

CITY OF BURBANK, ILLINOIS
ANNUAL FINANCIAL REPORT
December 31, 2023

CITY OF BURBANK, ILLINOIS

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2023, 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.

We did not audit the financial statements of the Firefighters' Pension Fund, which represents 34 percent and 34 percent, respectively, of the assets and net position of the aggregate remaining fund information as of December 31, 2023, and 33 percent of the additions and revenues of the aggregate remaining fund information for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Firefighters' Pension Fund, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Police Pension Fund and the Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison schedule, and historical pension and retirees' health plan information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 accompanying 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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 June 19, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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

Oak Brook, Illinois
June 19, 2024

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, 2023. 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 City's government-wide net position is \$40.2M, an increase of \$17.4M from the prior year. This significant change is mainly attributable to a large decrease in net pension liabilities and deferred inflows of resources related to pensions. A budget surplus in the City's governmental funds and continued investment in capital assets also contributed to the increase in net position.

The City's combined fund balances for its governmental funds on December 31, 2023, totaled \$48.1M, an increase of \$5.8M from the prior year. This significant increase is primarily due to \$4.0M of ambulance billing revenue, \$2.5M of bonds issued, and \$2.0M of TIF revenue. At the end of fiscal year 2023, unassigned fund balance for the general fund is \$34.4M or 138% of total general fund expenditures.

Total long-term obligations decreased by \$10.1M. This 16% decrease is primarily due to positive investment returns in the three City pension funds as was experienced in funds across the entire United States. In 2022 the pension funds suffered a combined investment loss of \$22.7M, but in 2023 the funds experienced investment income of \$16.0M. As a result of these positive market trends, \$23.5M of the City's net pension liability related to public safety pensions as of December 31, 2022, decreased to \$16.4M as of December 31, 2023. The City's IMRF net pension liability of \$0.2M as of December 31, 2022, became a net pension asset of \$1.2M as of December 31, 2023.

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 the City's assets, liabilities, deferred outflows of resources, and deferred inflows of resources with the net amount of these four elements 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 most 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 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 ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are major funds, while the SSA Debt Fund, General Obligation Bond Fund, Federal Grants Fund, Motor Fuel Tax Fund, and the four TIF Funds are deemed to be nonmajor funds. 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 and other post-employment benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

City of Burbank, Illinois
Management's Discussion and Analysis
December 31, 2023

Statement of Net Position

The following chart reflects the condensed Statement of Net Position (in millions):

	<u>2023</u>	<u>2022</u>
Assets:		
Current & other assets	\$ 59.6	\$ 53.1
Net pension asset	1.2	-
Capital assets	<u>50.0</u>	<u>46.8</u>
Total assets	<u>110.8</u>	<u>99.9</u>
Deferred outflows of resources	<u>27.4</u>	<u>42.5</u>
Liabilities:		
Current liabilities	3.1	2.3
Net pension liability	16.4	23.7
Other long-term liabilities	<u>36.9</u>	<u>38.4</u>
Total liabilities	<u>56.4</u>	<u>64.4</u>
Deferred inflows of resources	<u>41.6</u>	<u>55.2</u>
Net position:		
Invested in capital assets, net	49.9	45.7
Restricted	13.2	10.9
Unrestricted	<u>(22.9)</u>	<u>(33.8)</u>
Total net position	<u>\$ 40.2</u>	<u>\$ 22.8</u>

Nearly all of City's net position is made up of capital assets (e.g., land, buildings, machinery, streets, 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.

City of Burbank, Illinois
Management's Discussion and Analysis
December 31, 2023

Analysis of Operations

The following chart reflects the condensed Statement of Activities (in millions):

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Fees, fines & charges for Services	\$ 7.7	\$ 6.5
Operating grants and contributions	1.6	1.4
Capital grants and contributions	-	0.6
General revenues:		
Property taxes	9.4	9.0
Other taxes	16.2	16.4
Investment earnings	1.8	0.3
CSLFRF grant	-	3.8
Other	1.2	0.7
Total revenues	<u>37.9</u>	<u>38.7</u>
Expenses:		
General government	5.4	4.9
Public safety	10.0	10.5
Public works	4.0	3.9
Economic Development	0.2	0.2
Interest on debt	0.9	0.8
Total expenses	<u>20.5</u>	<u>20.3</u>
Change in net position	<u>17.4</u>	<u>18.4</u>
Beginning net position	<u>22.8</u>	<u>4.4</u>
Ending net position	<u>\$ 40.2</u>	<u>\$ 22.8</u>

Governmental Funds

The General Fund's fund balance increased \$4.4M and is mainly attributable to revenues that exceeded estimated amounts. These are explained in greater detail in the General Fund Budgetary Highlights below.

The Federal Grants Fund's fund balance was \$0 as all grant revenues recognized in the fund during the year were spent.

The Motor Fuel Tax Fund's fund balance decreased by \$1.4M due to capital outlay expenditures being greater than revenue generated from motor fuel tax.

The Debt Service Fund's fund balance increased by \$0.2M due to the recognition of property tax revenue for debt service being greater than bond principal and interest payments in 2023.

The General Obligation Bond Fund's fund balance increased by \$0.8M due to a \$2.5M bond issuance offset by planned spending on capital improvement projects.

City of Burbank, Illinois
Management's Discussion and Analysis
December 31, 2023

The combined TIF Funds' fund balance increased \$1.7M due to incremental tax revenue generated in three of the City's four TIF funds which was offset by eligible TIF expenditures related to TIF administration and economic development.

General Corporate Fund Budgetary Highlights

Total revenue exceeded estimated amounts by approximately \$4.9M or 17%. Revenues from ambulance billing, investment income, real estate tax, state income tax, and sales tax accounted for most of this positive variance from estimated amounts.

Each department's expenditures were slightly less than budgeted amounts except the administration department causing the budgeted expenditures of \$24.8M to be on target with actual expenditures in the general corporate fund. The budget deficit for the administration department was due to an accrual estimate of \$0.9M for the share of the City's ambulance billing revenue required to be paid to the Illinois Department of Healthcare and Family Services.

Capital Assets

Change in Capital Assets (in millions)				
	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Capital assets not being depreciated	\$ 1.9	\$ -	\$ -	\$ 1.9
Capital assets being depreciated	107.5	5.9	(3.3)	110.1
Accumulated depreciation	(62.7)	(2.6)	3.3	(62.0)
Capital assets being depreciated, net	44.8	3.3	-	48.1
Total	\$ 46.7	\$ 3.3	\$ -	\$ 50.0

The City has continued to replace deteriorated infrastructure including worn side streets as needed utilizing funding from the general fund, motor fuel tax, Rebuild Illinois, and capital bond proceeds.

Short term financing took place in 2023 to replace retired debt levies maintaining consistent real estate tax levels and supporting the City's capital improvement objectives. The City will evaluate the need for additional debt financing for continued infrastructure improvements. More detailed information about capital assets can be found in Note 5 to the financial statements.

Debt Administration

The City retired \$4.1M of long-term debt that was used to finance capital improvements and fund the police and fire pension funds. \$2.5M of new debt was issued for capital projects in 2023. The City has a very low 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 by the City Attorney. The City improved to an "A2" 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.

In 2021 \$30.6M of pension obligation bonds were issued and all proceeds were immediately transferred to the police and firefighters' pension funds. This is intended to save the City money in the long run by decreasing the actuarially required contributions that the City would have had to make if this up front funding was not obtained. The City took advantage of the low interest rate environment during 2021 and significantly improved its position from a long-term financial perspective.

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. Three TIF districts generated incremental tax revenues in 2023 that will be used for economic development in the future.

The City has taken advantage of many grant opportunities during 2023 and started administrative processes for others. Some of these Federal and State funding sources include the U.S. National Highway Traffic Safety Administration, U.S. Department of Homeland Security, U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, and the Illinois Attorney General.

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, 2023

	Primary Government Governmental Activities
ASSETS	
Cash and Investments	\$ 47,510,685
Property Taxes Receivable	7,675,040
Other Governmental Receivables	3,605,890
Prepaid Items	818,363
Net Pension Asset	1,228,621
Capital Assets Not Being Depreciated	1,928,909
Capital Assets Being Depreciated, Net	48,087,700
Total Assets	110,855,208
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	24,710,289
Deferred OPEB Outflows	2,689,852
Total Deferred Outflows of Resources	27,400,141
LIABILITIES	
Accounts Payable	1,842,676
Accrued Payroll	560,780
Claims Payable	470,375
Other Payables	2,615
Interest Payable	88,669
Due to Fiduciary Funds	140,577
Long Term Debt, Due Within One Year:	
Compensated Absences	34,226
General Obligation Bonds Payable	3,875,000
Retiree Insurance Premiums Payable	107,561
Total OPEB Liability	317,609
Long Term Debt, Due in More Than One Year:	
Compensated Absences	804,410
General Obligation Bonds Payable	26,446,307
Retiree Insurance Premiums Payable	237,768
Net Pension Liabilities	16,367,282
Total OPEB Liability	5,080,920
Total Liabilities	56,376,775
DEFERRED INFLOWS OF RESOURCES	
Unearned Property Taxes	7,527,420
Deferred Pension Inflows	31,603,099
Deferred OPEB Inflows	2,505,452
Total Deferred Inflows of Resources	41,635,971
NET POSITION	
Net Investment in Capital Assets	49,936,039
Restricted for:	
Motor Fuel Tax Projects	3,034,990
Rebuild Illinois Bond Funds Projects	611,223
Debt Service	821,378
Capital Projects	7,503,337
Pensions	1,228,621
Unrestricted	(22,892,985)
Total Net Position	\$ 40,242,603

CITY OF BURBANK, ILLINOIS

Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue and Changes in Net Position
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 5,346,861	\$ 1,629,542	\$ -	\$ -	\$ (3,717,319)
Public Safety	9,992,306	6,062,272	277,247	-	(3,652,787)
Public Works	4,006,468	-	1,282,525	-	(2,723,943)
Economic Development	215,057	-	-	-	(215,057)
Interest on Debt	873,377	-	-	-	(873,377)
Total Primary Government	<u>\$ 20,434,069</u>	<u>\$ 7,691,814</u>	<u>\$ 1,559,772</u>	<u>\$ -</u>	<u>(11,182,483)</u>
General Revenues:					
Taxes:					
Property Taxes					9,402,460
Home Rule Tax					2,428,324
Other Taxes					3,198,133
Shared Revenues:					
Sales Tax					4,322,423
Income Tax					4,733,375
Personel Property Replacement Tax					206,417
Telecommunications Tax					219,685
Local Use Tax					1,145,915
Investment Earnings					1,797,943
Gain on Sale of Capital Assets					65,850
Other General Revenues					<u>1,126,717</u>
Total General Revenues					<u>28,647,242</u>
Change in Net Position					17,464,759
Net Position, January 1, 2023					<u>22,777,844</u>
Net Position, December 31, 2023					<u>\$ 40,242,603</u>

