
Capital Outlay in excess of depreciation		1,562,411
The issuance of long-term debt (e.g., bonds) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Proceeds for capital leases	(81,432)	
Payment of lease payable	27,144	
Payment of bonds	2,859,000	
Net effect of differences in long term debt		2,804,712
Change in net position of governmental activities		$ 1,537,141

Statement of Fiduciary Net Position
December 31, 2019

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	$ 771,947	$ 818,617
Investments, at Fair Value		
State and Local Obligations	2,387,807	-
U.S. Treasury Obligations	3,728,009	-
U.S. Agency Obligations	13,737,750	-
Corporate Bonds	5,292,519	-
Equity Mutual Funds	47,928,482	-
Due from the City	47,265	-
Accrued Interest	146,421	-
Prepaid Items	8,626	-
Total Assets	74,048,826	$ 818,617
LIABILITIES		
Accounts Payable	52,968	$ -
Due to City	-	21,523
Due to Participants/Bond Holders	-	797,094
Total Liabilities	52,968	$ 818,617
NET POSITION		
Restricted for Pensions	73,995,858	
Total Net Position	$ 73,995,858	

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2019

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	$ 1,906,526
Plan Members	852,542
Total Contributions	2,759,068
Investment Income	
Interest and Dividends	2,125,280
Net Change in Fair Value	10,580,945
Less Investment Expense	(186,867)
Net Investment Income	12,519,358
Total Additions	15,278,426
DEDUCTIONS	
Benefits and Refunds	5,199,613
Administrative Expenses	117,390
Total Deductions	5,317,003
Change in Net Position	9,961,423
Net Position at Beginning of Year	64,034,435
Net Position at End of Year	$ 73,995,858

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Burbank (City), Illinois conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the significant policies:

The Reporting Entity:

Financial Reporting Entity - These financial statements include all organizations, activities, functions, funds and component units for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City. The following component units have been included in the financial statements of the City.

Fiduciary Component Units – The Police Pension Fund of the City of Burbank is an Illinois local government, as such; it is a separate legal entity with its own management and budget authority. This fund exists solely to provide pension benefits for the City's police officers. The Pension Plan may not issue bonded debt or levy taxes without the City's approval. The financial statements of the Police Pension Fund as of and for the year ended December 31, 2019, are included in the City's combined financial statements as a pension trust fund. The Police Pension Fund has issued a separate financial report. This report may be obtained by contacting the City Treasurer.

The Firefighters' Pension Fund of the City of Burbank is an Illinois local government, as such; it is a separate legal entity with its own management and budget authority. This fund exists solely to provide pension benefits for the City's firefighters. The Pension Plan may not issue bonded debt or levy taxes without the City's approval. The financial statements of the Firefighters' Pension Fund as of and for the year ended December 31, 2019, are included in the City's combined financial statements as a pension trust fund. The Firefighters' Pension Fund has issued a separate financial report. This report may be obtained by contacting the City Treasurer.

Basis of Presentation: The City's financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the City as a whole. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis. These statements include the financial activities of the primary government, except for fiduciary activities. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the City.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements – The financial transactions of the City are recorded in individual funds. A fund *is* defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures as appropriate. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and presented as nonmajor funds.

Measurement Focus and Basis of Accounting:

Government-wide Financial Statements – The government-wide financial statements and fund financial statements for fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The City has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the City's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Nonexchange transactions, in which the City receives value without directly giving equal value in return, include taxes, grants, and donations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports unearned revenues on its financial statements. Unearned revenues arise when resources are received by the City 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 City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet or statement of net position and revenue is recognized.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports differences between expected and actual experience, changes in assumptions, and loss on investments for their pension and OPEB plans. Differences between expected and actual experience and changes in plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the plan. Loss on investments are deferred and amortized over five years.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: other taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the full accrual basis of accounting, in accordance with the requirements of GASB Statement No. 65, property tax revenues that are levied but intended to fund future periods are considered to be deferred inflows of resources. Additionally, certain amounts related to pension and OPEB plans must be deferred. Differences between expected and actual experience changes in assumptions are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the plan. Gain on investments are deferred and amortized over five years.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. The General Fund has the following accounts:

Corporate – the Corporate account is used to account for all financial resources except those required to be accounted for in another fund.

Working Cash – the Working Cash account is used to loan resources to other funds.

Motor Fuel Tax Fund – This special revenue fund accounts for motor fuel tax revenues received, including interest income, for the purpose of street and alley maintenance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund – This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

General Obligation Bond Fund – This capital projects fund accounts for capital improvements that are financed by the proceeds of the various GO bond issues.

In addition to the major funds listed above, the City uses the following fund type:

Fiduciary Funds
Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the Government in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

These include pension trust and agency funds. Pension trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cash and Investments: Investments are stated at fair value except for Illinois Funds, which is reported at amortized cost. State statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act.

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amount: City employees receive vacation and sick pay in varying amounts based upon their employment anniversary dates. The City reimburses employees for accumulated vacation days upon their termination or retirement. Nonunion-employees must take vacation accrued during the year of the accrual. Union employees are allowed to carry forward up to 10 days to the next fiscal year. The City also reimburses employees for accumulated sick pay days upon their termination or retirement. Depending on the contract the employee falls under, sick days are paid at a rate ranging from $35 for an 8 hour day to $200 per day. The liability for compensated absences, (unused vacation and sick time) of the City relating to employees of the governmental activities at December 31, 2019, of $909,551 is recorded in the Government-wide financial statements. The long-term portion of compensated absences will be paid from the fund from which the employee is paid.

An employee who retires with 20 or more years of service shall have the option, which must be exercised not later than 30 days after retirement, to convert accrued benefits (sick time, vacation time, and compensatory time) into a health insurance benefit. The rate of pay at the time of retirement and the monthly insurance rate paid by the City at the time of retirement shall be used to calculate the health insurance benefit. The employee's health insurance benefit shall be determined by taking 100% of the hours of accrued benefits times the hourly salary rate divided by the monthly health insurance premium in order to determine the number of months of health insurance to be provided by the City at no cost to the employee. The health insurance benefit must be used by the employee within 15 years of retirement. As of December 31, 2019, there are 16 retired City of Burbank employees eligible for this benefit who are participating. $828,226 is recorded as a liability in the Government-wide financial statements related to this retirement insurance benefit. The benefit expense for the year ended December 31, 2019 was $221,695. If the employee decides not to have the health insurance benefit, the employee may receive a less than pay stipend.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost above a set dollar threshold based on the asset type. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalization threshold for the City is $5,000.

All reported capital assets except land and construction in progress are depreciated. Depreciation on all assets is provided on the straight-line basis over the following estimated useful live:

Capital Asset Category	Estimated Useful Live
Land	n/a
Land Improvements	20 years
Building	50 years
Vehicles, Machinery, and Equipment	5-20 years
Software	2-7 years
Infrastructure-Street Network	25-50 years
Infrastructure-Storm Sewers	100 years

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are normally levied in September (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about March 1 and August 1 and are payable in two installments, on or about April 1 and September 1. The County collects such taxes and remits them periodically. The amounts levied in the year 2019 are intended to fund year 2020 activity.

Property tax revenues are recognized when they become both measurable and available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days.

Long-Term Debt: In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are capitalized and amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, with the exception of prepaid bond insurance, are expensed in the statement of activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity/Net Position: Net position represents the difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In order to show compliance with GASB Statement No. 54, the components of the fund balance include the following line items:

a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
b. Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
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. As of December 31, 2019, the City does not have any commitments of fund balance.
d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the City Council designated for that purpose. The intended use is established by an official designated for that purpose. The City Council has not designated any members of management for this purpose.
e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. It is also any negative fund balance in other funds.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance/net position is available, the City will consider restricted fund balance/net position to have been spent before unrestricted fund balance/net position. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the City will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The City does not have a minimum fund balance policy.

Claims and Judgments: Liability resulting from claims and judgments, if any, has been reflected in the financial statements in accordance with GASB Statement 10 provisions.

Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Police and Firefighters' Pension Plans (Plans) and additions to/deductions from the fiduciary net position of IMRF and the Plans have been determined on the same basis as they are reported by IMRF and the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash: The City has cash on hand of $800. The carrying amount of cash, excluding the Pension Trust Funds, was $17,430,568 at December 31, 2019, while the bank balances were $17,767,347. At December 31, 2019, $258,026 of the bank balance of the deposits was uninsured and uncollateralized while the remainder of the bank balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the City's name by financial institutions acting as the City's agent.

At December 31, 2019, the Pension Trust Funds' carrying amount of cash was $771,947 while the bank balances were $777,476. At December 31, 2019, $37,278 of the bank balance of the deposits was uninsured and uncollateralized. The Pension Trust Funds' investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Trust Funds' deposits with financial institutions.

