

FIREMEN'S PENSION FUND

CITY OF URBANA

URBANA, ILLINOIS

A U D I T R E P O R T

FOR THE YEAR ENDED

APRIL 30, 1962

Gerald D. Brighton
Certified Public Accountant

May 24, 1962

Mr. William Uden
and Members of the Board of Trustees
Firemen's Pension Fund
Urbana, Illinois

Gentlemen:

In accordance with our engagement, we have audited the accounts and financial records of the Firemen's Pension Fund of the City of Urbana for the fiscal year ended April 30, 1962.

In addition, we did certain bookkeeping work as follows:

- (a) Totalling cash receipts for the year.
- (b) Totalling cash disbursements for the year.
- (c) Making all ledger postings for the year.

We are submitting herewith our report including the following:

Comments and Recommendations

Schedule I: Comparative Balance Sheets, April 30, 1962 and 1961.

Schedule II: Comparative Statements of Revenue Receipts, Expenditures, and Fund Balance, for years ended April 30, 1962 and 1961.

Schedule III: Statement of Receipts and Disbursements, for year ended April 30, 1962.

Our examination was made in accordance with generally accepted auditing standards and accordingly included tests of the records and other auditing procedures appropriate in the circumstances.

In our opinion, the financial statements in the schedules above enumerated, attached to and forming a part of this report, fairly present the financial position of the Firemen's Pension Fund of the City of Urbana at April 30, 1962, and the results of operations for the fiscal year then ended, on a cash basis, in conformity with generally accepted municipal accounting principles on a basis consistent with the preceding year.

Respectfully submitted,

Gerald V. Roughton
Certified Public Accountant

COMMENTS AND RECOMMENDATIONS

The fund again showed a commendable increase this past year, \$5,408.76, as shown in Schedule II, compared with \$4,806.66, the year before. The tax levy was unchanged, being \$6,000 in each of the past two years, but investment income increased.

Considering the size of the Fire Department, twenty-three men, and the fact that several men are approaching retirement status, the fund balance increase was desirable and prudent. The fund is being well managed. A similar increase would be desirable each year for the foreseeable future.

RECOMMENDED INVESTMENTS

No investments were made during the year. The reason apparently was uncertainty as to the financial effect of retirement of a member. As a result, the checking account balance on April 30, 1962, amounting to \$8,636.43, was far above current needs.

Considering the fact that tax money will have been received during the month of May, and will be received during the month of June, as of this date about \$10,000 would be available for investment in U.S. bonds or notes, building and loan, or in a bank savings account.

We recommend that this sum be invested at your earliest convenience.

RECOMMENDED TAX LEVY

The 1960 tax levy which was the one collected during the fiscal year ended April 30, 1962, was for \$6,000. The 1961 levy approved in July, 1961 for \$10,000 will be collected during the next fiscal year ending April 30, 1963. This levy will result in about the proper amount of growth in the fund.

The 1962 levy, which is the one to be approved in the near future, should again be at least \$10,000 in order to continue to increase reserves against future retirements. The practice in recent years has been to maintain a relatively stable amount of levy so as to have only mild increases, or no increases, at times of increased pension load. This seems to us to be very sound practice.

DUE FROM GENERAL FUND

The City paid \$759.92 on its amount due. This represented the final balance on this liability.

APPRECIATION

We wish to thank the Board members and City officials for their friendly cooperation

The report schedules follow.