CITY OF BURBANK, ILLINOIS

Balance Sheet
Governmental Funds
December 31, 2023

	Major Funds		Nonmajor	Total
	General	Debt Service	Governmental	Governmental
	Fund	Fund	Funds	Funds
ASSETS				
Cash and Investments	\$ 34,964,189	\$ 820,657	\$ 11,725,839	\$ 47,510,685
Property Taxes Receivable	2,813,030	4,862,010	-	7,675,040
Other Governmental Receivables	3,346,483	-	259,407	3,605,890
Prepaid Items	818,363	-	-	818,363
Interfund Receivables	578,734	-	3,564	582,298
Total Assets	<u>\$ 42,520,799</u>	<u>\$ 5,682,667</u>	<u>\$ 11,988,810</u>	<u>\$ 60,192,276</u>
LIABILITIES				
Accounts Payable	\$ 1,540,252	\$ -	\$ 302,424	\$ 1,842,676
Accrued Payroll	560,780	-	-	560,780
Claims Payable	470,375	-	-	470,375
Other Payables	2,615	-	-	2,615
Interfund Payables	-	-	582,298	582,298
Due to Fiduciary Funds	140,577	-	-	140,577
Total Liabilities	<u>2,714,599</u>	<u>-</u>	<u>884,722</u>	<u>3,599,321</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue - Property Taxes	2,754,800	4,772,620	-	7,527,420
Unavailable Revenue - Taxes and Grants	944,314	-	-	944,314
Total Deferred Inflows of Resources	<u>3,699,114</u>	<u>4,772,620</u>	<u>-</u>	<u>8,471,734</u>
FUND BALANCES				
Nonspendable				
Prepaid Items	818,363	-	-	818,363
Restricted				
Motor Fuel Tax Projects	-	-	3,034,990	3,034,990
Rebuild Illinois Bond Funds Projects	-	-	611,223	611,223
Debt Service	-	910,047	-	910,047
Capital Projects	-	-	7,503,337	7,503,337
Committed				
Performance Bonds	933,063	-	-	933,063
Unassigned	34,355,660	-	(45,462)	34,310,198
Total Fund Balances	<u>36,107,086</u>	<u>910,047</u>	<u>11,104,088</u>	<u>48,121,221</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 42,520,799</u>	<u>\$ 5,682,667</u>	<u>\$ 11,988,810</u>	<u>\$ 60,192,276</u>

CITY OF BURBANK, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2023

Total fund balances - governmental funds \$ 48,121,221

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	\$	111,996,041	
Accumulated Depreciation		(61,979,432)	
Net Capital Assets			50,016,609

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	944,314
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.	(88,669)
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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	27,400,141
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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	(34,108,551)
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Some assets/liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as assets/liabilities in governmental funds. These assets/liabilities consist of :

Provision for Compensated Absences	(838,636)	
Retiree Insurance Premiums Payable	(345,329)	
Total OPEB Liability	(5,398,529)	
Net Pension Asset	1,228,621	
Net Pension Liabilities	(16,367,282)	
Bonds Payable	(30,321,307)	
Total Long-term assets/liabilities		(52,042,462)

Net position of governmental activities	\$ <u>40,242,603</u>
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CITY OF BURBANK, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2023

	Major Funds		Nonmajor	Total
	General	Debt Service	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Property Taxes	\$ 2,507,419	\$ 5,125,222	\$ 1,769,819	\$ 9,402,460
Sales Tax	4,289,693	-	-	4,289,693
Home Rule Tax	2,422,631	-	-	2,422,631
Income Tax	4,733,375	-	-	4,733,375
Other Taxes	4,752,145	-	1,276,653	6,028,798
Licenses, Permits and Fees	5,565,428	-	-	5,565,428
Fines	2,074,057	-	-	2,074,057
Investment Income	1,370,190	18,033	409,720	1,797,943
Grants	233,611	-	49,508	283,119
Other Revenue	1,179,046	-	-	1,179,046
Total Revenues	<u>29,127,595</u>	<u>5,143,255</u>	<u>3,505,700</u>	<u>37,776,550</u>
EXPENDITURES				
Current:				
Administration	5,308,028	-	27,513	5,335,541
Building & Grounds	24,905	-	-	24,905
Economic Development	-	-	201,757	201,757
Fire Department	5,581,138	-	43,636	5,624,774
Police Department	9,392,170	-	5,872	9,398,042
Civil Defense	17,569	-	-	17,569
Public Works Department	1,922,498	-	-	1,922,498
Building & License Enforcement	208,506	-	-	208,506
Zoning Board of Appeals	64,561	-	-	64,561
Liquor Commission	30,073	-	-	30,073
Police & Fire Commission	45,190	-	-	45,190
Capital Outlay	2,193,630	-	4,528,151	6,721,781
Debt Service - Principal Retired	-	4,150,000	-	4,150,000
Debt Service - Interest and Fees	46,400	796,321	2,168	844,889
Total Expenditures	<u>24,834,668</u>	<u>4,946,321</u>	<u>4,809,097</u>	<u>34,590,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,292,927</u>	<u>196,934</u>	<u>(1,303,397)</u>	<u>3,186,464</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Issuance of Bonds	2,500,000	-	-	2,500,000
Proceeds from Sale of Assets	65,850	-	-	65,850
Transfers In	-	-	2,460,361	2,460,361
Transfers Out	(2,453,600)	-	(6,761)	(2,460,361)
Total Other Financing Sources (Uses)	<u>112,250</u>	<u>-</u>	<u>2,453,600</u>	<u>2,565,850</u>
Net Change in Fund Balances	4,405,177	196,934	1,150,203	5,752,314
Fund Balances at Beginning of Year	<u>31,701,909</u>	<u>713,113</u>	<u>9,953,885</u>	<u>42,368,907</u>
Fund Balances at End of Year	<u>\$ 36,107,086</u>	<u>\$ 910,047</u>	<u>\$ 11,104,088</u>	<u>\$ 48,121,221</u>

CITY OF BURBANK, ILLINOIS

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
Year Ended December 31, 2023

Net change in total fund balances	\$ 5,752,314
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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.	56,428
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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.

Change in Retiree Insurance Premiums Payable	\$ 42,482	
Change in Compensated Absences	(37,865)	
Change in Pension Liability (Asset) and Deferred Items	6,925,565	
Change in Total OPEB Liability and Deferred Items	(137,996)	
Change in Accrued Interest Payable on Bonds	(22,347)	
Amortization of Capitalized Bond Premium (Discount)	<u>(6,141)</u>	
Total expenses of non-current resources		6,763,698

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	5,861,566	
Depreciation	<u>(2,619,247)</u>	
Capital Outlay in excess of depreciation		3,242,319

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.

Issuance of Debt	(2,500,000)	
Payment of Bonds	<u>4,150,000</u>	
Net effect of differences in long term debt		<u>1,650,000</u>

Change in net position of governmental activities	<u>\$ 17,464,759</u>
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CITY OF BURBANK, ILLINOIS
Statement of Fiduciary Net Position
December 31, 2023

	<u>Pension Trust Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 712,558
Investments	
Money Market Mutual Funds	327,416
Pooled Investments	109,670,042
Due from the City	140,577
Prepaid Items	<u>8,868</u>
Total Assets	<u>110,859,461</u>
 LIABILITIES	
Accounts Payable	<u>5,039</u>
Total Liabilities	<u>5,039</u>
 NET POSITION	
Restricted for Pensions	<u>110,854,422</u>
Total Net Position	<u><u>\$ 110,854,422</u></u>

CITY OF BURBANK, ILLINOIS

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2023

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 3,227,540
Plan Members	<u>705,754</u>
Total Contributions	<u>3,933,294</u>
Investment Income (Loss)	
Interest and Dividends	1,145,790
Net Change in Fair Value	12,844,690
Less Investment Expense	<u>(147,577)</u>
Net Investment Income (Loss)	<u>13,842,903</u>
Total Additions	<u>17,776,197</u>
DEDUCTIONS	
Benefits and Refunds	6,098,184
Administrative Expenses	<u>152,757</u>
Total Deductions	<u>6,250,941</u>
Change in Net Position	11,525,256
Net Position at Beginning of Year	<u>99,329,166</u>
Net Position at End of Year	<u>\$ 110,854,422</u>

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, 2023, are included in the City's combined financial statements as a pension trust fund. The Police Pension Fund has not issued a separate financial report.

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, 2023, 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.

Blended Component Unit – Foreign Fire Insurance Tax – The Foreign Fire Insurance Tax Board was established pursuant to the Illinois Compiled Statutes, Chapter 65, Article 11 and is included as a blended component unit within the City's general fund. A separate component unit financial statement is not issued.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has 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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Performance Bond – the Performance Bond account is used to account for performance bond activity.

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.

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

Fiduciary Funds:

Pension Trust Funds – Pension Trust Funds are used to account for fiduciary activities for pension plans that are administered through trusts in which contributions from employers to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of the employer, the pension plan administrator, and the plan members.

Pension trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

Budgetary Information: Within the general fund, the City establishes a budget for the general fund corporate account only. The City also establishes budgets for the debt service fund, capital projects fund, and special revenue funds. During the fiscal year, actual expenditures exceeded budgeted amounts as follows.

Funds	Budgeted	Actual	Excess
	Expenditures	Expenditures	Over Budget
Downtown TIF	\$ 8,750	\$ 20,956	\$ (12,206)
East 79th Street TIF	10,750	11,926	(1,176)
Debt Service	4,945,862	4,946,321	(459)
Motor Fuel Tax	2,591,750	2,819,448	(227,698)

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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023, of \$838,636 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 100.00% 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, 2023, there are nine retired City of Burbank employees eligible for this benefit who are participating. \$345,329 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, 2023 was \$171,956. If the employee decides not to have the health insurance benefit, the employee may receive a less than pay stipend.

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 lives:

<u>Capital Asset Category</u>	<u>Estimated Useful Live</u>
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

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are normally levied in December (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. In 2023, the second installment was delayed and was not payable until December 1, 2023. The County collects such taxes and remits them periodically. The amounts levied in the year 2023 are intended to fund year 2024 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 Balance/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.

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, 2023, the City has fund balance in the Performance Bond Account that is committed pursuant to City ordinance.
- 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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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's fund balance policy requires the maintenance of a minimum fund balance reserve equal to three months of the total operating expenses of the General Fund.

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 (asset), 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.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents: The City has cash on hand of \$800. The carrying amount of cash, excluding the Pension Trust Funds, was \$39,874,049 at December 31, 2023, while the bank balances were \$30,900,626. At December 31, 2023, all 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, 2023, the Pension Trust Funds' carrying amount of cash and cash equivalents was \$712,558 while the bank balances were \$286,605. At December 31, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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 by 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, 2023, the City had state and local obligations of \$2,743,046 and U.S. government obligations of \$4,892,790.