Certificates of Deposit: Certificates of Deposit, excluding the Pension Trust Funds, amounted to $2,750,000 at December 31, 2019. As of December 31, 2019, the balance was fully collateralized. The balance was either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the City's name by financial institutions acting as the City's agent. All investment collateral is held in safekeeping in the City's name by financial institutions acting as the City's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments (Excluding Pension Trust Funds): The investments which the City may purchase are limited to those authorized under the Public Funds Investment Act and include: (1) securities that are guaranteed by the full faith and credit of the United States as to principal and interest; (2) obligations of agencies and instrumentalities of the United states as originally issued by the agencies and instrumentalities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits of a bank, savings bank, savings and loan association, or credit union which maintains its principal office in the state of Illinois; (4) money market mutual funds registered under the Investment Company Act of 1940 and rated at the highest classification of at least one nationally recognized rating service; (5) interest-bearing bonds of any county, township, municipality, municipal corporation or school district rated at the time of purchase within the four highest general classifications of at least one nationally recognized rating service; (6) the Public Treasurer's Investment Pool administered the State Treasurer and (7) a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or which uses the services of such an entity and invest or advise regarding the investment of any public funds. As of December 31, 2019, the City did not have any investments.

Interest Rate Risk – Interest rate risk is minimized by structuring investments so that securities mature to meet cash requirements for ongoing operations without selling or cashing in securities on the open market prior to maturity.

Credit Risk – The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The City prohibits the following investments: (1) commercial paper of any corporation; (2) repurchase agreements of government securities; (3) derivative products; (4) leveraging of assets through reverse purchase agreements and (5) direct investments in tri-party repurchase agreements.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – 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. The City's investment policy does not require collateralization of deposits and investments, unless the amount of funds deposited in a financial institution exceeds 50% of the capital stock and surplus of a bank, exceeds 50% of the net worth of a savings bank or savings and loan association, or exceeds 50% of the unimpaired capital and surplus of a credit union.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in any one issuer.

Pension Trust Funds' Investments: The deposits and investments of the Pension Trust Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance. Pension funds with net position of $2.5 million or more may invest up to 45% of plan net position in separate accounts of life insurance companies and mutual funds. In addition, pension funds with plan net position of at least 5 million that have appointed an investment advisor, may through that investment advisor invest up to 45% of the plan's net position in common and preferred stocks that meet specific restrictions.

The following schedule reports the fair values and maturities (using the segmented time method) for the Pension Funds' investments at December 31, 2019:

		Investment Maturities - in Years			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
State and Local Obligations	$ 2,387,807	$ 151,164	$ 962,927	$ 1,273,716	$ -
Corporate Bonds	5,292,519	370,598	2,442,499	2,479,422	-
U.S. Treasury	3,728,009	299,766	2,676,383	751,860	-
U.S. Agencies	13,737,750	275,102	1,686,210	11,054,154	722,284
Total	25,146,085	$ 1,096,630	$ 7,768,019	$ 15,559,152	$ 722,284
Equity Mutual Funds	47,928,482				
Total	$ 73,074,567				

The Pension Funds assumes any callable securities will not be called.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Funds limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The Pension Fund's investment policy provides no additional limitations to interest rate risk.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Funds help limit their exposure to credit risk by primarily investing in securities issued by the United State Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Trust Funds' investment policies establish criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Investments, rated by Standard & Poor's, in the securities of US government agencies were all rated AAA or better, Corporate Bonds were rated BBB or better, State and Local Obligations were all rated AA or better, or were small issues that were unrated except those listed in the table below:

Investment Type	Par Value	Interest Rate	Maturity Date	Standard and Poor's
Federal Home Loan Mortgage Corp.	$ 110,000	3.00%	October 1, 2031	N/R
Federal National Mortgage Assoc.	120,000	3.00%	January 1, 2031	N/R
Federal National Mortgage Assoc.	150,000	2.50%	October 1, 2031	N/R
Federal National Mortgage Assoc.	120,000	4.00%	May 1, 2046	N/R
Federal National Mortgage Assoc.	115,000	3.00%	June 1, 2046	N/R
Federal National Mortgage Assoc.	140,000	3.50%	December 1, 2047	N/R
Federal National Mortgage Assoc.	135,000	4.00%	August 1, 2048	N/R
Rock Island, IL	100,000	2.94%	December 1, 2023	N/R
Tennesse Valley Authority	100,000	0.00%	November 1, 2025	N/R

The Pension Trust Funds' investment policy also prescribes to the "prudent expert" rule, which states, investments shall be made with "the same care, skill, prudence, and diligence under the circumstances that experienced investment professionals, acting in a like capacity and fully familiar with such matters, would use in like activities for like funds with like aims in accordance and compliance with all applicable laws, rules and regulations".

Custodial Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. At December 31, 2019, $37,278 of the bank balance of the deposits was uninsured and uncollateralized. The Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. The percentage of the $37,278 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Custodial Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. While not required by the Pension Fund's investment policy, the Pension Trust Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Trust Fund, to act as custodian for its securities and collateral.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Funds' investment in a single issuer. At December 31, 2019, the Pension Trust Funds did not have investments that are valued greater than 5% of the total plan assets. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturities date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the full faith and credit backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Pension Funds categorizes their fair value measurements within the fair value hierarchy established by 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. The Pension Funds have the following recurring fair value measurements as of December 31, 2019 using a matrix pricing model for Level 2 investments:

		Fair Value Measurements Using		
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
State and Local Obligations	$ 2,387,807	$ -	$ 2,387,807	$ -
U.S. Treasury	3,728,009	3,728,009	-	-
U.S. Agencies	13,737,750	-	13,737,750	-
Corporate Bonds	5,292,519	-	5,292,519	-
Equity Mutual Funds	47,928,482	47,928,482	-	-
Total	$ 73,074,567	$ 51,656,491	$ 19,030,269	$ -

Reconciliation of the Deposits and Investments Note to the financial statements:

Note 2 Deposts and Investments		Financial Statements	
Cash		Statement of Net Position -	
City	$ 17,430,568	Cash and Investments	$19,362,751
Pension Funds	771,947	Statement of Fiducary Net Position - Cash	
Certificates of Deposit		and Cash Equivalents - Pension Trust Funds	771,947
City	2,750,000	Statement of Fiducary Net Position -	
Petty Cash	800	Cash - Agency Funds	818,617
Investments		Statement of Fiducary Net Position -	
Pension Funds	73,074,567	Investments - Pension Trust Funds	73,074,567
Total per Note	$ 94,027,882	Total Financial Statements	$94,027,882

(Continued)

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of December 31, 2019 are summarized below:

	Due From Other Funds	Due to Other Funds
Major Governmental Funds:		
General	$ 224,764	$ 299,773
General - Fiduciary	21,523	51,589
Motor Fuel Tax	271,726	-
General Obligation Bond	110,389	73,087
Fiduciary	51,589	21,523
Nonmajor Governmental	-	234,019
Total interfunds	$ 679,991	$ 679,991

Interfund receivables and payables consist of loans of cash between funds on a routine basis. The loans will be repaid to the various funds when surplus cash is available. These are not expected to be repaid within one year. The Fiduciary Fund interfunds represent amounts owed from the prior payroll and are expected to be repaid within one year.

NOTE 4 - TRANSFERS

There following transfers were made during the year ended December 31, 2019 between funds within the primary government to close out accounts:

	Transfers In	Transfers Out
Major Governmental Funds:		
General	$ 512,970	$ -
Nonmajor Governmental	-	512,970
Total transfers	$ 512,970	$ 512,970

(Continued)

NOTE 5 - CAPITAL ASSETS

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

	Balance at January 1, 2019	Additions	Deletions	Balance at December 31, 2019
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	$ 1,928,909	$ 220,019	$ -	$ 2,148,928
Construction in Progress	164,643	-	(164,643)	-
Subtotal	2,093,552	220,019	(164,643)	2,148,928
Capital Assets Being Depreciated:				
Land Improvements	357,191	-	-	357,191
Buildings	10,800,736	-	-	10,800,736
Machinery and Equipment	6,102,036	666,173	(51,113)	6,717,096
Infrastructure	83,064,143	2,890,717	(1,494,273)	84,460,587
Subtotal	100,324,106	3,556,890	(1,545,386)	102,335,610
Less Accumulated Depreciation for:				
Land Improvements	(334,300)	(9,156)	-	(343,456)
Buildings	(4,654,811)	(211,932)	-	(4,866,743)
Machinery and Equipment	(5,157,369)	(197,895)	51,113	(5,304,151)
Infrastructure	(50,714,714)	(1,630,872)	1,494,273	(50,851,313)
Total Accumulated Depreciation	(60,861,194)	(2,049,855)	1,545,386	(61,365,663)
Total Capital Assets Being Depreciated, Net	39,462,912	1,507,035	-	40,969,947
Governmental Activities Capital Assets, Net	$ 41,556,464	$ 1,727,054	$ (164,643)	$ 43,118,875

Depreciation expense of $2,049,855 was charged to the governmental activities functional expense categories as follows:

Governmental Activities:	Depreciation
General Government	$ 14,282
Public Safety	343,435
Public Works	1,692,138
Total	$ 2,049,855

(Continued)

NOTE 6 - RECEIVABLES, UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

The following is a summary of other governmental receivables by fund type at December 31, 2019. Any uncollectible amount is not believed to be material.