SCHEDULE I

FIREMEN'S PENSION FUND
 URBANA, ILLINOIS
 COMPARATIVE BALANCE SHEETS, APRIL 30, 1960 AND 1961

ASSETS

| | <u>AS OF</u> <u>4/30/62</u> | <u>AS OF</u> <u>4/30/61</u> |
|--|--------------------------------|--------------------------------|
| Cash in Bank | \$ 8,636.43 | \$ 5,293.16 |
| Savings Account in Bank | 1,035.82 | 1,010.41 |
| Shares in Savings and Loan (Cost) | 21,000.00 | 21,000.00 |
| Investment in U.S. Bonds (Cost) | 41,979.22 | 41,979.22 |
| Investment in Stocks (Cost) | 2,443.75 | 2,443.75 |
| Due from General Fund - City of Urbana | <u>---</u> | <u>759.92</u> |
| TOTAL | <u>\$75,095.22</u> | <u>\$72,486.46</u> |

LIABILITIES AND FUND BALANCE

| | | |
|-------------------------------------|--------------------|--------------------|
| Due to Police Pension Fund - Urbana | --- | \$ 2,800.00 |
| Fund Balance: | | |
| Statutory reserve | \$29,443.39 | 29,443.39(A) |
| Amount in excess of reserve | <u>45,651.83</u> | <u>40,243.07</u> |
| | <u>\$75,095.22</u> | <u>\$69,686.46</u> |
| TOTAL | <u>\$75,095.22</u> | <u>\$72,486.46</u> |

(A) The statutory reserve in no sense is intended to represent an actuarial figure. It does not represent a scientifically calculated amount required for future pensions.

SCHEDULE II

FIREMEN'S PENSION FUND
 COMPARATIVE STATEMENT OF REVENUE RECEIPTS, EXPENDITURES
 AND FUND BALANCE FOR YEARS ENDED APRIL 30, 1962 and 1961

| | <u>Year Ended</u> <u>4/30/62</u> | <u>Year Ended</u> <u>4/30/61</u> |
|---|-------------------------------------|-------------------------------------|
| Revenue Receipts: | | |
| Taxes | \$ 6,120.87 | \$ 6,006.81 |
| Licenses | 248.78 | 243.98 |
| Salary deductions | 5,745.00 | 5,726.25 |
| Interest on U.S. Bonds | 1,080.00 | 968.52 |
| Interest on Building and Loan Shares | 840.00 | 840.00 |
| Dividends | 170.00 | 170.00 |
| Interest on savings account | <u>25.41</u> | <u>10.41</u> |
| Total | <u>\$14,230.06</u> | <u>\$13,965.97</u> |
| Expenditures: | | |
| Pensions paid | \$ 8,669.20 | \$ 6,589.20 |
| Auditing expense | 145.50 | 148.50 |
| Bank fees, and misc. | <u>6.60</u> | <u>6.60</u> |
| Total | <u>\$ 8,821.30</u> | <u>\$ 6,744.30</u> |
| Excess of revenue over expenditures | \$ 5,408.76 | \$ 7,221.67 |
| Less refund to participant | <u>none</u> | <u>2,415.01</u> |
| Increase in Fund Balance | \$ 5,408.76 | \$ 4,806.66 |
| Fund balance at beginning of year | <u>\$69,686.46</u> | <u>\$64,879.80</u> |
| Fund balance at end of year | <u><u>\$75,095.22</u></u> | <u><u>\$69,686.46</u></u> |

SCHEDULE III

FIREMEN'S PENSION FUND
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR YEAR ENDED APRIL 30, 1962

| | | |
|--|---------------|--------------------|
| Cash in Bank, April 30, 1961 | | \$ 5,293.16 |
| Plus receipts: | | |
| Total revenue receipts (See Schedule II) | \$14,230.06 | |
| Payment from General Fund on Account | <u>759.92</u> | |
| Total Receipts | | <u>\$14,989.98</u> |
| Total cash to be accounted for | | \$20,283.14 |
| Less Disbursements: | | |
| Refund to Police Pension Fund | \$ 2,800.00 | |
| Expenditures for operations (See Schedule II) | 8,821.30 | |
| Deposit in savings account | <u>25.41</u> | |
| Total Disbursements | | <u>\$11,646.71</u> |
| Cash in Champaign County Bank & Trust Co., April 30, 1962 | | <u>\$ 8,636.43</u> |