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. As of December 31, 2023, the City's investments were as follows:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$ 4,892,790	\$ 3,900,980	\$ 991,810	\$ -	\$ -
State and Local Obligations	2,743,046	1,766,156	976,890	-	-
Total	<u>\$ 7,635,836</u>	<u>\$ 5,667,136</u>	<u>\$ 1,968,700</u>	<u>\$ -</u>	<u>\$ -</u>

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. As of December 31, 2023, credit ratings for the City's investments in debt securities are as follows:

Investment Type	Moody's Ratings		S&P Ratings	
	Aaa	A	AA	Total
U.S. Treasuries	\$ 4,892,790	\$ -	\$ -	\$ 4,892,790
State and Local Obligations	731,790	243,045	1,768,211	2,743,046

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 requires that collateral provided be 105% or more of the fair market value of the net amount of public funds secured. The City's investments as of December 31, 2023 were not subject to collateralization.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

The City categorizes its 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 City has the following recurring fair value measurements as of December 31, 2023 using a matrix pricing model for Level 2 investments:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasuries	\$ 4,892,790	\$ 4,892,790	\$ -	\$ -
State and Local Obligations	2,743,046	-	2,743,046	-
Total	\$ 7,635,836	\$ 4,892,790	\$ 2,743,046	\$ -

Pension Trust Funds' Investments: The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of IFPIF are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of IPOPIF are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at www.ipopif.org.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following investments are not sensitive to risk: IFPIF - \$41,327,114; IPOPIF - \$68,342,928; and money market mutual funds - \$327,416.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSROs). The Pension Trust Funds' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

The Pension Trust Funds' policies require all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Boards, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

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, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

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.

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, 2023, the Pension Trust Funds did not have investments that are valued greater than 5.00% of the total plan assets.

The investments in IFPIF and IPOPIF are measured at net asset value (NAV). There are no unfunded commitments at December 31, 2023. The Police Pension Plan may request withdrawals at any time and multiple transactions can be entered up to 13 months in advance. Cash withdrawal requests are to be submitted at least seven calendar days prior to the requested transfer date to ensure availability, although IPOPIF may, in its sole discretion, process a cash withdrawal request with fewer than seven calendar days' notice. The Firefighters' Pension Plan may redeem shares by giving notice by 5:00 central time on the 1st of each month. Expedited redemptions may be processed at the sole discretion of IFPIF.

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

<u>Note 2 - Deposits and Investments</u>		<u>Financial Statements</u>	
Cash and Cash Equivalents		Statement of Net Position -	
City	\$ 39,874,049	Cash and Investments	\$ 47,510,685
Pension Funds	712,558	Statement of Fiduciary Net Position -	
Petty Cash	800	Cash and Cash Equivalents	712,558
Investments		Statement of Fiduciary Net Position -	
City	7,635,836	Investments	<u>109,997,458</u>
Pension Funds	<u>109,997,458</u>		
		Total Financial Statements	<u>\$ 158,220,701</u>
Total per Note	<u>\$ 158,220,701</u>		

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables as of December 31, 2023 are summarized below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Governmental Funds:		
General	\$ 578,734	\$ -
Nonmajor Governmental Funds	<u>3,564</u>	<u>582,298</u>
Total Interfunds	<u>\$ 582,298</u>	<u>\$ 582,298</u>

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 expected to be repaid within one year.

NOTE 4 - TRANSFERS

The following is a schedule of interfund transfers.

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ -	2,453,600
Nonmajor Governmental Funds	<u>2,460,361</u>	<u>6,761</u>
Total Transfers	<u>\$ 2,460,361</u>	<u>\$ 2,460,361</u>

Bond proceeds, net of issuance costs, were transferred from the General Fund to the General Obligation Bond Fund. Other transfers are repayments of loans of cash between funds.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 1,928,909	\$ -	\$ -	\$ 1,928,909
Subtotal	<u>1,928,909</u>	<u>-</u>	<u>-</u>	<u>1,928,909</u>
Capital Assets Being Depreciated:				
Land Improvements	802,717	-	-	802,717
Buildings	10,857,402	1,290,023	(458,025)	11,689,400
Machinery and Equipment	7,616,548	690,909	(351,332)	7,956,125
Infrastructure	88,236,602	3,880,634	(2,498,346)	89,618,890
Subtotal	<u>107,513,269</u>	<u>5,861,566</u>	<u>(3,307,703)</u>	<u>110,067,132</u>
Less Accumulated Depreciation for:				
Land Improvements	(372,397)	(5,275)	-	(377,672)
Buildings	(5,502,728)	(209,713)	458,025	(5,254,416)
Machinery and Equipment	(5,939,803)	(323,907)	351,332	(5,912,378)
Infrastructure	(50,852,960)	(2,080,352)	2,498,346	(50,434,966)
Total Accumulated Depreciation	<u>(62,667,888)</u>	<u>(2,619,247)</u>	<u>3,307,703</u>	<u>(61,979,432)</u>
Total Capital Assets Being Depreciated, Net	<u>44,845,381</u>	<u>3,242,319</u>	<u>-</u>	<u>48,087,700</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,774,290</u>	<u>\$ 3,242,319</u>	<u>\$ -</u>	<u>\$ 50,016,609</u>

Depreciation expense of \$2,619,247 was charged to the governmental activities functional expense categories as follows:

Governmental Activities:	Depreciation
General Government	\$ 10,325
Public Safety	412,056
Public Works	<u>2,196,866</u>
Total	<u>\$ 2,619,247</u>

At December 31, 2023, the City has contractual commitments outstanding of approximately \$35,000 and \$165,000 for street rehabilitation and roof and RTU replacement, respectively.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, 2023. Any uncollectible amount is not believed to be material.

	General	Nonmajor Governmental Funds	Total
Other Governmental Receivables:			
Allotments	\$ -	\$ 213,036	\$ 213,036
State Income Tax	469,536	-	469,536
State Sales Tax	1,184,047	-	1,184,047
Cannabis Sales Tax	62,252	-	62,252
Personal Property Replacement Tax	21,627	-	21,627
Court Fines	4,208	-	4,208
Franchise Fee	58,751	-	58,751
Local Use Tax	327,886	-	327,886
Home Rule Tax	671,188	-	671,188
Telecommunications Tax	56,628	-	56,628
Vehicle Tax	82,626	-	82,626
Utility Tax	41,013	-	41,013
Video Gaming Tax	137,956	-	137,956
Motel Tax	41,542	-	41,542
Auto Rental Tax	22,287	-	22,287
Cannabis Tax	7,844	-	7,844
Traffic Camera Fines	157,092	-	157,092
Grants	-	46,371	46,371
	<u>-</u>	<u>46,371</u>	<u>46,371</u>
 Total Due From Other Governments	 <u>\$ 3,346,483</u>	 <u>\$ 259,407</u>	 <u>\$ 3,605,890</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue 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:

<u>Unavailable or unearned</u>	
Property taxes receivable (General Fund)	\$ 2,754,800
Local use taxes receivable (General Fund)	122,063
Home rule taxes receivable (General Fund)	265,201
Telecommunication taxes receivable (General Fund)	18,304
Video gaming taxes receivable (General Fund)	42,829
Sales taxes receivable (General Fund)	464,243
Auto rental taxes receivable (General Fund)	8,083
Cannabis sales taxes receivable (General Fund)	23,591
Property taxes receivable (Debt Service Fund)	<u>4,772,620</u>
Total unavailable or unearned revenues	<u>\$ 8,471,734</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes to the City's long-term obligations for the year ended December 31, 2023.

	Obligations Outstanding Beginning of Year	Additions	Deletions	Obligations Outstanding End of Year	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Series of 2021	\$ 29,315,000	\$ -	\$ 1,365,000	\$ 27,950,000	\$ 1,375,000
Private Placements:					
Series of 2020B	2,785,000	-	2,785,000	-	-
Series of 2023	-	2,500,000	-	2,500,000	2,500,000
Plus Capitalized Amounts:					
Bond Discount	(134,834)	-	(6,141)	(128,693)	-
Total General Obligation Bonds	<u>31,965,166</u>	<u>2,500,000</u>	<u>4,143,859</u>	<u>30,321,307</u>	<u>3,875,000</u>
Other Obligations:					
Compensated Absences	800,771	62,400	24,535	838,636	34,226
Retiree Insurance Premiums	387,811	129,474	171,956	345,329	107,561
Total OPEB Liability	5,243,573	472,565	317,609	5,398,529	317,609
Net Pension Liability (Asset) - IMRF	211,043	1,603,933	3,043,597	(1,228,621)	-
Net Pension Liability (Asset) - Police Pension	15,839,999	6,750,063	10,843,494	11,746,568	-
Net Pension Liability (Asset) - Firefighters' Pension	<u>7,651,973</u>	<u>3,900,573</u>	<u>6,931,832</u>	<u>4,620,714</u>	<u>-</u>
Total Other Obligations	<u>30,135,170</u>	<u>12,919,008</u>	<u>21,333,023</u>	<u>21,721,155</u>	<u>459,396</u>
Total Governmental Activities	<u>\$ 62,100,336</u>	<u>\$ 15,419,008</u>	<u>\$ 25,476,882</u>	<u>\$ 52,042,462</u>	<u>\$ 4,334,396</u>

Long-term obligations outstanding at December 31, 2023 are composed of the following:

General Obligation Bonds, Series 2020B: \$2,785,000 2020B General Obligation Bonds dated October 6, 2020 due December 1, 2023; interest of 1.30% (principal and interest serviced by the general revenues of the City). The principal and interest payments were made from the Debt Service Fund.

General Obligation Bonds, Series 2021: \$30,630,000 2021 General Obligation Bonds dated October 21, 2021 due annually on December 1, with final payment due in 2040; interest of 0.48% - 3.52% (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. Proceeds of the bonds were used to make contributions to the Police Pension Fund and the Firefighters' Pension Fund in the amounts of \$20,464,355 and \$9,447,301, respectively.

General Obligation Bonds, Series 2023: \$2,500,000 2023 General Obligation Bonds dated October 3, 2023 due December 15, 2024; interest of 5.05% (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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - LONG-TERM OBLIGATIONS (Continued)

Debt Service Requirements at December 31, 2023 were as follows:

Year Ended December 31	General Obligation Bonds		Year Ended December 31	Private Placements	
	Principal	Interest		Principal	Interest
2024	\$ 1,375,000	\$ 751,030	2024	\$ 2,500,000	\$ 146,590
2025	1,390,000	736,345	Total	<u>\$ 2,500,000</u>	<u>\$ 146,590</u>
2026	1,410,000	716,023			
2027	1,430,000	693,294			
2028	1,460,000	665,995			
2029-2033	7,835,000	2,795,545			
2034-2038	9,010,000	1,611,307			
2039-2040	<u>4,040,000</u>	<u>214,788</u>			
Total	<u>\$ 27,950,000</u>	<u>\$ 8,184,327</u>			

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 construction 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. The principal balance of all conduit debt obligations outstanding at December 31, 2023 is \$30,345,558.

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 70.00%. Principal balance as of December 31, 2023 is \$904,800.

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, 2023 is \$1,209,426.

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, 2023 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, 2023 is \$2,575,000.

Educational Facility Revenue Bonds (Science and Arts Academy), Series 2016: \$5,940,356 bonds issued May 26, 2016, bearing interest of LIBOR multiplied by 72.00% then adding 65.00% multiplied by 2.25%. Principal balance as of December 31, 2023 is \$4,729,055.