	General	Motor Fuel Tax	General Obligation Bond	Total
Other Governmental Receivables:				
Allotments	$ -	$ 216,944	$ -	$ 216,944
State Income Tax	264,703	-	-	264,703
State Sales Tax	888,915	-	-	888,915
Personal Property Replacement Tax	11,994	-	-	11,994
Court Fines	4,208	-	-	4,208
Franchise Fee	71,765	-	-	71,765
Local Use Tax	299,519	-	-	299,519
Home Rule Tax	527,095	-	-	527,095
Telecommunications Tax	79,760	-	-	79,760
Vehicle Tax	51,572	-	-	51,572
Utility Tax	46,307	-	-	46,307
Video Gaming Tax	69,453	-	-	69,453
Motel Tax	13,117	-	-	13,117
Auto Rental Tax	16,246	-	-	16,246
Traffic Camera Fines	159,403	-	-	159,403
Grants	-	-	125,000	125,000
Total Due From Other Governments	$2,504,057	$ 216,944	$ 125,000	$2,846,001

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available 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 year, the various components of unearned and unavailable revenue reported in the governmental funds were as follows:

Unavailable and unearned	
Property taxes receivable (General Fund)	$ 3,625,860
Local use taxes receivable (General Fund)	119,487
Home rule taxes receivable (General Fund)	203,679
Telecommunication taxes receivable (General Fund)	28,120
Auto rental tax receivable (General Fund)	6,514
Sales taxes receivable (General Fund)	331,541
Property taxes receivable (Debt Service Fund)	3,277,000
Grant receivable (General Obligation Bond Fund)	125,000
Property taxes receivable (SSA Debt Fund)	64,946
Total unavailable and unearned revenues	$ 7,782,147

(Continued)

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes to the City's long-term debt for the year ended December 31, 2019.

	Obligations Outstanding Beginning of Year	Debt Additions	Debt Deletions	Obligations Outstanding End of Year	Due Within One Year
Governmental Activities:					
General Obligation Bonds					
Series of 2014	$ 345,000	$ -	$ 345,000	$ -	$ -
Series of 2015	5,390,000	-	2,410,000	2,980,000	2,980,000
Series of 2018	4,445,000	-	-	4,445,000	-
Plus Capitalized Amounts:					
For Bond Premiums	352,658	-	159,381	193,277	-
Total General Obligation Bonds	10,532,658	-	2,914,381	7,618,277	2,980,000
General Obligation Covenant Bonds:					
Series of 2009	45,000	-	45,000	-	-
Series of 2010	121,000	-	59,000	62,000	62,000
Total General Obligation Covenant Bonds	166,000	-	104,000	62,000	62,000
Capital Lease Payable	-	81,432	27,144	54,288	27,144
Other Debt:					
Compensated Absences	1,014,920	-	105,369	909,551	63,396
Retiree Insurance Premiums	1,049,921	-	221,695	828,226	193,875
Total OPEB Liability	4,621,897	305,952	260,675	4,667,174	-
Net Pension Liability (Asset) - IMRF	1,896,008	1,737,166	3,840,797	(207,623)	-
Net Pension Liability - Police Pension	38,631,500	19,314,013	9,824,123	48,121,390	-
Net Pension Liability - Firefighters' Pension	22,359,850	11,528,807	5,454,303	28,434,354	-
Total Other Debt	69,574,096	32,885,938	19,706,962	82,753,072	257,271
Total Governmental Activities	$ 80,272,754	$ 32,967,370	$ 22,752,487	$ 90,487,637	$ 3,326,415

Long-term obligations outstanding at December 31, 2019 are comprised of the following:

General Obligation Bonds, Series 2014: $4,000,000 2014 General Obligation Bonds dated October 22, 2014 due December 1, 2019; interest of 3.00% (principal and interest to be serviced by the general revenues of the City). The principal and interest payments were made from the Debt Service Fund.

General Obligation Bonds, Series 2015: $5,820,000 2015 General Obligation Bonds dated August 20, 2015 due December 1, 2020; interest of 3.00% (first two years) and 4.00% (last two years) (principal and interest to be serviced by the general revenues of the City). The principal and interest payments will be made from the Debt Service Fund.

NOTE 7 - LONG-TERM DEBT (Continued)

General Obligation Bonds, Series 2018: $4,445,000 2018 General Obligation Bonds dated December 20, 2018 due December 1, 2022; interest of 4.00% (principal and interest to be serviced by the general revenues of the City). The principal and interest payments will be made from the Debt Service Fund.

General Obligation Covenant Bonds, Series 2009: $350,000 2009 General Obligation Covenant Bonds dated June 1, 2009 due December 1, 2019; interest at 5.15% (principal and interest to be serviced by the general revenues of the City). The principal and interest payments were made from the SSA Debt Service Fund.

General Obligation Covenant Bonds, Series 2010: $515,000 2010 General Obligation Covenant Bonds dated September 30, 2010 due December 1, 2020; interest at 4.75% (principal and interest to be serviced by the general revenues of the City). The principal and interest payments will be made from the SSA Debt Service Fund.

Debt Service Requirements at December 31, 2019 were as follows:

Year Ended	General Obligation Bonds		General Obligation Covenant Bonds	
December 31	Principal	Interest	Principal	Interest
2020	$ 2,980,000	$ 297,000	$ 62,000	$ 2,946
2021	3,195,000	177,800	-	-
2022	1,250,000	50,000	-	-
Total	$ 7,425,000	$ 524,800	$ 62,000	$ 2,946

Conduit Debt Obligations: The City has issued various types of revenue bonds to provide financial assistance to individuals and private-sector entities. These bonds were issued for the acquisition of constriction of residential, commercial and industrial facilities deemed to be in the public interest. These bonds are secured solely by the property financed and are payable solely from payments received on the underlying mortgage loans. The City, State of Illinois nor any political subdivision is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the City's financial statements.

City of Burbank Revenue Bonds (The Allendale Association Project), Series 2013: $2,250,000 bonds issued December 1, 2013, bearing interest of LIBOR plus 275 basis points multiplied by 70%. Principal balance as of December 31, 2019 is $1,507,200.

Educational Facility Revenue Bonds (East Lake Academy Project), Series 2013: $2,228,500 bonds issued December 1, 2013, bearing interest of 3.25%. Principal balance as of December 31, 2019 is $1,591,154.

Cultural Facility Revenue Bonds (The Black Ensemble Theater Cultural Center Project), Series 2014: $5,190,000 bonds issued February 4, 2014, bearing interest of 3.15%. Principal balance as of December 31, 2019 is $4,184,685.

Educational Facility Revenue Bonds (Intercultural Montessori Language School Project), Series 2015A: $15,485,000 bonds issued August 1, 2015, bearing interest of 6.00%-6.25%. Principal balance as of December 31, 2019 is $15,485,000.

Educational Facility Revenue Bonds (Intercultural Montessori Language School Project), Series 2015B: $4,180,000 bonds issued August 1, 2015, bearing interest of 5.25%-7.00%. Principal balance as of December 31, 2019 is $3,705,000.

(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Educational Facility Revenue Bonds (Science and Arts Academy), Series 2016: $5,940,356 bonds issued May 26, 2016, bearing interest of LIBOR multiplied by 72% then adding 65% multiplied by 2.25%. Principal balance as of December 31, 2019 is $5,419,601.

City of Burbank Revenue Bonds (Greater Joliet Area YMCA Project), Series 2017: $6,500,000 bonds issued November 1, 2017, bearing interest of 2.43% during the initial interest period. Principal balance as of December 31, 2019 is $6,298,365.

NOTE 8 - PENSION AND RETIREMENT FUND

Illinois Municipal Retirement Fund

Plan Description - The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Employees Covered by Benefit Terms: As of December 31, 2019 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	79
Active Plan Members	43
Total	122

Contributions: As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual required contribution rate for calendar year 2019 was 6.88%. For the fiscal year ended December 31, 2019, the City contributed $168,000 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The City's net pension liability for IMRF was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 Illinois Municipal Retirement Fund annual actuarial valuation. The investment rate of return did not change from the prior year. There were no significant changes in assumptions or benefit changes during the year. The City is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Expected return on pension plan investments: 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Fixed Income	28.00%	3.25%
Real Estate	9.00%	5.20%
Alternatives	7.00%	3.60%-7.60%
Cash Equivalents	1.00%	1.85%
	100.00%	

Discount rate: A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rates reflects:

(1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits and

(2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25% (the municipal bond rate was not used). The discount rate remains unchanged from the prior year. The fund is expected to be fully funded through December 31, 2119.

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
Primary government:	(a)	(b)	(a) - (b)
Balances at January 1, 2019	$ 18,160,144	$ 16,264,136	$ 1,896,008
Changes for the year:			
Service cost	255,500	-	255,500
Interest	1,292,159	-	1,292,159
Actuarial experience	(413,953)	-	(413,953)
Assumption changes	-	-	-
Contributions - Employer	-	168,000	(168,000)
Contributions - Employee	-	109,884	(109,884)
Net investment income	-	3,148,960	(3,148,960)
Benefit payments, including refunds	(930,012)	(930,012)	-
Other (net transfer)	-	(189,507)	189,507
Net changes	203,694	2,307,325	(2,103,631)
Balances at December 31, 2019	$ 18,363,838	$ 18,571,461	$ (207,623)

Sensitivity of the net pension (asset)/liability to changes in the discount rate: The following presents the net pension (asset)/liability of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension (asset)/liability for the IMRF plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
City's Net Pension (Asset) Liability - IMRF Plan	$ 1,852,804	$ (207,623)	$ (1,927,182)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2019 the City recognized pension expense of $713,445 for the IMRF plan. At December 31, 2019, the City reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

Primary government:	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 262,274	$ 275,377
Assumption changes	153,537	39,401
Net difference between projected and actual earnings on pension plan investments	-	807,300
	$ 415,811	$ 1,122,078

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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

Year ending December 30	Primary Government
2020	$ 12,542
2021	(381,401)
2022	62,655
2023	(400,063)
Total	$ (706,267)

Police Pension

Plan Description - 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 (40 ILCS 5/3) and may be amended only by the Illinois legislature.

As of January 1, 2019 (the latest information available), the Police Pension Plan membership consisted of:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	38
Inactive plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	48
Total	86

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to 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 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 such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after the age of 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly benefit of a police officer 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.

Tier 2 employees (those hired after January 1, 2011),attaining the age of 55 or older with10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed $106,800, however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary, this includes the costs of administering the plan. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. For the year ended December 31, 2019, the City's contribution was 24.84% of covered payroll.

Basis of Accounting - The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Fixed-income securities are reported at fair market value. Short-term investments are reported a cost which approximates market value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The City's net pension liability for the Police Pension plan was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2019.

Actuarial assumptions: The total pension liability in the January 1, 2019 actuarial valuation that was updated for 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions (Economic)	
Discount rate used for the Total Pension Liability	4.55%
Expected Rate of Return on Investments	6.75%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.74%
Projected Individual Pay Increases	3.75 - 15.97%
Projected Total Payroll Increases	3.25%
Consumer Price Index (Urban)	2.25%
Inflation Rate	2.25%

Actuarial Assumptions (Demographic)	
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement Rates	100% L&A 2020 Illinois Police Retirement Rates Capped at age 60
Termination Rates	100% L&A 2020 Illinois Police Termination Rates
Disability Rates	100% L&A 2020 Illinois Police Disability Rates
Marital Assumptions	Active Members: 80% Retiree & Disabled Members: 80%

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2020. The rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates. Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Police.

Assumption changes: Plan benefit changes were updated for PA-101-0610 (SB1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier 2 Plan Provisions. The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 4.10% to 2.74% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. There were no significant changes in demographic assumptions.

Postemployment benefit changes: Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index – Urban (CPI-U) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (on a compounded basis).

Expected return on pension plan investments: The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. The target allocation and best estimates of arithmetic real rate or return, net of assumed inflation rate for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	45.50%	6.10%
Small Cap Domestic Equity	13.00%	7.90%
International Equity	6.50%	6.90%
Fixed Income	35.00%	1.30%
	100.00%	

Long-term expected real rates of return are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The expected inflation rate is 2.60% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return and is not necessarily reflective of the inflation measures used for other purposes. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Municipal bond rate: The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the December 26, 2019 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

Discount rate: The discount rate used to measure the total pension liability was 4.55%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the Long-Term Expected Rate of Return on Plan investments and the municipal bond rate. Cash flow projections were used to determine the extent to which the Plan’s future Fiduciary Net Position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan’s projected Fiduciary Net Position, the Long-Term Expected Rate of Return on Plan investments is used to determine the portion of the Net Pension Liability associated with those payments. To the extent future benefit payments are not covered by the Plan’s projected Fiduciary Net Position, the municipal bond rate is used to determine the portion of the Net Pension Liability associated with those payments. The discount rate has decreased from the prior measurement date from 5.52% by 0.97%. The long-term expected rate of return is projected to fund pension obligations through 2054 and after that the municipal bond rate is used.

Changes in the Net Pension Liability for the Police Pension Plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2019	$ 77,373,061	$ 38,741,561	$ 38,631,500
Changes for the year:			
Service cost	1,623,952	-	1,623,952
Interest	4,184,375	-	4,184,375
Actuarial experience	1,508,829	-	1,508,829
Assumptions changes	11,355,409	-	11,355,409
Plan Changes	577,478		577,478
Contributions - employer	-	1,213,631	(1,213,631)
Contributions - employee	-	429,538	(429,538)
Contributions - employee	-	189,255	(189,255)
Net investment income	-	7,991,699	(7,991,699)
Benefit payments, including refunds	(3,138,344)	(3,138,344)	-
Administrative expense	-	(63,970)	63,970
Net changes	16,111,699	6,621,809	9,489,890
Balances at December 31, 2019	$ 93,484,760	$ 45,363,370	$ 48,121,390

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 4.55%, as well as what the City's net pension liability for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (3.55%) or 1-percentage-point higher (5.55%) than the current rate:

	1% Decrease 3.55%	Current Discount Rate 4.55%	1% Increase 5.55%
City's Net Pension Liability for Police Pension Plan	$ 65,770,724	$ 48,121,390	$ 34,377,590

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2019 the City recognized pension expense of $4,974,298 for the Police Pension plan. At December 31, 2019, the City reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 2,456,404	$ 276,589
Changes of Assumptions	13,497,645	6,010,805
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,293,198
Total	$ 15,954,049	$ 8,580,592

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	
2020	$ 1,168,707
2021	1,103,609
2022	1,590,430
2023	(176,114)
2024	712,719
Thereafter	2,974,106
Total	$ 7,373,457

<u>Firefighter's Pension</u>:

Plan Description - 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 and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings.

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

At January 1, 2019 (the latest information available), the Firefighters' Pension Plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	36
Active Plan Members	24
Total	60

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statues.

The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.91% of their annual covered payroll. The City is required to contribute at an actuarially determined rate.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. 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 benefit.

The monthly benefit of a firefighter 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at $106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Participants are required to contribute 9.45% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary, this includes the costs of administering the plan. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. For the year ended December 31, 2019, the City's contribution was 26.50% of covered payroll.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Basis of Accounting: The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Fixed-income securities are reported at fair market values. Short-term investments are reported at cost which approximates market value. Investment income is recognized when earned. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The City's net pension liability for the Firefighters' Pension plan was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2019.

Actuarial assumptions: The total pension liability in the January 1, 2019 actuarial valuation that was updated for 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions (Economic)	
Discount Rate used for the Total Pension Liability	5.06%
Expected Rate Of Return on Investments	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.74%
Projected Individual Pay Increases	2.25 - 11.50%
Projected Total Payroll Increases	3.25%
Consumer Price Index (Urban)	2.25%
Inflation Rate Included	2.25%

Actuarial Assumptions (demographic)	
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement Rates	100% L&A 2020 Illinois Firefighters Retirement Rates Capped at age 65
Termination Rates	100% L&A 2020 Illinois Firefighters Termination Rates
Disability Rates	100% L&A 2020 Illinois Firefighters Disability Rates
Marital Assumptions	Active Members: 80% Retiree & Disabled Members: 80%

All rates shown in the assumptions are assumed to be annual rates, compounded on an annual basis. Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2020. The rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using the MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates. Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Firefighters.

Assumption changes: The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 4.10% to 2.74% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. There were no significant changes in demographic assumptions.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Postemployment benefit changes: Plan benefit changes were updated for PA-101-0610 (SB 1300), which went into effect on January 1, 2020. These legislative changes reflect modifications to the Tier 2 Plan Provisions. Eligibility for post-employment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided post-employment benefit increases based on the lesser of 3.0% of the original retirement benefits or one-half of the Consumer Price Index - Urban (CPI-U) for the prior September. The CPI-U for September 1985 was 108.3. The CPI-U for September 2019 was 256.8. The average increase in the CPI-U for September 1985 through September 2019 was 2.58% (on a compounded basis).

Expected return on pension plan investments: The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes. The target allocation and best estimates of arithmetic real rate of return, net of assumed inflation rate for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	42.00%	6.00%
Small Cap Domestic Equity	12.00%	7.80%
International Equity	6.00%	6.70%
Fixed Income	40.00%	1.20%
	100.00%	

Long-term expected real rates of return are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures. The long-term inflation expectation is 2.70% and is included in the long-term expected rates of return. The long-term inflation expectation is from the same source as the long-term expected real rates of return and is not necessarily reflective of the inflation measures used for other purposes in the report. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. Higher volatility results in a greater difference.

Municipal bond rate: The municipal bond rate assumption is based on The Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section is the December 26, 2019 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The 20-Bond G.O. Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The indices represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indices would yield if the bond was sold at par value. The indices are simple averages of the average estimated yields of the bonds.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Discount rate: The discount rate used to measure the total pension liability was 5.06%. The discount rate used in the determination of the total pension liability is based on a combination of the long-term expected rate of return on plan investments and the municipal bond rate. Cash flow projections were used to determine the extent to which the plan's future fiduciary net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected fiduciary net position, the long-term expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. Projected benefit payments are determined during the actuarial process based on the assumptions. The discount rate has decreased from the prior measurement date from 5.69% to 5.06% or 0.63%. The long-term expected rate of return is projected to fund pension obligations through 2062 and after that the municipal bond rate is used.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at January 1, 2019	$ 47,652,724	$ 25,292,874	$ 22,359,850
Changes for the year:			
Service cost	815,309	-	815,309
Interest	2,652,797	-	2,652,797
Actuarial experience	744,507	-	744,507
Change in assumptions	6,843,348	-	6,843,348
Plan changes	419,426	-	419,426
Contributions - employer	-	692,895	(692,895)
Contributions - employee	-	233,749	(233,749)
Net investment income	-	4,527,659	(4,527,659)
Benefit payments, including refunds	(2,061,269)	(2,061,269)	-
Administrative expense	-	(53,420)	53,420
Net changes	9,414,118	3,339,614	6,074,504
Balances at December 31, 2019	$ 57,066,842	$ 28,632,488	$ 28,434,354