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, 2023 is \$5,442,277.

(Continued)

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. Benefit and contribution provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive 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 2.00% for each year of service credit after 15 years to a maximum of 75.00% 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 3.00% 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 2.00% for each year of service credit after 15 years to a maximum of 75.00% 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:

- 3.00% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: As of December 31, 2023 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	87
Active Plan Members	<u>44</u>
Total	<u>131</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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 2023 was 4.11%. For the fiscal year ended December 31, 2023, the City contributed \$105,455 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/asset for IMRF was measured as of December 31, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the December 31, 2023 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	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below median income, General Retiree, Male (adjusted 108.00%) and Female (adjusted 106.40%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Disabled Retiree, Male and Female (both unadjusted tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2023 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 (asset).

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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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	34.50%	5.00%
International Equities	18.00%	6.35%
Fixed Income	24.50%	4.75%
Real Estate	10.50%	6.30%
Alternatives	11.50%	6.05%-8.65%
Cash Equivalents	1.00%	3.80%
	<u>100.00%</u>	

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 rate reflects:

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

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rate general obligation bond index at December 31, 2023 to arrive at the discount rate used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, which is unchanged from the prior year. The fund is expected to be fully funded through December 31, 2123.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Changes in the Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)/Liability
	(a)	(b)	(a) - (b)
Balances at January 1, 2023	\$ 19,513,747	\$ 19,302,704	\$ 211,043
Changes for the year:			
Service cost	228,903	-	228,903
Interest	1,375,030	-	1,375,030
Actuarial experience	(57,023)	-	(57,023)
Assumption changes	(44,774)	-	(44,774)
Contributions - Employer	-	105,455	(105,455)
Contributions - Employee	-	115,461	(115,461)
Net investment income	-	2,192,050	(2,192,050)
Benefit payments, including refunds	(1,324,542)	(1,324,542)	-
Other (net transfer)	-	528,834	(528,834)
Net changes	177,594	1,617,258	(1,439,664)
Balances at December 31, 2023	<u>\$ 19,691,341</u>	<u>\$ 20,919,962</u>	<u>\$ (1,228,621)</u>

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	Current	1% Increase
	6.25%	7.25%	8.25%
City's Net Pension (Asset) Liability - IMRF Plan	\$ 794,106	\$ (1,228,621)	\$ (2,879,484)

Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2023 the City recognized pension expense of \$819,741 for the IMRF plan. At December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 142,432
Assumption changes	-	30,964
Net difference between projected and actual earnings on pension plan investments	1,194,402	-
	<u>\$ 1,194,402</u>	<u>\$ 173,396</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 31	Net Deferred Outflows (Inflows) of Resources
2024	\$ 3,139
2025	364,841
2026	815,714
2027	(162,688)
Total	<u>\$ 1,021,006</u>

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, 2023 (the latest information available), the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	45
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>39</u>
Total	<u>92</u>

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. The police pension fund 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 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% 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 2.50% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

(Continued)

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Tier 2 employees (those hired after January 1, 2011), attaining the age of 55 or older with 10 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 $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. $\frac{1}{2}$ % for each month under 55).

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 3.00% or $\frac{1}{2}$ 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 90.00% of the past service costs for the Police Pension Plan. For the year ended December 31, 2023, the City's contribution was 48.84% 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 at 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2023.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Actuarial assumptions: The total pension liability in the January 1, 2023 actuarial valuation that was updated for 2023 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	6.75%
Expected Rate of Return on Investments	6.75%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.26%
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	PubS-2010(A) 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: Based on Actual Spousal Data

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: The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 3.72% to 3.26% 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.

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 3.00% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on the lesser of 3.00% 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 1993 was 145.10. The CPI-U for September 2023 was 307.79. The average increase in the CPI-U for September 1993 through September 2023 was 2.54% (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 Police Pension Fund. The best estimate of future real rates of return are developed for each of the major asset classes.

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CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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
US Large	23.00%	4.15%
US Small	5.00%	4.54%
International Developed	18.00%	4.64%
International Developed Small	5.00%	-0.25%
Emerging Markets	7.00%	5.31%
Private Equity (Direct)	7.00%	7.15%
Bank Loans	3.00%	2.48%
High Yield Corp. Credit	3.00%	2.48%
Emerging Market Debt	3.00%	2.82%
Private Credit	5.00%	4.37%
US TIPS	3.00%	-0.12%
Real Estate/Infrastructure	8.00%	4.00%
Cash	1.00%	-0.27%
Short-Term Govt/Credit	3.00%	0.73%
US Treasury	3.00%	-0.60%
Core Plus Fixed Income	3.00%	0.73%
	<u>100.00%</u>	

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 2.50% 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.

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 28, 2023 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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.75%. Cash flow projections were used to determine the extent to which the plan's projected 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 is unchanged from the prior measurement date. The long-term expected rate of return is projected to cover all future fund pension obligations.

Changes in the Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at January 1, 2023	\$ 78,156,774	\$ 62,316,775	\$ 15,839,999
Changes for the year:			
Service cost	1,077,787	-	1,077,787
Interest	5,165,108	-	5,165,108
Actuarial experience	418,062	-	418,062
Assumptions changes	-	-	-
Plan Changes	-	-	-
Contributions - employer	-	2,131,811	(2,131,811)
Contributions - employee	-	434,119	(434,119)
Contributions - other	-	-	-
Net investment income	-	8,277,564	(8,277,564)
Benefit payments, including refunds	(3,874,265)	(3,874,265)	-
Administrative expense	-	(89,106)	89,106
Net changes	2,786,692	6,880,123	(4,093,431)
Balances at December 31, 2023	<u>\$ 80,943,466</u>	<u>\$ 69,196,898</u>	<u>\$ 11,746,568</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability (Asset) for Police Pension Plan	\$ 23,437,003	\$ 11,746,568	\$ 2,235,025

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2023 the City recognized pension income of \$1,398,478 for the Police Pension Plan. At December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,917,075	\$ 2,884,484
Changes of assumptions	7,307,864	17,994,087
Net difference between projected and actual earnings on investments	5,735,154	-
Total	<u>\$ 17,960,093</u>	<u>\$ 20,878,571</u>

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	
2024	\$ (2,248,304)
2025	(792,861)
2026	813,766
2027	(719,881)
2028	28,802
Total	<u>\$ (2,918,478)</u>

Rate of Return: For the year ended December 31, 2023, the annual money-weighted rate of return on police pension plan investments, net of pension plan investment expense, was 12.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension:

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.

At January 1, 2023 (the latest information available), the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	37
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>27</u>
Total	<u>69</u>

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CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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

The Firefighters' Pension Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% of the original pension and 3.00% 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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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 3.00% 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 90.00% of the past service costs for the Firefighters' Pension Plan. For the year ended December 31, 2023, the City's contribution was 38.14% 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.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

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, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as January 1, 2023.

Actuarial assumptions: The total pension liability in the January 1, 2023 actuarial valuation that was updated for 2023 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	7.00%
Expected Rate Of Return on Investments	7.00%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.26%
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	PubS-2010(A) 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: Based on Actual Spousal Data

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 3.72% to 3.26% 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.

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CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Postemployment benefit changes: Eligibility for post-employment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.00% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided post-employment benefit increases based on the lesser of 3.00% 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 1993 was 145.10. The CPI-U for September 2023 was 307.79. The average increase in the CPI-U for September 1993 through September 2023 was 2.54% (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 Firefighters' 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
US Equity	25.00%	5.20%
Developed Market Equity (Non-US)	13.00%	5.60%
Emerging Market Equity	7.00%	5.50%
Private Equity	10.00%	8.60%
Public Credit	3.00%	1.90%
Private Credit	7.00%	7.00%
Core Fixed Income	9.00%	1.80%
Core Plus Fixed Income	9.00%	2.40%
Short-Term Treasuries	3.00%	0.30%
Real Estate	10.00%	4.90%
Infrastructure	4.00%	5.10%
	<u>100.00%</u>	

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 2.50% 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.

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 28, 2023 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.

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CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00%. Cash flow projections were used to determine the extent to which the plan's projected 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. The discount rate is unchanged from the prior measurement date. The long-term expected rate of return is projected to cover all future fund pension obligations.

Changes in the Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at January 1, 2023	\$ 44,664,364	\$ 37,012,391	\$ 7,651,973
Changes for the year:			
Service cost	665,248	-	665,248
Interest	3,059,600	-	3,059,600
Actuarial experience	112,945	-	112,945
Change in assumptions	-	-	-
Plan changes	-	-	-
Contributions - employer	-	1,095,729	(1,095,729)
Contributions - employee	-	271,635	(271,635)
Net investment income	-	5,565,339	(5,565,339)
Benefit payments, including refunds	(2,223,919)	(2,223,919)	-
Administrative expense	-	(63,651)	63,651
Net changes	1,613,874	4,645,133	(3,031,259)
Balances at December 31, 2023	<u>\$ 46,278,238</u>	<u>\$ 41,657,524</u>	<u>\$ 4,620,714</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's Net Pension Liability (Asset) for Firefighters' Pension Plan	\$ 11,004,979	\$ 4,620,714	\$ (619,570)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2023 the City recognized pension income of \$1,374,351 for the Firefighters' Pension Plan.

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CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

At December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 441,665	\$ 1,981,739
Changes of assumptions	2,626,620	8,569,393
Net difference between projected and actual earnings on investments	2,487,509	-
Total	<u>\$ 5,555,794</u>	<u>\$ 10,551,132</u>

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	
2024	\$ (2,127,368)
2025	(1,714,288)
2026	(564,373)
2027	(607,339)
2028	18,030
Total	<u>\$ (4,995,338)</u>

Summary of Pensions:

	IMRF	Police	Firefighters'	Total
Net Pension Liability	\$ -	\$ 11,746,568	\$ 4,620,714	\$ 16,367,282
Net Pension Asset	1,228,621	-	-	1,228,621
Deferred Outflows of Resources	1,194,402	17,960,093	5,555,794	24,710,289
Deferred Inflows of Resources	173,396	20,878,571	10,551,132	31,603,099
Pension Expense (Income)	(819,741)	(1,398,478)	(1,374,351)	(3,592,570)

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Fiduciary Funds:

Statement of Net Position

	Pension Trust Funds		
	Police	Firefighters'	
	Pension Fund	Pension Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 440,213	\$ 272,345	\$ 712,558
Investments			
Money Market Mutual Funds	327,416	-	327,416
Pooled Investments	68,342,928	41,327,114	109,670,042
Due from the City	86,905	53,672	140,577
Prepaid Items	3,105	5,763	8,868
Total Assets	<u>69,200,567</u>	<u>41,658,894</u>	<u>110,859,461</u>
LIABILITIES			
Accounts Payable	<u>3,669</u>	<u>1,370</u>	<u>5,039</u>
Total Liabilities	<u>3,669</u>	<u>1,370</u>	<u>5,039</u>
NET POSITION			
Restricted for Pensions	<u>69,196,898</u>	<u>41,657,524</u>	<u>110,854,422</u>
Total Net Position	<u>\$ 69,196,898</u>	<u>\$ 41,657,524</u>	<u>\$ 110,854,422</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 - PENSION AND RETIREMENT FUND (Continued)

Statement of Changes in Net Position

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 2,131,811	\$ 1,095,729	\$ 3,227,540
Plan Members	434,119	271,635	705,754
Total Contributions	<u>2,565,930</u>	<u>1,367,364</u>	<u>3,933,294</u>
Investment Income (Loss)			
Interest and Dividends	456,505	689,285	1,145,790
Net Change in Fair Value	7,920,411	4,924,279	12,844,690
Less Investment Expense	(99,352)	(48,225)	(147,577)
Net Investment Income (Loss)	<u>8,277,564</u>	<u>5,565,339</u>	<u>13,842,903</u>
Total Additions	<u>10,843,494</u>	<u>6,932,703</u>	<u>17,776,197</u>
DEDUCTIONS			
Benefits and Refunds	3,874,265	2,223,919	6,098,184
Administrative Expenses	89,106	63,651	152,757
Total Deductions	<u>3,963,371</u>	<u>2,287,570</u>	<u>6,250,941</u>
Change in Net Position	6,880,123	4,645,133	11,525,256
Net Position at Beginning of Year	<u>62,316,775</u>	<u>37,012,391</u>	<u>99,329,166</u>
Net Position at End of Year	<u>\$ 69,196,898</u>	<u>\$ 41,657,524</u>	<u>\$ 110,854,422</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 50.00% 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 January 1, 2022, the most recent valuation date, consisted of the following:

Active employees	111
Inactive employees currently receiving benefits	<u>30</u>
Total	<u><u>141</u></u>

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, 2023 of \$317,609.