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 5.06%, as well as what the City's net pension liability for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (4.06%) or 1-percentage-point higher (6.06%) than the current rate:

	1% Decrease 4.06%	Current Discount Rate 5.06%	1% Increase 6.06%
City's Net Pension Liability for Firefighters' Pension Plan	$ 39,803,323	$ 28,434,354	$ 19,806,046

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2019 the City recognized pension expense of $3,108,786 for the Firefighters' Pension plan.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

At December 31, 2019, the City reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,176,707	$ 668,786
Changes of assumptions	7,834,115	4,959,683
Net difference between projected and actual earnings on investments	-	906,302
Total	$ 10,010,822	$ 6,534,771

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	
2020	$ 853,303
2021	812,426
2022	1,048,442
2023	122,406
2024	327,589
Thereafter	311,885
Total	$ 3,476,051

Summary of Pensions:

	IMRF	Police	Firefighters'	Total
Net Pension (Asset) Liability	$ (207,623)	$ 48,121,390	$ 28,434,354	$ 76,348,121
Deferred Outflows of Resources	415,811	15,954,049	10,010,822	26,380,682
Deferred Inflows of Resources	1,122,078	8,580,592	6,534,771	16,237,441
Pension Expense	713,445	4,974,298	3,108,786	8,796,529

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Fiduciary Funds:

Statement of Net Position	Pension Trust Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total
ASSETS			
Cash and Cash Equivalents	$ 560,464	$ 211,483	$ 771,947
Investments, at Fair Value	44,709,325	28,365,242	73,074,567
Due from the City	29,935	17,330	47,265
Accrued Interest	86,164	60,257	146,421
Prepaid Items	3,804	4,822	8,626
Total Assets	45,389,692	28,659,134	74,048,826
LIABILITIES			
Accounts Payable	26,322	26,646	52,968
Total Liabilities	26,322	26,646	52,968
NET POSITION			
Restricted for Pensions	45,363,370	28,632,488	73,995,858
Total Net Position	$ 45,363,370	$ 28,632,488	$ 73,995,858

Changes in Net Position:	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	$ 1,213,631	$ 692,895	$ 1,906,526
Plan Members	618,793	233,749	852,542
Total Contributions	1,832,424	926,644	2,759,068
Investment Income			
Interest and Dividends	1,315,813	809,467	2,125,280
Net Change in Fair Value	6,768,509	3,812,436	10,580,945
Less Investment Expense	(92,623)	(94,244)	(186,867)
Net Investment Income	7,991,699	4,527,659	12,519,358
Total Additions	9,824,123	5,454,303	15,278,426
DEDUCTIONS			
Benefits and Refunds	3,138,344	2,061,269	5,199,613
Administrative Expenses	63,970	53,420	117,390
Total Deductions	3,202,314	2,114,689	5,317,003
Change in Net Position	6,621,809	3,339,614	9,961,423
Net Position at Beginning of Year	38,741,561	25,292,874	64,034,435
Net Position at End of Year	$ 45,363,370	$ 28,632,488	$ 73,995,858

(Continued)

NOTE 9 - POST-EMPLOYMENT BENEFITS

City of Burbank, Illinois Postretirement Health Plan Description: The City administers a single employer defined benefit healthcare plan (Health Plan). The Health Plan provides limited health care insurance coverage for its eligible retired employees. Authority under which the obligations of the plan members and City contribute to the Health Plan are established or may be amended by the action of the City Council. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other eligible active employees during the year on a pay-as-you basis. Any full-time employee who retires with 20 or more years of service shall have the option, which must be exercised no later than 30 days after retirement, to convert accrued benefits (sick time, vacation time, and compensatory time) into a health insurance benefit. The City shall establish a retirement health insurance (cash) bank of the employee’s accrued benefits, based upon the employee’s rate of pay at the time of retirement. The City shall deduct from the employee’s retirement health insurance bank the initial retirement health insurance premium. Subsequent years’ coverage shall also be deducted from the bank until it is exhausted. The City agrees to pay 50% of any increase in the base year’s monthly premium rate, with the remaining portion of the premium increase being deducted from the bank.

If the retiree dies during the receipt of retirement health insurance, the surviving spouse shall be entitled to a refund of the unused portion of the retiree’s bank balance. Alternatively, the surviving spouse may elect to continue receipt of health insurance through the use of the bank.

The retiree shall have the option to cancel the insurance benefit option and receive the remaining funds in the bank. Once this option is elected, the retiree is not entitled to resume insurance benefits.

Full-time Police and Firefighter employees are that suffer a catastrophic injury or are killed in the line of duty receive health care coverage for the employee and dependents in compliance with the provisions of the Public Safety Employee Benefits Act.

Membership in the Health Plan, which is a single employer plan that does not issue separate financial statements, as of December 31, 2018, the most recent valuation date, consisted of the following:

Active employees	112
Inactive employees currently receiving benefits	29
Total	141

Contributions: The City’s plan does not have an actuarially determined contribution as the current total OPEB Liability is an unfunded obligation. The City does not have a trust dedicated to the payment of OPEB benefits. The City did make contributions from other City resources for the year ended December 31, 2019 of $260,675.

Total OPEB Liability: The City‘s total OPEB liability was measured as of December 31, 2019 and the total OPEB liability was determined by an actuarial valuation as of the prior year using the following actuarial methods and assumptions:

Actuarial Assumptions (economic)	
Discount rate used for the total OPEB liability	3.26%
Long-term expected rate of return on plan assets	0.00%
High quality 20 year tax-exempt G.O. bond rate	3.26%
Projected individual salary increases	4.00%
Inflation rate included	3.00%
Initial Healthcare cost trend rate	6.50%
Ultimate Healthcare cost trend rate	5.00%

(Continued)

NOTE 9 - POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (demographic)	
Mortality table	Rates from the December 31, 2018 IMRF Actuarial Valuation report for IMRF Employees. RP-2014 Combined Mortality Table for males and females with Blue Collar Adjustment for Police and Firefighters.
Retirement rates	Rates from the December 31, 2018 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Repots as January 1, 2018 for Police and Firefighters', respectively.
Withdrawal rates	Rates from the December 31, 2018 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Repots as January 1, 2018 for Police and Firefighters', respectively.
Disability rates	Rates from the December 31, 2018 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Repots as January 1, 2018 for Police and Firefighters', respectively.
Marriage	60.00% of employees were assumed to elect spousal coverage and Females were assumed to be three years younger than males.
Participation rate	100% of active employees that have a health insurance bank value which will pay for at least one year of medical coverage are assumed to elect postretirement medical coverage.

Discount rate: The City does not have a dedicated trust to pay retiree healthcare benefits. Per GASB Statement No. 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 3.26% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2019. This is a decrease of 0.38% from the rate of 3.64% used at December 31, 2018.

Changes in the Total OPEB Liability:

	Increase (Decrease) Total OPEB Liability
Balances at December 31, 2018	$ 4,621,897
Changes for the year:	
Service cost	50,364
Interest	163,493
Actuarial experience	-
Assumptions changes	146,633
Benefit payments, including refunds	(260,675)
Other Changes	(54,538)
Net changes	45,277
Balances at December 31, 2019	$ 4,667,174

(Continued)

NOTE 9 - POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense*:* For the year ended, December 31, 2019, the City recognized OPEB expense of $269,034.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2019, the City reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 187,070
Changes of assumptions	789,842	248,905
Total	$ 789,842	$ 435,975

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

Year Ended December 31	
2020	$ 55,177
2021	55,177
2022	55,177
2023	55,177
2024	55,177
Thereafter	77,982
Total	$ 353,867

Rate Sensitivity: The following rate sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the City calculated using the discount rate of 3.26% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher that the current rate.

	1% Decrease 2.26%	Current Rate 3.26%	1% Increase 4.26%
Total OPEB Liability	$ 5,326,387	$ 4,667,174	$ 4,141,055

The table below presents the total OPEB liability of the City calculated using the healthcare cost trend rate as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher that the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 4,107,845	$ 4,667,174	$ 5,359,196

(Continued)

NOTE 10 - 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; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The City also purchases its employee health and accident insurance from commercial carriers. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage during the year ended December 31, 2019. During the past three years there have been no settlements that exceed insurance coverage. During the fiscal year, the self-insurance for workman's compensation ended, and only outstanding claims before the fiscal year will be paid through that program.

In prior years, the City began a self-insurance program for worker's compensation claims. The claims liability is based on the requirements of GASB Statement No. 10, *Auditing and Financial Reporting for Risk Financing and Related Issues*, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. $94,012 of this liability is payable with expendable available resources at year end and therefore reported in the General Fund. Changes in the claims liability for the past two years are as follows:

Liability December 31, 2017	$1,409,345
Current year claims and changes in estimates	33,256
Claims payments	(904,736)
Liability December 31, 2018	537,865
Current year claims and changes in estimates	(348,748)
Claims payments	(95,105)
Liability December 31, 2019	$ 94,012

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2020. This Statement will not impact the City's financial statements.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2020. Management has not determined the impact on the City's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2022. Management has not determined what impact, if any, this statement will have on its financial statements.

(Continued)

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2022. Management has not yet determined the impact of this statement on the City's financial statements.

In January 2020, GASB issued Statement No. 92, *Ominbus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. Upon the City's adoption of GASB Statement No 95, effective date for the Statement was delayed for the City until their fiscal year ended December 31, 2022. Management has not yet determined the impact of this statement on the City's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objectives of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for the City's fiscal year ended December 31, 2021. Management has not yet determined the impact of this statement on the City's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objectives of this Statement is improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for the City's fiscal year ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the City's fiscal year ended December 31, 2023. Management has not yet determined the impact of this statement on the City's financial statements.

(Continued)

NOTE 11 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the City's fiscal year-ended December 31, 2022. Management has not yet determined the impact of this statement on the City's financial statements.

NOTE 12 – SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the company could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others. Additionally, significant estimates, as further discussed in note 1, which include but are not limited to valuation net pension liabilities, total OPEB liability, and workmen's compensation claims liability maybe materially and adversely impacted by further impacts related to the COVID-19 pandemic.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund
Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
REVENUES			
Property Taxes	$ 3,560,000	$ 3,538,856	$ (21,144)
Sales Tax	3,300,000	3,327,985	27,985
Home Rule Tax	1,850,000	1,896,559	46,559
Income Tax	2,000,000	3,103,466	1,103,466
Other Taxes	4,505,400	4,039,846	(465,554)
Licenses, Permits and Fees	2,224,005	2,188,755	(35,250)
Fines	2,831,000	3,535,201	704,201
Investment Income	125,000	196,780	71,780
Grants	18,500	131,602	113,102
Other Revenue	500,050	494,825	(5,225)
Total Revenues	20,913,955	22,453,875	1,539,920
EXPENDITURES			
Current:			
Administration	4,085,166	2,791,065	(1,294,101)
Building & Grounds	145,450	39,478	(105,972)
Fire Department	5,507,471	5,026,275	(481,196)
Police Department	8,671,323	7,707,500	(963,823)
Civil Defense	58,000	20,074	(37,926)
Public Works Department	2,015,521	1,880,405	(135,116)
Building & License Enforcement	282,284	229,628	(52,656)
Zoning Board of Appeals	59,488	52,810	(6,678)
Liquor Commission	30,935	31,481	546
Police & Fire Commission	33,160	44,583	11,423
Debt Service - Principal Retired	-	27,144	27,144
Total Expenditures	20,888,798	17,850,443	(3,038,355)
Excess (Deficiency) of Revenues Over Expenditures	25,157	4,603,432	4,578,275
OTHER FINANCING SOURCES (USES)			
Proceeds from lease	-	81,432	81,432
Proceeds from sale of assets	-	566,332	566,332
Transfers In	-	512,970	512,970
Total Other Financing Sources (Uses)	-	1,160,734	1,160,734
Net Change in Fund Balance	$ 25,157	5,764,166	$ 5,739,009
Fund Balance at Beginning of Year		8,754,675	
Fund Balance at End of Year		$ 14,518,841	

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

(A) The City's expenditures are on the Appropriation system according to Illinois law, while City revenues are budgeted.
(B) The Treasurer submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
(C) Budget hearings are conducted.
(D) The budget is legally enacted through passage of an ordinance.
(E) The budget may be amended by the City Council.
(F) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
(G) The budget was not amended during the year. The statements represent the original and final approved budget.
(H) Expenditures in any fund may not exceed the total appropriations for that fund after transfers. The Treasurer is authorized to transfer appropriations between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
(I) Appropriations not expended (i.e. disbursed or accrued) lapse at year end.

The City establishes a budget for the general fund corporate account only.

Required Supplementary Information
Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios
Year Ended December 31, 2019

	2019	2018
Total OPEB Liability		
Service Cost	$ 50,364	$ 57,762
Interest on the Total OPEB Liability	163,493	139,990
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	(246,837)
Changes of Assumptions	146,633	(250,079)
Benefit Payments, Including Refunds of Employee Contributions	(260,675)	(230,544)
Other Changes	(54,538)	857,523
Net Change in Total OPEB Liability	45,277	327,815
Total OPEB Liability - Beginning	4,621,897	4,294,082
Total OPEB Liability - Ending	$ 4,667,174	$ 4,621,897
Covered Employee Payroll	$ 9,054,424	$ 9,054,424
Total OPEB Liability as a Percentage of Covered Employee Payroll	51.55%	51.05%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There is no actuarially determined contribution or employer contribution in relation to the actuarially determined contribution, as the City does not have a Trust that exists for funding the OPEB liability.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Changes in Illinois Municipal Retirement Fund Net Pension Liability and Related Ratios
Last 6 Fiscal Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 255,500	$ 251,920	$ 288,342	$ 271,539	$ 291,518	$ 315,104
Interest	1,292,159	1,212,013	1,171,992	1,094,234	1,099,405	1,004,494
Changes of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(413,953)	681,233	517,312	451,513	(729,492)	(126,160)
Changes of Assumptions	-	462,495	(564,290)	-	-	653,513
Benefit Payments and Refunds	(930,012)	(963,465)	(759,602)	(818,211)	(622,575)	(516,784)
Net Change in Total Pension Liability	203,694	1,644,196	653,754	999,075	38,856	1,330,167
Total Pension Liability - Beginning	18,160,144	16,515,948	15,862,194	14,863,119	14,824,263	13,494,096
Total Pension Liability - Ending (a)	$ 18,363,838	$ 18,160,144	$ 16,515,948	$ 15,862,194	$ 14,863,119	$ 14,824,263
Plan Fiduciary Net Position						
Contributions - Employer	$ 168,000	$ 202,761	$ 221,974	$ 231,253	$ 227,438	$ 249,261
Contributions - Employee	109,884	150,117	155,855	113,359	111,006	120,633
Net Investment Income	3,148,960	(1,008,773)	2,674,796	995,405	75,720	884,611
Benefit Payments and Refunds	(930,012)	(963,465)	(759,602)	(818,211)	(622,575)	(516,784)
Other	(189,507)	361,142	(283,573)	390,041	(476,616)	(26,901)
Net Change in Plan Fiduciary Net Position	2,307,325	(1,258,218)	2,009,450	911,847	(685,027)	710,820
Plan Fiduciary Net Position - Beginning	16,264,136	17,522,354	15,512,904	14,601,057	15,286,084	14,575,264
Plan Fiduciary Net Position - Ending (b)	$ 18,571,461	$ 16,264,136	$ 17,522,354	$ 15,512,904	$ 14,601,057	$ 15,286,084
City's Net Pension (Asset) Liability (a-b)	$ (207,623)	$ 1,896,008	$ (1,006,406)	$ 349,290	$ 262,062	$ (461,821)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.13%	89.56%	106.09%	97.80%	98.24%	103.12%
Covered Payroll	$ 2,441,861	$ 2,463,679	$ 2,549,220	$ 2,519,095	$ 2,466,800	$ 2,593,769
City's Net Pension Liability as a Percentage of Covered Payroll	-8.50%	76.96%	-39.48%	13.87%	10.62%	-17.81%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

Note to the Required Supplementary Information:
There were no assumption changes during the year ending December 31, 2019.

CITY OF BURBANK, ILLINOIS

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Required Supplementary Information
Schedule of Illinois Municipal Retirement Fund Contributions
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 168,000	$ 202,761	$ 205,722	$ 231,253	$ 227,439	$ 242,735	$ 289,009	$ 259,781	$ 259,359	$ 260,739
Contributions in relation to the actuarially determined contribution	168,000	202,761	221,974	231,253	227,438	249,261	289,009	259,781	244,103	221,062
Contribution deficency (excess)	$ -	$ -	$ (16,252)	$ -	$ 1	$ (6,526)	$ -	$ -	$ 15,256	$ 39,677
Covered payroll	$ 2,441,861	$ 2,463,679	$ 2,549,220	$ 2,519,095	$ 2,466,800	$ 2,593,769	$ 2,632,143	$ 2,581,553	$ 2,585,833	$ 2,576,475
Contributions as a percentage of covered payroll	6.88%	8.23%	8.71%	9.18%	9.22%	9.61%	10.98%	10.06%	9.44%	8.58%

Notes to Schedule

Valuation Date — Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2019 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24-year closed period.
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	3.25%
Price inflation	2.50% - approximate; No explicit price inflation assumption is used in this valuation
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF speciifc mortablity was used with fully generational pojection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disablied lives. For active members, an IMRF apecific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF speciifc reates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information:

Changes — There were no benefit changes during the year.