Total OPEB Liability: The City's total OPEB liability was measured as of December 31, 2023 and the total OPEB liability was determined by an actuarial valuation as of January 1, 2022 using the following actuarial methods and assumptions:

<u>Actuarial Assumptions (economic)</u>	
Discount rate used for the total OPEB liability	4.00%
High quality 20 year tax-exempt G.O. bond rate	4.00%
Projected individual salary increases	4.00%
Inflation rate included	3.00%
Initial Healthcare cost trend rate	5.50%
Ultimate Healthcare cost trend rate	4.50%

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions (demographic)

Mortality table	Rates from the December 31, 2022 IMRF Actuarial Valuation report for IMRF Employees. Pub-2010 Combined Mortality Table for males and females with generational improvements using MP-2020 Mortality Improvement Scale. For Police and Firefighters – PubS.H.-2010(A) Mortality Table – Safety above medium income with mortality improvement using Scale MP-2020.
Retirement rates	Rates from the December 31, 2022 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Reports as January 1, 2021 for Police and Firefighters', respectively.
Withdrawal rates	Rates from the December 31, 2021 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Reports as January 1, 2021 for Police and Firefighters', respectively.
Disability rates	Rates from the December 31, 2022 IMRF Actuarial Valuation report for IMRF Employees. Rates from the Burbank Police and Firefighters' Pension Fund Actuarial Valuation Reports as January 1, 2021 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. Actual spouse data was used for retirees.
Participation rate	100.00% 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 4.00% is used, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2023. This is a decrease of 0.31% from the rate of 4.31% used at December 31, 2022.

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability:

	Increase (Decrease)
	<u>Total OPEB</u>
	<u>Liability</u>
Balances at January 1, 2023	\$ 5,243,573
Changes for the year:	
Service cost	35,198
Interest	219,154
Actuarial experience	-
Assumptions changes	218,213
Benefit payments, including refunds	(317,609)
Other Changes	-
Net changes	<u>154,956</u>
Balances at December 31, 2023	<u>\$ 5,398,529</u>

OPEB Expense: For the year ended December 31, 2023, the City recognized OPEB expense of \$455,605.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At December 31, 2023, 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	\$ 905,037	\$ 414,008
Changes of assumptions	1,784,815	2,091,444
Total	<u>\$ 2,689,852</u>	<u>\$ 2,505,452</u>

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	
2024	\$ 201,253
2025	201,253
2026	168,879
2027	146,075
2028	(164,282)
Thereafter	(368,778)
Total	<u>\$ 184,400</u>

(Continued)

CITY OF BURBANK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - POST-EMPLOYMENT BENEFITS (Continued)

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 4.00% 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 than the current rate.

	1% Decrease 3.00%	Current Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 6,221,355	\$ 5,398,529	\$ 4,745,537

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 than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 4,716,714	\$ 5,398,529	\$ 6,247,494

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, 2023. During the past three years there have been no settlements that exceed insurance coverage.

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, *Accounting 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. \$470,375 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, 2021	\$ 174,420
Current year claims and changes in estimates	207,580
Claims payments	(101,521)
Liability December 31, 2022	280,479
Current year claims and changes in estimates	209,568
Claims payments	(19,672)
Liability December 31, 2023	<u>\$ 470,375</u>

(Continued)

NOTE 11 – TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is affected by Cook County's Class 6b, 7a, and 7b property tax incentive programs. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities. The purpose of the Class 7a and 7b programs is to encourage commercial projects in areas determined to be in need of commercial development; these projects would not be economically feasible without the incentive.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value. Properties receiving a Class 7a or 7b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial and commercial real estate would normally be assessed at 25% of its market value.

Municipalities within the City area have granted Class 6b, 7a, or 7b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the City and the other impacted taxing districts than would have been generated if the development had not occurred. The City's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending December 31, 2023, the City's share of the abatement granted to the Class 6b, 7a, and 7b properties was approximately \$27,800.

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, 2023

	Original and Final Budget	Actual	Over (Under) Budget
REVENUES			
Property Taxes	\$ 1,900,000	\$ 2,507,419	\$ 607,419
Sales Tax	4,000,000	4,289,693	289,693
Home Rule Tax	2,300,000	2,422,631	122,631
Income Tax	4,400,000	4,733,375	333,375
Other Taxes	4,325,075	4,752,145	427,070
Licenses, Permits and Fees	3,708,930	5,565,428	1,856,498
Fines	2,331,200	2,074,057	(257,143)
Investment Income	594,000	1,370,190	776,190
Grants	50,000	233,611	183,611
Other Revenue	653,050	1,179,046	525,996
Total Revenues	<u>24,262,255</u>	<u>29,127,595</u>	<u>4,865,340</u>
EXPENDITURES			
Current:			
Administration	4,757,300	5,308,028	550,728
Building & Grounds	83,600	24,905	(58,695)
Fire Department	5,791,269	5,581,138	(210,131)
Police Department	9,517,990	9,392,170	(125,820)
Civil Defense	49,500	17,569	(31,931)
Public Works Department	2,076,704	1,922,498	(154,206)
Building & License Enforcement	272,496	208,506	(63,990)
Zoning Board of Appeals	73,895	64,561	(9,334)
Liquor Commission	31,070	30,073	(997)
Police & Fire Commission	83,310	45,190	(38,120)
Capital Outlay	2,060,654	2,193,630	132,976
Debt Service - Interest and Fees	-	46,400	46,400
Total Expenditures	<u>24,797,788</u>	<u>24,834,668</u>	<u>36,880</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(535,533)</u>	<u>4,292,927</u>	<u>4,828,460</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Bonds	-	2,500,000	2,500,000
Proceeds from Sale of Assets	50,000	65,850	15,850
Transfers Out	-	(2,453,600)	(2,453,600)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>112,250</u>	<u>62,250</u>
Net Change in Fund Balance	<u>\$ (485,533)</u>	<u>4,405,177</u>	<u>\$ 4,890,710</u>
Fund Balance at Beginning of Year		<u>31,701,909</u>	
Fund Balance at End of Year		<u>\$ 36,107,086</u>	

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Notes to Required Supplementary Information - Budgetary Comparison Schedule
Year Ended December 31, 2023

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.

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

The City also establishes budgets for the debt service fund, capital projects fund, and special revenue funds.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Changes in the Total Other Post-Employment Benefits Liability and Related Ratios
Last 6 Fiscal Years

	2023	2022	2021	2020	2019	2018
<u>Total OPEB Liability</u>						
Service Cost	\$ 35,198	\$ 52,949	\$ 67,241	\$ 50,751	\$ 50,364	\$ 57,762
Interest on the Total OPEB Liability	219,154	166,988	153,270	147,026	163,493	139,990
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	(449,965)	-	1,751,845	-	(246,837)
Changes of Assumptions	218,213	(1,776,902)	(414,058)	1,794,004	146,633	(250,079)
Benefit Payments, Including Refunds of Employee Contributions	(317,609)	(342,336)	(310,080)	(314,333)	(260,675)	(230,544)
Other Changes	-	-	-	-	(54,538)	857,523
Net Change in Total OPEB Liability	154,956	(2,349,266)	(503,627)	3,429,293	45,277	327,815
Total OPEB Liability - Beginning	5,243,573	7,592,839	8,096,466	4,667,174	4,621,897	4,294,082
Total OPEB Liability - Ending	<u>\$ 5,398,529</u>	<u>\$ 5,243,573</u>	<u>\$ 7,592,839</u>	<u>\$ 8,096,466</u>	<u>\$ 4,667,174</u>	<u>\$ 4,621,897</u>
Covered Employee Payroll	\$ 9,333,556	\$ 8,975,202	\$ 9,055,741	\$ 8,707,444	\$ 9,054,424	\$ 9,054,424
Total OPEB Liability as a Percentage of Covered Employee Payroll	57.84%	58.42%	83.85%	92.98%	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 (Asset) and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 228,903	\$ 229,954	\$ 226,709	\$ 253,884	\$ 255,500	\$ 251,920	\$ 288,342	\$ 271,539	\$ 291,518	\$ 315,104
Interest	1,375,030	1,376,117	1,351,828	1,300,533	1,292,159	1,212,013	1,171,992	1,094,234	1,099,405	1,004,494
Differences Between Expected and Actual Experience	(57,023)	(304,279)	(13,006)	437,872	(413,953)	681,233	517,312	451,513	(729,492)	(126,160)
Changes of Assumptions	(44,774)	-	-	(140,658)	-	462,495	(564,290)	-	-	653,513
Benefit Payments and Refunds	<u>(1,324,542)</u>	<u>(1,307,991)</u>	<u>(1,156,263)</u>	<u>(1,104,791)</u>	<u>(930,012)</u>	<u>(963,465)</u>	<u>(759,602)</u>	<u>(818,211)</u>	<u>(622,575)</u>	<u>(516,784)</u>
Net Change in Total Pension Liability	177,594	(6,199)	409,268	746,840	203,694	1,644,196	653,754	999,075	38,856	1,330,167
Total Pension Liability - Beginning	<u>19,513,747</u>	<u>19,519,946</u>	<u>19,110,678</u>	<u>18,363,838</u>	<u>18,160,144</u>	<u>16,515,948</u>	<u>15,862,194</u>	<u>14,863,119</u>	<u>14,824,263</u>	<u>13,494,096</u>
Total Pension Liability - Ending (a)	<u>\$ 19,691,341</u>	<u>\$ 19,513,747</u>	<u>\$ 19,519,946</u>	<u>\$ 19,110,678</u>	<u>\$ 18,363,838</u>	<u>\$ 18,160,144</u>	<u>\$ 16,515,948</u>	<u>\$ 15,862,194</u>	<u>\$ 14,863,119</u>	<u>\$ 14,824,263</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 105,455	\$ 193,352	\$ 236,477	\$ 269,453	\$ 168,000	\$ 202,761	\$ 221,974	\$ 231,253	\$ 227,438	\$ 249,261
Contributions - Employee	115,461	109,583	105,361	106,270	109,884	150,117	155,855	113,359	111,006	120,633
Net Investment Income	2,192,050	(3,257,963)	3,602,107	2,649,111	3,148,960	(1,008,773)	2,674,796	995,405	75,720	884,611
Benefit Payments and Refunds	(1,324,542)	(1,307,991)	(1,156,263)	(1,104,791)	(930,012)	(963,465)	(759,602)	(818,211)	(622,575)	(516,784)
Other	<u>528,834</u>	<u>553</u>	<u>(45,683)</u>	<u>331,667</u>	<u>(189,507)</u>	<u>361,142</u>	<u>(283,573)</u>	<u>390,041</u>	<u>(476,616)</u>	<u>(26,901)</u>
Net Change in Plan Fiduciary Net Position	1,617,258	(4,262,466)	2,741,999	2,251,710	2,307,325	(1,258,218)	2,009,450	911,847	(685,027)	710,820
Plan Fiduciary Net Position - Beginning	<u>19,302,704</u>	<u>23,565,170</u>	<u>20,823,171</u>	<u>18,571,461</u>	<u>16,264,136</u>	<u>17,522,354</u>	<u>15,512,904</u>	<u>14,601,057</u>	<u>15,286,084</u>	<u>14,575,264</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,919,962</u>	<u>\$ 19,302,704</u>	<u>\$ 23,565,170</u>	<u>\$ 20,823,171</u>	<u>\$ 18,571,461</u>	<u>\$ 16,264,136</u>	<u>\$ 17,522,354</u>	<u>\$ 15,512,904</u>	<u>\$ 14,601,057</u>	<u>\$ 15,286,084</u>
City's Net Pension Liability (Asset) (a-b)	<u>\$ (1,228,621)</u>	<u>\$ 211,043</u>	<u>\$ (4,045,224)</u>	<u>\$ (1,712,493)</u>	<u>\$ (207,623)</u>	<u>\$ 1,896,008</u>	<u>\$ (1,006,406)</u>	<u>\$ 349,290</u>	<u>\$ 262,062</u>	<u>\$ (461,821)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.24%	98.92%	120.72%	108.96%	101.13%	89.56%	106.09%	97.80%	98.24%	103.12%
Covered Payroll	\$ 2,565,794	\$ 2,435,177	\$ 2,341,367	\$ 2,361,560	\$ 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	-47.88%	8.67%	-172.77%	-72.52%	-8.50%	76.96%	-39.48%	13.87%	10.62%	-17.81%

Note to the Required Supplementary Information:

There were no assumption changes during the year ending December 31, 2023.

CITY OF BURBANK, ILLINOIS

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 105,454	\$ 193,353	\$ 236,478	\$ 269,454	\$ 168,000	\$ 202,761	\$ 205,722	\$ 231,253	\$ 227,439	\$ 242,735
Contributions in relation to the actuarially determined contribution	<u>105,455</u>	<u>193,352</u>	<u>236,477</u>	<u>269,453</u>	<u>168,000</u>	<u>202,761</u>	<u>221,974</u>	<u>231,253</u>	<u>227,438</u>	<u>249,261</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,252)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (6,526)</u>
Covered payroll	\$ 2,565,794	\$ 2,435,177	\$ 2,341,367	\$ 2,361,560	\$ 2,441,861	\$ 2,463,679	\$ 2,549,220	\$ 2,519,095	\$ 2,466,800	\$ 2,593,769
Contributions as a percentage of covered payroll	4.11%	7.94%	10.10%	11.41%	6.88%	8.23%	8.71%	9.18%	9.22%	9.61%

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 2023 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20-year closed period.
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other information:

Changes There were no benefit changes during the year.

The calculation of the 2023 contribution rate is based on valuation assumptions used in the December 31, 2021 actuarial valuation.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Changes in Police Pension Fund Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 1,077,787	\$ 1,055,006	\$ 2,224,385	\$ 2,134,359	\$ 1,623,952	\$ 1,648,108	\$ 1,865,028	\$ 1,779,437	\$ 1,772,396	\$ 1,862,061
Interest	5,165,108	4,989,968	4,368,586	4,558,403	4,184,375	3,995,491	3,756,490	3,566,614	3,059,091	3,018,418
Changes of Benefit Terms	-	(36,158)	-	-	577,478	-	-	-	-	-
Differences Between Expected and Actual Experience	418,062	890,470	(5,986,085)	7,964,355	1,508,829	408,797	753,615	(563,958)	928,137	-
Changes of Assumptions	-	-	(34,720,034)	7,520,624	11,355,409	(1,663,418)	(7,702,094)	1,489,554	7,240,992	-
Benefit Payments and Refunds	(3,874,265)	(3,674,854)	(3,395,400)	(3,221,611)	(3,138,344)	(2,563,089)	(2,446,742)	(2,201,494)	(1,908,516)	(1,632,125)
Net Change in Total Pension Liability	2,786,692	3,224,432	(37,508,548)	18,956,130	16,111,699	1,825,889	(3,773,703)	4,070,153	11,092,100	3,248,354
Total Pension Liability - Beginning	78,156,774	74,932,342	112,440,890	93,484,760	77,373,061	75,547,172	79,320,875	75,250,722	64,158,622	60,910,268
Total Pension Liability - Ending (a)	\$ 80,943,466	\$ 78,156,774	\$ 74,932,342	\$ 112,440,890	\$ 93,484,760	\$ 77,373,061	\$ 75,547,172	\$ 79,320,875	\$ 75,250,722	\$ 64,158,622
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,131,811	\$ 1,496,248	\$ 22,063,589	\$ 2,087,942	\$ 1,213,631	\$ 1,691,565	\$ 1,640,192	\$ 987,685	\$ 1,019,884	\$ 847,694
Contributions - Employee	434,119	488,566	417,063	407,353	429,538	429,415	404,977	428,589	446,123	471,244
Contributions - Other	-	-	-	68,208	189,255	-	-	-	-	-
Net Investment Income	8,277,564	(12,818,150)	6,689,156	6,552,803	7,991,699	(2,049,588)	4,992,128	2,129,445	(200,960)	1,848,311
Benefit Payments and Refunds	(3,874,265)	(3,674,854)	(3,395,400)	(3,221,611)	(3,138,344)	(2,563,089)	(2,446,742)	(2,201,494)	(1,908,516)	(1,753,887)
Administrative Expense	(89,106)	(76,649)	(61,931)	(68,928)	(63,970)	(65,899)	(70,374)	(57,367)	(62,294)	(58,895)
Net Change in Plan Fiduciary Net Position	6,880,123	(14,584,839)	25,712,477	5,825,767	6,621,809	(2,557,596)	4,520,181	1,286,858	(705,763)	1,354,467
Plan Fiduciary Net Position - Beginning	62,316,775	76,901,614	51,189,137	45,363,370	38,741,561	41,299,157	36,778,976	35,492,118	36,197,881	34,843,414
Plan Fiduciary Net Position - Ending (b)	\$ 69,196,898	\$ 62,316,775	\$ 76,901,614	\$ 51,189,137	\$ 45,363,370	\$ 38,741,561	\$ 41,299,157	\$ 36,778,976	\$ 35,492,118	\$ 36,197,881
City's Net Pension Liability (Asset) (a-b)	\$ 11,746,568	\$ 15,839,999	\$ (1,969,272)	\$ 61,251,753	\$ 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	85.49%	79.73%	102.63%	45.53%	48.52%	50.07%	54.67%	46.37%	47.17%	56.42%
Covered Payroll	\$ 4,364,887	\$ 3,877,614	\$ 4,376,044	\$ 4,567,799	\$ 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	269.12%	408.50%	-45.00%	1340.95%	984.18%	815.77%	841.08%	897.11%	907.06%	709.33%

Note to the Required Supplementary Information:

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.72% to 3.26% for the current year. The discount rate used in the determination of the Total Pension Liability was unchanged.

CITY OF BURBANK, ILLINOIS

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,422,445	\$ 1,733,399	\$ 3,296,761	\$ 2,748,806	\$ 2,432,295	\$ 2,078,056	\$ 1,853,547	\$ 1,669,307	\$ 1,419,939	\$ 1,325,317
Contributions in relation to the actuarially determined contribution	<u>2,131,811</u>	<u>1,496,248</u>	<u>22,063,589</u>	<u>2,087,942</u>	<u>1,213,631</u>	<u>1,691,565</u>	<u>1,640,192</u>	<u>987,685</u>	<u>1,019,884</u>	<u>847,694</u>
Contribution deficiency (excess)	<u>\$ (709,366)</u>	<u>\$ 237,151</u>	<u>\$ (18,766,828)</u>	<u>\$ 660,864</u>	<u>\$ 1,218,664</u>	<u>\$ 386,491</u>	<u>\$ 213,355</u>	<u>\$ 681,622</u>	<u>\$ 400,055</u>	<u>\$ 477,623</u>
Covered payroll	\$ 4,364,887	\$ 3,877,614	\$ 4,376,044	\$ 4,567,799	\$ 4,889,472	\$ 4,735,566	\$ 4,071,911	\$ 4,742,099	\$ 4,383,238	\$ 3,941,879
Contributions as a percentage of covered payroll	48.84%	38.59%	504.19%	45.71%	24.82%	35.72%	40.28%	20.83%	23.27%	21.50%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Amortization Period	100% Funded Over 5.93 Years (Layered)
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.75%-15.97%
Investment Rate of Return	6.75%
Mortality	Mortality rates were based on the Pub-2010. Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

The 2021 contribution in relation to the actuarially determined contribution includes an additional \$20,464,355 in employer contributions from the issuance of pension obligation bonds.