The calculation of the 2019 contribution rate is based on valuation assumptions used in the December 31, 2017 actuarial valuation.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Changes in Police Pension Fund Net Pension Liability and Related Ratios
Last 6 Fiscal Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 1,623,952	$ 1,648,108	$ 1,865,028	$ 1,779,437	$ 1,772,396	$ 1,862,061
Interest	4,184,375	3,995,491	3,756,490	3,566,614	3,059,091	3,018,418
Changes of Benefit Terms	577,478	-	-	-	-	-
Differences Between Expected and Actual Experience	1,508,829	408,797	753,615	(563,958)	928,137	-
Changes of Assumptions	11,355,409	(1,663,418)	(7,702,094)	1,489,554	7,240,992	-
Benefit Payments and Refunds	(3,138,344)	(2,563,089)	(2,446,742)	(2,201,494)	(1,908,516)	(1,632,125)
Net Change in Total Pension Liability	16,111,699	1,825,889	(3,773,703)	4,070,153	11,092,100	3,248,354
Total Pension Liability - Beginning	77,373,061	75,547,172	79,320,875	75,250,722	64,158,622	60,910,268
Total Pension Liability - Ending (a)	$ 93,484,760	$ 77,373,061	$ 75,547,172	$ 79,320,875	$ 75,250,722	$ 64,158,622
Plan Fiduciary Net Position						
Contributions - Employer	$ 1,213,631	$ 1,691,565	$ 1,640,192	$ 987,685	$ 1,019,884	$ 847,694
Contributions - Employee	429,538	429,415	404,977	428,589	446,123	471,244
Contributions - Other	189,255	-	-	-	-	-
Net Investment Income	7,991,699	(2,049,588)	4,992,128	2,129,445	(200,960)	1,848,311
Benefit Payments and Refunds	(3,138,344)	(2,563,089)	(2,446,742)	(2,201,494)	(1,908,516)	(1,753,887)
Administrative Expense	(63,970)	(65,899)	(70,374)	(57,367)	(62,294)	(58,895)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	6,621,809	(2,557,596)	4,520,181	1,286,858	(705,763)	1,354,467
Plan Fiduciary Net Position - Beginning	38,741,561	41,299,157	36,778,976	35,492,118	36,197,881	34,843,414
Plan Fiduciary Net Position - Ending (b)	$ 45,363,370	$ 38,741,561	$ 41,299,157	$ 36,778,976	$ 35,492,118	$ 36,197,881
City's Net Pension Liability (a-b)	$ 48,121,390	$ 38,631,500	$ 34,248,015	$ 42,541,899	$ 39,758,604	$ 27,960,741
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	48.52%	50.07%	54.67%	46.37%	47.17%	56.42%
Covered Payroll	$ 4,889,472	$ 4,735,566	$ 4,071,911	$ 4,742,099	$ 4,383,238	$ 3,941,879
City's Net Pension Liability as a Percentage of Covered Payroll	984.18%	815.77%	841.08%	897.11%	907.06%	709.33%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

Note to the Required Supplementary Information:
The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 4.10% to 2.74% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 5.52% to 4.55%.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Police Pension Fund Contributions
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 2,432,295	$ 2,078,056	$ 1,853,547	$ 1,669,307	$ 1,419,939	$ 1,325,317	$ 978,026	$ 972,208	$ 793,699	$ 706,856
Contributions in relation to the actuarially determined contribution	1,213,631	1,691,565	1,640,192	987,685	1,019,884	847,694	770,526	734,950	798,619	798,619
Contribution deficency (excess)	$ 1,218,664	$ 386,491	$ 213,355	$ 681,622	$ 400,055	$ 477,623	$ 207,500	$ 237,258	$ (4,920)	$ (91,763)
Covered payroll	$ 4,889,472	$ 4,735,566	$ 4,071,911	$ 4,742,099	$ 4,383,238	$ 3,941,879	$ 3,941,879	$ 3,717,438	$ 3,621,877	$ 4,099,953
Contributions as a percentage of covered payroll	24.82%	35.72%	40.28%	20.83%	23.27%	21.50%	19.55%	19.77%	22.05%	19.48%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Period	100% Funded Over 16 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	4.00%-16.22%
Investment Rate of Return	6.75%
Mortality	Mortality rates were based on the RP-2014 Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

Required Supplementary Information
Schedule of Changes in Firefighters' Pension Fund Net Pension Liability and Related Ratios
Last 6 Fiscal Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	$ 815,309	$ 947,454	$ 1,228,496	$ 1,173,348	$ 1,333,868	$ 1,247,960
Interest	2,652,797	2,528,387	2,356,789	2,284,289	1,793,156	1,907,167
Changes of Benefit Terms	419,426	-	-	-	-	-
Differences Between Expected and Actual Experience	744,507	506,340	229,158	(1,298,237)	2,456,378	-
Changes of Assumptions	6,843,348	(1,201,256)	(6,362,067)	1,004,938	3,679,422	-
Benefit Payments and Refunds	(2,061,269)	(1,864,541)	(1,720,981)	(1,522,583)	(1,306,338)	(987,390)
Net Change in Total Pension Liability	9,414,118	916,384	(4,268,605)	1,641,755	7,956,486	2,167,737
Total Pension Liability - Beginning	47,652,724	46,736,340	51,004,945	49,363,190	41,406,704	39,238,967
Total Pension Liability - Ending (a)	$ 57,066,842	$ 47,652,724	$ 46,736,340	$ 51,004,945	$ 49,363,190	$ 41,406,704
Plan Fiduciary Net Position						
Contributions - Employer	692,895	861,909	$ 1,271,611	$ 573,376	$ 604,957	$ 495,377
Contributions - Employee	233,749	234,056	235,099	235,707	248,592	242,558
Net Investment Income	4,527,659	(1,065,191)	2,891,373	1,442,550	274,210	1,440,960
Benefit Payments and Refunds	(2,061,269)	(1,864,541)	(1,720,981)	(1,522,583)	(1,306,338)	(1,127,010)
Administrative Expense	(53,420)	(73,962)	(60,740)	(58,977)	(38,264)	(50,015)
Other	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,339,614	(1,907,729)	2,616,362	670,073	(216,843)	1,001,870
Plan Fiduciary Net Position - Beginning	25,292,874	27,200,603	24,584,241	23,914,168	24,131,011	23,129,141
Plan Fiduciary Net Position - Ending (b)	$ 28,632,488	$ 25,292,874	$ 27,200,603	$ 24,584,241	$ 23,914,168	$ 24,131,011
City's Net Pension Liability (a-b)	$ 28,434,354	$ 22,359,850	$ 19,535,737	$ 26,420,704	$ 25,449,022	$ 17,275,693
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.17%	53.08%	58.20%	48.20%	48.45%	58.28%
Covered Payroll	$ 2,611,738	$ 2,529,528	$ 2,650,186	$ 2,929,791	$ 2,698,641	$ 2,700,448
City's Net Pension Liability as a Percentage of Covered Payroll	1088.71%	883.95%	737.15%	901.79%	943.03%	646.13%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

Note to the Required Supplementary Information:
The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 4.10% to 2.74% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 5.69% to 5.06%

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Firefighters' Pension Fund Contributions
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 1,316,470	$ 1,274,790	$ 1,136,704	$ 1,003,856	$ 855,917	$ 833,540	$ 737,106	$ 699,586	$ 555,666	$ 551,295
Contributions in relation to the actuarially determined contribution	692,895	861,909	1,271,611	573,376	604,957	495,377	513,661	502,084	495,885	461,350
Contribution deficency (excess)	$ 623,575	$ 412,881	$ (134,907)	$ 430,480	$ 250,960	$ 338,163	$ 223,445	$ 197,502	$ 59,781	$ 89,945
Covered payroll	$ 2,611,738	$ 2,529,528	$ 2,650,186	$ 2,929,791	$ 2,403,836	$ 2,673,711	$ 2,673,711	$ 2,656,261	$ 2,548,299	$ 2,426,894
Contributions as a percentage of covered payroll	26.53%	34.07%	47.98%	19.57%	25.17%	18.53%	19.21%	18.90%	19.46%	19.01%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded Over 16 Year
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	2.50%-11.75%
Investment Rate of Return	7.00%
Mortality	Mortality rates were based on the RP-2014 Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

CITY OF BURBANK, ILLINOIS

General Fund
Combining Balance Sheet
December 31, 2019

	Corporate Account	Working Cash Account	Total
ASSETS			
Cash and Investments	$ 12,877,707	$ 1,000,901	$ 13,878,608
Property Taxes Receivable	3,634,806	-	3,634,806
Other Governmental Receivables	2,504,057	-	2,504,057
Prepaid Items	53,546	-	53,546
Due from Fiduciary Funds	21,523	-	21,523
Interfund Advances - Receivable	224,764	-	224,764
Total Assets	$ 19,316,403	$ 1,000,901	$ 20,317,304
LIABILITIES			
Accounts Payable	$ 690,181	$ -	$ 690,181
Accrued Payroll	299,392	-	299,392
Accrued Payroll Taxes	39,345	-	39,345
Claims Payable	94,012	-	94,012
Other Payables	8,970	-	8,970
Interfund Advances - Payable	298,028	1,745	299,773
Due to Fiduciary Funds	51,589	-	51,589
Total Liabilities	1,481,517	1,745	1,483,262
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue - Property Taxes	3,625,860	-	3,625,860
Unavailable Revenue - Taxes and Grants	689,341	-	689,341
Total Deferred Inflows of Resources	4,315,201	-	4,315,201
FUND BALANCES			
Nonspendable			
Interfund Loans	224,764	-	224,764
Prepaid Items	53,546	-	53,546
Unassigned	13,241,375	999,156	14,240,531
Total Fund Balances	13,519,685	999,156	14,518,841
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 19,316,403	$ 1,000,901	$ 20,317,304