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Police Pension Fund Investment Rate of Return
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	12.59%	-18.41%	12.60%	14.61%	20.96%	-4.65%	14.03%	6.06%	-0.61%	6.13%

CITY OF BURBANK, ILLINOIS

Required Supplementary Information
Schedule of Changes in Firefighters' Pension Fund Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 665,248	\$ 650,651	\$ 1,132,675	\$ 1,058,115	\$ 815,309	\$ 947,454	\$ 1,228,496	\$ 1,173,348	\$ 1,333,868	\$ 1,247,960
Interest	3,059,600	2,955,505	2,689,922	2,820,803	2,652,797	2,528,387	2,356,789	2,284,289	1,793,156	1,907,167
Changes of Benefit Terms	-	(65,877)	-	-	419,426	-	-	-	-	-
Differences Between Expected and Actual Experience	112,945	(415,416)	(3,653,651)	(57,154)	744,507	506,340	229,158	(1,298,237)	2,456,378	-
Changes of Assumptions	-	-	(15,969,498)	3,043,236	6,843,348	(1,201,256)	(6,362,067)	1,004,938	3,679,422	-
Benefit Payments and Refunds	(2,223,919)	(2,211,402)	(2,223,449)	(2,156,938)	(2,061,269)	(1,864,541)	(1,720,981)	(1,522,583)	(1,306,338)	(987,390)
Net Change in Total Pension Liability	1,613,874	913,461	(18,024,001)	4,708,062	9,414,118	916,384	(4,268,605)	1,641,755	7,956,486	2,167,737
Total Pension Liability - Beginning	44,664,364	43,750,903	61,774,904	57,066,842	47,652,724	46,736,340	51,004,945	49,363,190	41,406,704	39,238,967
Total Pension Liability - Ending (a)	<u>\$ 46,278,238</u>	<u>\$ 44,664,364</u>	<u>\$ 43,750,903</u>	<u>\$ 61,774,904</u>	<u>\$ 57,066,842</u>	<u>\$ 47,652,724</u>	<u>\$ 46,736,340</u>	<u>\$ 51,004,945</u>	<u>\$ 49,363,190</u>	<u>\$ 41,406,704</u>
Plan Fiduciary Net Position										
Contributions - Employer	1,095,729	1,066,379	10,443,638	1,565,954	692,895	861,909	\$ 1,271,611	\$ 573,376	\$ 604,957	\$ 495,377
Contributions - Employee	271,635	268,658	247,905	236,687	233,749	234,056	235,099	235,707	248,592	242,558
Net Investment Income	5,565,339	(6,594,157)	3,782,055	4,116,669	4,527,659	(1,065,191)	2,891,373	1,442,550	274,210	1,440,960
Benefit Payments and Refunds	(2,223,919)	(2,211,402)	(2,223,449)	(2,156,938)	(2,061,269)	(1,864,541)	(1,720,981)	(1,522,583)	(1,306,338)	(1,127,010)
Administrative Expense	(63,651)	(57,715)	(51,776)	(52,605)	(53,420)	(73,962)	(60,740)	(58,977)	(38,264)	(50,015)
Net Change in Plan Fiduciary Net Position	4,645,133	(7,528,237)	12,198,373	3,709,767	3,339,614	(1,907,729)	2,616,362	670,073	(216,843)	1,001,870
Plan Fiduciary Net Position - Beginning	37,012,391	44,540,628	32,342,255	28,632,488	25,292,874	27,200,603	24,584,241	23,914,168	24,131,011	23,129,141
Plan Fiduciary Net Position - Ending (b)	<u>\$ 41,657,524</u>	<u>\$ 37,012,391</u>	<u>\$ 44,540,628</u>	<u>\$ 32,342,255</u>	<u>\$ 28,632,488</u>	<u>\$ 25,292,874</u>	<u>\$ 27,200,603</u>	<u>\$ 24,584,241</u>	<u>\$ 23,914,168</u>	<u>\$ 24,131,011</u>
City's Net Pension Liability (Asset) (a-b)	<u>\$ 4,620,714</u>	<u>\$ 7,651,973</u>	<u>\$ (789,725)</u>	<u>\$ 29,432,649</u>	<u>\$ 28,434,354</u>	<u>\$ 22,359,850</u>	<u>\$ 19,535,737</u>	<u>\$ 26,420,704</u>	<u>\$ 25,449,022</u>	<u>\$ 17,275,693</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.02%	82.87%	101.81%	52.36%	50.17%	53.08%	58.20%	48.20%	48.45%	58.28%
Covered Payroll	\$ 2,872,917	\$ 2,734,842	\$ 2,592,736	\$ 2,560,078	\$ 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	160.84%	279.80%	-30.46%	1149.68%	1088.71%	883.95%	737.15%	901.79%	943.03%	646.13%

Note to the Required Supplementary Information:

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.72% to 3.26% for the current year. The discount rate used in the determination of the Total Pension Liability was unchanged.

CITY OF BURBANK, ILLINOIS

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 746,517	\$ 996,122	\$ 1,826,376	\$ 1,487,230	\$ 1,316,470	\$ 1,274,790	\$ 1,136,704	\$ 1,003,856	\$ 855,917	\$ 833,540
Contributions in relation to the actuarially determined contribution	<u>1,095,729</u>	<u>1,066,379</u>	<u>10,443,638</u>	<u>1,565,954</u>	<u>692,895</u>	<u>861,909</u>	<u>1,271,611</u>	<u>573,376</u>	<u>604,957</u>	<u>495,377</u>
Contribution deficiency (excess)	<u>\$ (349,212)</u>	<u>\$ (70,257)</u>	<u>\$ (8,617,262)</u>	<u>\$ (78,724)</u>	<u>\$ 623,575</u>	<u>\$ 412,881</u>	<u>\$ (134,907)</u>	<u>\$ 430,480</u>	<u>\$ 250,960</u>	<u>\$ 338,163</u>
Covered payroll	\$ 2,872,917	\$ 2,734,842	\$ 2,592,736	\$ 2,560,078	\$ 2,611,738	\$ 2,529,528	\$ 2,650,186	\$ 2,929,791	\$ 2,403,836	\$ 2,673,711
Contributions as a percentage of covered payroll	38.14%	38.99%	402.80%	61.17%	26.53%	34.07%	47.98%	19.57%	25.17%	18.53%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay
Amortization Target	100% Funded Over 4.61 Years (Layered)
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.25%
Salary Increases	2.25%-11.50%
Investment Rate of Return	7.00%
Mortality	Mortality rates were based on the Pub-2010 Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

The 2021 contribution in relation to the actuarially determined contribution includes an additional \$9,447,301 in employer contributions from the issuance of pension obligation bonds.

CITY OF BURBANK, ILLINOIS

General Fund
Combining Balance Sheet
December 31, 2023

	Corporate Account	Working Cash Account	Performance Bond Account	Elimination	Total
ASSETS					
Cash and Investments	\$ 34,008,062	\$ -	\$ 956,127	\$ -	\$ 34,964,189
Property Taxes Receivable	2,813,030	-	-	-	2,813,030
Other Governmental Receivables	3,346,483	-	-	-	3,346,483
Prepaid Items	818,363	-	-	-	818,363
Due from Other Accounts	23,064	-	-	(23,064)	-
Interfund Receivables	578,734	-	-	-	578,734
Total Assets	<u>\$ 41,587,736</u>	<u>\$ -</u>	<u>\$ 956,127</u>	<u>\$ (23,064)</u>	<u>\$ 42,520,799</u>
LIABILITIES					
Accounts Payable	\$ 1,540,252	\$ -	\$ -	\$ -	\$ 1,540,252
Accrued Payroll	560,780	-	-	-	560,780
Claims Payable	470,375	-	-	-	470,375
Other Payables	2,615	-	-	-	2,615
Due to Other Accounts	-	-	23,064	(23,064)	-
Due to Fiduciary Funds	140,577	-	-	-	140,577
Total Liabilities	<u>2,714,599</u>	<u>-</u>	<u>23,064</u>	<u>(23,064)</u>	<u>2,714,599</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenue - Property Taxes	2,754,800	-	-	-	2,754,800
Unavailable Revenue - Taxes and Grants	944,314	-	-	-	944,314
Total Deferred Inflows of Resources	<u>3,699,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,699,114</u>
FUND BALANCES					
Nonspendable					
Prepaid Items	818,363	-	-	-	818,363
Committed					
Performance Bonds	-	-	933,063	-	933,063
Unassigned	34,355,660	-	-	-	34,355,660
Total Fund Balances	<u>35,174,023</u>	<u>-</u>	<u>933,063</u>	<u>-</u>	<u>36,107,086</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 41,587,736</u>	<u>\$ -</u>	<u>\$ 956,127</u>	<u>\$ (23,064)</u>	<u>\$ 42,520,799</u>

CITY OF BURBANK, ILLINOIS

General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2023

	Corporate Account	Working Cash Account	Performance Bond Account	Elimination	Total
REVENUES					
Property Taxes	\$ 2,507,419	\$ -	\$ -	\$ -	\$ 2,507,419
Sales Tax	4,289,693	-	-	-	4,289,693
Home Rule Tax	2,422,631	-	-	-	2,422,631
Income Tax	4,733,375	-	-	-	4,733,375
Other Taxes	4,752,145	-	-	-	4,752,145
Licenses, Permits and Fees	5,565,428	-	-	-	5,565,428
Fines	2,074,057	-	-	-	2,074,057
Investment Income	1,330,260	-	39,930	-	1,370,190
Grants	233,611	-	-	-	233,611
Other Revenue	1,086,705	-	92,341	-	1,179,046
Total Revenues	<u>28,995,324</u>	<u>-</u>	<u>132,271</u>	<u>-</u>	<u>29,127,595</u>
EXPENDITURES					
Current:					
Administration	5,242,087	-	65,941	-	5,308,028
Building & Grounds	24,905	-	-	-	24,905
Fire Department	5,581,138	-	-	-	5,581,138
Police Department	9,392,170	-	-	-	9,392,170
Civil Defense	17,569	-	-	-	17,569
Public Works Department	1,922,498	-	-	-	1,922,498
Building & License Enforcement	208,506	-	-	-	208,506
Zoning Board of Appeals	64,561	-	-	-	64,561
Liquor Commission	30,073	-	-	-	30,073
Police & Fire Commission	45,190	-	-	-	45,190
Capital Outlay	2,193,630	-	-	-	2,193,630
Debt Service - Interest and Fees	46,400	-	-	-	46,400
Total Expenditures	<u>24,768,727</u>	<u>-</u>	<u>65,941</u>	<u>-</u>	<u>24,834,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,226,597</u>	<u>-</u>	<u>66,330</u>	<u>-</u>	<u>4,292,927</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Sale of Assets	65,850	-	-	-	65,850
Proceeds from Issuance of Bonds	2,500,000	-	-	-	2,500,000
Transfers In	999,156	-	-	(999,156)	-
Transfers Out	(2,453,600)	(999,156)	-	999,156	(2,453,600)
Total Other Financing Sources (Uses)	<u>1,111,406</u>	<u>(999,156)</u>	<u>-</u>	<u>-</u>	<u>112,250</u>
Net Change in Fund Balances	<u>5,338,003</u>	<u>(999,156)</u>	<u>66,330</u>	<u>-</u>	<u>4,405,177</u>
Fund Balances at Beginning of Year	<u>29,836,020</u>	<u>999,156</u>	<u>866,733</u>	<u>-</u>	<u>31,701,909</u>
Fund Balances at End of Year	<u>\$ 35,174,023</u>	<u>\$ -</u>	<u>\$ 933,063</u>	<u>\$ -</u>	<u>\$ 36,107,086</u>

CITY OF BURBANK, ILLINOIS
General Fund - Corporate Account
Schedule of Expenditures - Budget (GAAP Basis) and Actual
Year Ended December 31, 2023

	Original and Final Budget	Actual	Over (Under) Budget
EXPENDITURES			
Current:			
Administration			
Personal Services	\$ 1,765,600	\$ 1,646,893	\$ (118,707)
Contractual	2,973,700	3,569,848	596,148
Commodities	18,000	25,346	7,346
Capital Outlay	256,276	269,204	12,928
Total Administration	<u>5,013,576</u>	<u>5,511,291</u>	<u>497,715</u>
Building & Grounds			
Personal Services	15,000	3,140	(11,860)
Contractual	58,800	20,658	(38,142)
Commodities	9,800	1,107	(8,693)
Capital Outlay	8,500	-	(8,500)
Total Building & Grounds	<u>92,100</u>	<u>24,905</u>	<u>(67,195)</u>
Fire Department			
Personal Services	3,522,561	3,463,829	(58,732)
Contractual	2,142,608	1,979,742	(162,866)
Commodities	126,100	137,567	11,467
Capital Outlay	515,878	555,837	39,959
Total Fire Department	<u>6,307,147</u>	<u>6,136,975</u>	<u>(170,172)</u>
Police Department			
Personal Services	5,856,100	5,658,190	(197,910)
Contractual	3,357,390	3,453,174	95,784
Commodities	304,500	280,806	(23,694)
Capital Outlay	652,816	758,536	105,720
Total Police Department	<u>10,170,806</u>	<u>10,150,706</u>	<u>(20,100)</u>
Civil Defense			
Personal Services	25,500	7,700	(17,800)
Contractual	19,200	9,869	(9,331)
Commodities	4,800	-	(4,800)
Capital Outlay	11,500	483	(11,017)
Total Civil Defense	<u>61,000</u>	<u>18,052</u>	<u>(42,948)</u>
Public Works Department			
Personal Services	1,241,079	1,205,499	(35,580)
Contractual	639,975	551,900	(88,075)
Commodities	195,650	165,099	(30,551)
Capital Outlay	615,684	609,570	(6,114)
Total Public Works Department	<u>2,692,388</u>	<u>2,532,068</u>	<u>(160,320)</u>
Building & License Enforcement			
Personal Services	162,431	155,256	(7,175)
Contractual	103,565	48,636	(54,929)
Commodities	6,500	4,614	(1,886)
Total Building & License Enforcement	<u>272,496</u>	<u>208,506</u>	<u>(63,990)</u>

(Continued)

CITY OF BURBANK, ILLINOIS

General Fund - Corporate Account
Schedule of Expenditures - Budget (GAAP Basis) and Actual
Year Ended December 31, 2023

	Original and Final Budget	Actual	Over (Under) Budget
Zoning Board of Appeals			
Personal Services	\$ 62,425	\$ 56,420	\$ (6,005)
Contractual	10,570	7,849	(2,721)
Commodities	900	292	(608)
Total Zoning Board of Appeals	<u>73,895</u>	<u>64,561</u>	<u>(9,334)</u>
Liquor Commission			
Personal Services	26,356	26,428	72
Contractual	4,714	3,645	(1,069)
Total Liquor Commission	<u>31,070</u>	<u>30,073</u>	<u>(997)</u>
Police & Fire Commission			
Personal Services	15,960	14,352	(1,608)
Contractual	66,950	30,711	(36,239)
Commodities	400	127	(273)
Total Police & Fire Commission	<u>83,310</u>	<u>45,190</u>	<u>(38,120)</u>
Debt Service - Interest and Fees	<u>-</u>	<u>46,400</u>	<u>46,400</u>
Total Expenditures	<u>\$ 24,797,788</u>	<u>\$ 24,768,727</u>	<u>\$ (29,061)</u>

CITY OF BURBANK, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Debt Service Fund	Capital Projects Fund	Special Revenue Funds						Total Nonmajor Governmental Funds
	SSA Debt Fund	General Obligation Bond Fund	Federal Grants Fund	Motor Fuel Tax Fund	Downtown TIF Fund	East 79th Street TIF Fund	Old Barn TIF Fund	Burbank Station TIF Fund	
ASSETS									
Cash	\$ 143,988	\$ 3,647,524	\$ 3,137	\$ 3,567,503	\$ 3,868,576	\$ 484,254	\$ -	\$ 10,857	\$ 11,725,839
Other Governmental Receivables	-	-	46,371	213,036	-	-	-	-	259,407
Interfund Receivables	-	-	-	3,564	-	-	-	-	3,564
Total Assets	<u>\$ 143,988</u>	<u>\$ 3,647,524</u>	<u>\$ 49,508</u>	<u>\$ 3,784,103</u>	<u>\$ 3,868,576</u>	<u>\$ 484,254</u>	<u>\$ -</u>	<u>\$ 10,857</u>	<u>\$ 11,988,810</u>
LIABILITIES									
Accounts Payable	\$ -	\$ 112,944	\$ -	\$ 137,890	\$ -	\$ -	\$ -	\$ 51,590	\$ 302,424
Interfund Payables	-	208,507	49,508	-	33,417	286,137	-	4,729	582,298
Total Liabilities	<u>-</u>	<u>321,451</u>	<u>49,508</u>	<u>137,890</u>	<u>33,417</u>	<u>286,137</u>	<u>-</u>	<u>56,319</u>	<u>884,722</u>
FUND BALANCES									
Restricted:									
Motor Fuel Tax Projects	-	-	-	3,034,990	-	-	-	-	3,034,990
Rebuild Illinois Bond Funds Projects	-	-	-	611,223	-	-	-	-	611,223
Capital Projects	143,988	3,326,073	-	-	3,835,159	198,117	-	-	7,503,337
Unassigned	-	-	-	-	-	-	-	(45,462)	(45,462)
Total Fund Balances	<u>143,988</u>	<u>3,326,073</u>	<u>-</u>	<u>3,646,213</u>	<u>3,835,159</u>	<u>198,117</u>	<u>-</u>	<u>(45,462)</u>	<u>11,104,088</u>
Total Liabilities and Fund Balances	<u>\$ 143,988</u>	<u>\$ 3,647,524</u>	<u>\$ 49,508</u>	<u>\$ 3,784,103</u>	<u>\$ 3,868,576</u>	<u>\$ 484,254</u>	<u>\$ -</u>	<u>\$ 10,857</u>	<u>\$ 11,988,810</u>

CITY OF BURBANK, ILLINOIS

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2023

	Debt Service Fund	Capital Projects Fund	Special Revenue Funds						Total Nonmajor Governmental Funds
	SSA Debt Fund	General Obligation Bond Fund	Federal Grants Fund	Motor Fuel Tax Fund	Downtown TIF Fund	East 79th Street TIF Fund	Old Barn TIF Fund	Burbank Station TIF Fund	
REVENUES									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,222,518	\$ 159,185	\$ -	\$ 388,116	\$ 1,769,819
Other Taxes	-	-	-	1,276,653	-	-	-	-	1,276,653
Investment Income	178	40,686	-	161,493	166,377	19,627	-	21,359	409,720
Grants	-	-	49,508	-	-	-	-	-	49,508
Total Revenues	178	40,686	49,508	1,438,146	1,388,895	178,812	-	409,475	3,505,700
EXPENDITURES									
Administration	-	15	-	-	11,229	8,729	-	7,540	27,513
Economic Development	-	-	-	-	9,727	3,197	-	188,833	201,757
Fire Department	-	-	43,636	-	-	-	-	-	43,636
Police Department	-	-	5,872	-	-	-	-	-	5,872
Capital Outlay	-	1,708,703	-	2,819,448	-	-	-	-	4,528,151
Debt Service - Interest and Fees	2,168	-	-	-	-	-	-	-	2,168
Total Expenditures	2,168	1,708,718	49,508	2,819,448	20,956	11,926	-	196,373	4,809,097
Excess (Deficiency) of Revenues Over Expenditures	(1,990)	(1,668,032)	-	(1,381,302)	1,367,939	166,886	-	213,102	(1,303,397)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	2,453,600	-	-	-	-	6,761	-	2,460,361
Transfers Out	-	-	-	-	(6,761)	-	-	-	(6,761)
Total Other Financing Sources (Uses)	-	2,453,600	-	-	(6,761)	-	6,761	-	2,453,600
Net Change in Fund Balances	(1,990)	785,568	-	(1,381,302)	1,361,178	166,886	6,761	213,102	1,150,203
Fund Balances at Beginning of Year	145,978	2,540,505	-	5,027,515	2,473,981	31,231	(6,761)	(258,564)	9,953,885
Fund Balances at End of Year	\$ 143,988	\$ 3,326,073	\$ -	\$ 3,646,213	\$ 3,835,159	\$ 198,117	\$ -	\$ (45,462)	\$ 11,104,088

CITY OF BURBANK, ILLINOIS

Pension Trust Funds
Combining Statement of Fiduciary Net Position
December 31, 2023

	Pension Trust Funds		Total
	Police Pension Fund	Firefighters' Pension Fund	
ASSETS			
Cash and Cash Equivalents	\$ 440,213	\$ 272,345	\$ 712,558
Investments			
Money Market Mutual Funds	327,416	-	327,416
Pooled Investments	68,342,928	41,327,114	109,670,042
Due from the City	86,905	53,672	140,577
Prepaid Items	3,105	5,763	8,868
Total Assets	<u>69,200,567</u>	<u>41,658,894</u>	<u>110,859,461</u>
LIABILITIES			
Accounts Payable	3,669	1,370	5,039
Total Liabilities	<u>3,669</u>	<u>1,370</u>	<u>5,039</u>
NET POSITION			
Restricted for Pensions	<u>69,196,898</u>	<u>41,657,524</u>	<u>110,854,422</u>
Total Net Position	<u>\$ 69,196,898</u>	<u>\$ 41,657,524</u>	<u>\$ 110,854,422</u>

CITY OF BURBANK, ILLINOIS

Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2023

	Police Pension Fund	Firefighters' Pension Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 2,131,811	\$ 1,095,729	\$ 3,227,540
Plan Members	434,119	271,635	705,754
Total Contributions	<u>2,565,930</u>	<u>1,367,364</u>	<u>3,933,294</u>
Investment Income (Loss)			
Interest and Dividends	456,505	689,285	1,145,790
Net Change in Fair Value	7,920,411	4,924,279	12,844,690
Less Investment Expense	<u>(99,352)</u>	<u>(48,225)</u>	<u>(147,577)</u>
Net Investment Income (Loss)	<u>8,277,564</u>	<u>5,565,339</u>	<u>13,842,903</u>
Total Additions	<u>10,843,494</u>	<u>6,932,703</u>	<u>17,776,197</u>
DEDUCTIONS			
Benefits and Refunds	3,874,265	2,223,919	6,098,184
Administrative Expenses	<u>89,106</u>	<u>63,651</u>	<u>152,757</u>
Total Deductions	<u>3,963,371</u>	<u>2,287,570</u>	<u>6,250,941</u>
Change in Net Position	6,880,123	4,645,133	11,525,256
Net Position at Beginning of Year	<u>62,316,775</u>	<u>37,012,391</u>	<u>99,329,166</u>
Net Position at End of Year	<u>\$ 69,196,898</u>	<u>\$ 41,657,524</u>	<u>\$ 110,854,422</u>