CITY OF BURBANK, ILLINOIS

General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2019

	Corporate Account	Working Cash Account	Total
REVENUES			
Property Taxes	$ 3,538,856	$ -	$ 3,538,856
Sales Tax	3,327,985	-	3,327,985
Home Rule Tax	1,896,559	-	1,896,559
Income Tax	3,103,466	-	3,103,466
Other Taxes	4,039,846	-	4,039,846
Licenses, Permits and Fees	2,188,755	-	2,188,755
Fines	3,535,201	-	3,535,201
Investment Income	196,780	-	196,780
Grants	131,602	-	131,602
Other Revenue	494,825	-	494,825
Total Revenues	22,453,875	-	22,453,875
EXPENDITURES			
Current:			
Administration	2,791,065	-	2,791,065
Building & Grounds	39,478	-	39,478
Fire Department	5,026,275	-	5,026,275
Police Department	7,707,500	-	7,707,500
Civil Defense	20,074	-	20,074
Public Works Department	1,880,405	-	1,880,405
Building & License Enforcement	229,628	-	229,628
Zoning Board of Appeals	52,810	-	52,810
Liquor Commission	31,481	-	31,481
Police & Fire Commission	44,583	-	44,583
Debt Service - Principal	27,144	-	27,144
Total Expenditures	17,850,443	-	17,850,443
Excess (Deficiency) of Revenues Over Expenditures	4,603,432	-	4,603,432
OTHER FINANCING SOURCES (USES)			
Proceeds from Lease	81,432	-	81,432
Proceeds from Sale of Assets	566,332	-	566,332
Transfers In	512,970	-	512,970
Total Other Financing Sources (Uses)	1,160,734	-	1,160,734
Net Change in Fund Balances	5,764,166	-	5,764,166
Fund Balances at Beginning of Year	7,755,519	999,156	8,754,675
Fund Balances at End of Year	$ 13,519,685	$ 999,156	$ 14,518,841

Schedule of Expenditures - Budget (GAAP Basis) and Actual
General Fund - Corporate Account
Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
EXPENDITURES			
Current:			
Administration			
Personal Services	$ 1,647,702	$ 1,564,929	$ (82,773)
Contractual	2,365,964	1,196,481	(1,169,483)
Commodities	68,500	23,394	(45,106)
Capital Outlay	3,000	6,261	3,261
Total Administration	4,085,166	2,791,065	(1,294,101)
Building & Grounds			
Personal Services	62,000	11,605	(50,395)
Contractual	65,150	23,463	(41,687)
Commodities	9,800	2,766	(7,034)
Capital Outlay	8,500	1,644	(6,856)
Total Building & Grounds	145,450	39,478	(105,972)
Fire Department			
Personal Services	3,345,762	3,117,417	(228,345)
Contractual	1,832,685	1,499,105	(333,580)
Commodities	97,100	104,491	7,391
Capital Outlay	231,924	305,262	73,338
Total Fire Department	5,507,471	5,026,275	(481,196)
Police Department			
Personal Services	5,405,598	5,070,451	(335,147)
Contractual	2,905,225	2,410,789	(494,436)
Commodities	220,500	216,860	(3,640)
Capital Outlay	140,000	9,400	(130,600)
Total Police Department	8,671,323	7,707,500	(963,823)
Civil Defense			
Personal Services	22,500	12,182	(10,318)
Contractual	19,200	1,871	(17,329)
Commodities	4,800	1,243	(3,557)
Capital Outlay	11,500	4,778	(6,722)
Total Civil Defense	58,000	20,074	(37,926)
Public Works Department			
Personal Services	1,302,305	1,221,753	(80,552)
Contractual	565,616	523,834	(41,782)
Commodities	127,300	111,779	(15,521)
Capital Outlay	20,300	23,039	2,739
Total Public Works Department	2,015,521	1,880,405	(135,116)
Building & License Enforcement			
Personal Services	171,284	155,731	(15,553)
Contractual	105,000	69,956	(35,044)
Commodities	6,000	3,941	(2,059)
Total Building & License Enforcement	282,284	229,628	(52,656)
Zoning Board of Appeals			
Personal Services	51,894	46,151	(5,743)

(Continued)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
General Fund - Corporate Account
Year Ended December 31, 2019

	Original and Final Budget	Actual	Over (Under) Budget
Contractual	$ 6,794	$ 6,371	$ (423)
Commodities	800	288	(512)
Total Zoning Board of Appeals	59,488	52,810	(6,678)
Liquor Commission			
Personal Services	26,356	26,500	144
Contractual	4,579	4,981	402
Total Liquor Commission	30,935	31,481	546
Police & Fire Commission			
Personal Services	15,960	14,352	(1,608)
Contractual	11,950	29,685	17,735
Commodities	5,250	546	(4,704)
Total Police & Fire Commission	33,160	44,583	11,423
Debt Service - Principal	-	27,144	27,144
Total Expenditures	$ 20,888,798	$ 17,850,443	$ (3,038,355)

CITY OF BURBANK, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019

	Debt Service Fund SSA Debt Fund	Special Revenue Fund TIF Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	$ 149,081	$ 385,611	$ 534,692
Property Taxes Receivable	64,946	-	64,946
Total Assets	$ 214,027	$ 385,611	$ 599,638
LIABILITIES			
Accounts Payable	$ -	$ 23,068	$ 23,068
Interfund Advances - Payable	11,000	223,019	234,019
Total Liabilities	11,000	246,087	257,087
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue - Property Taxes	64,946	-	64,946
Total Deferred Inflows of Resources	64,946	-	64,946
FUND BALANCES			
Restricted:			
Debt Service	62,000	-	62,000
Capital Projects	76,081	139,524	215,605
Total Fund Balances	138,081	139,524	277,605
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 214,027	$ 385,611	$ 599,638

CITY OF BURBANK, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2019

	Debt Service Fund SSA Debt Fund	Special Revenue Fund TIF Fund	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	$ 134,836	$ 326,858	$ 461,694
Investment Income	2,969	3,214	6,183
Total Revenues	137,805	330,072	467,877
EXPENDITURES			
Administration	-	268,214	268,214
Debt Service - Principal Retired	104,000	-	104,000
Debt Service - Interest and Fees	8,066	-	8,066
Total Expenditures	112,066	268,214	380,280
Excess (Deficiency) of Revenues Over Expenditures	25,739	61,858	87,597
OTHER FINANCING SOURCES (USES)			
Transfers Out	(512,970)	-	(512,970)
Total Other Financing Sources (Uses)	(512,970)	-	(512,970)
Net Change in Fund Balances	(487,231)	61,858	(425,373)
Fund Balances at Beginning of Year	625,312	77,666	702,978
Fund Balances at End of Year	$ 138,081	$ 139,524	$ 277,605

CITY OF BURBANK, ILLINOIS

Combining Statement of Net Position
Fiduciary Funds
December 31, 2019

	Pension Trust Funds			Agency Fund
	Police Pension Fund	Firefighters' Pension Fund	Total	Performance Bond Fund
ASSETS				
Cash and Cash Equivalents	$ 560,464	$ 211,483	$ 771,947	$ 818,617
Investments, at Fair Value				
State and Local Obligations	1,232,032	1,155,775	2,387,807	-
U.S. Treasury Obligations	2,656,962	1,071,047	3,728,009	-
U.S. Agency Obligations	6,612,667	7,125,083	13,737,750	-
Corporate Bonds	3,940,136	1,352,383	5,292,519	-
Equity Mutual Funds	30,267,528	17,660,954	47,928,482	-
Due from the City	29,935	17,330	47,265	-
Accrued Interest	86,164	60,257	146,421	-
Prepaid Items	3,804	4,822	8,626	-
Total Assets	$ 45,389,692	$ 28,659,134	$ 74,048,826	$ 818,617
LIABILITIES				
Accounts Payable	$ 26,322	$ 26,646	$ 52,968	$ -
Due to City	-	-	-	21,523
Due to Participants/Bond Holders	-	-	-	797,094
Total Liabilities	26,322	26,646	52,968	$ 818,617
NET POSITION				
Restricted for Pensions	45,363,370	28,632,488	73,995,858	
Total Net Position	$ 45,363,370	$ 28,632,488	$ 73,995,858	

CITY OF BURBANK, ILLINOIS

Combining Statement of Changes in Net Position
Pension Trust Funds
Year Ended December 31, 2019

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	$ 1,213,631	$ 692,895	$ 1,906,526
Plan Members	618,793	233,749	852,542
Total Contributions	1,832,424	926,644	2,759,068
Investment Income			
Interest and Dividends	1,315,813	809,467	2,125,280
Net Change in Fair Value	6,768,509	3,812,436	10,580,945
Less Investment Expense	(92,623)	(94,244)	(186,867)
Net Investment Income	7,991,699	4,527,659	12,519,358
Total Additions	9,824,123	5,454,303	15,278,426
DEDUCTIONS			
Benefits and Refunds	3,138,344	2,061,269	5,199,613
Administrative Expenses	63,970	53,420	117,390
Total Deductions	3,202,314	2,114,689	5,317,003
Change in Net Position	6,621,809	3,339,614	9,961,423
Net Position at Beginning of Year	38,741,561	25,292,874	64,034,435
Net Position at End of Year	$ 45,363,370	$ 28,632,488	$ 73,995,858

CITY OF BURBANK, ILLINOIS

Combining Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended December 31, 2019

	Balances January 1	Additions	Deletions	Balances December 31
ASSETS				
Cash	$ 829,028	$ 88,050	$ 98,461	$ 818,617
Total Assets	$ 829,028	$ 88,050	$ 98,461	$ 818,617
LIABILITIES				
Due to City	$ 21,843	$ 84,880	$ 85,200	$ 21,523
Due to Participants/Bond Holders	807,185	51,873	61,964	797,094
Total Liabilities	$ 829,028	$ 136,753	$ 147,164	$ 818,617