

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, 1964

Gerald D. Brighton
Certified Public Accountant

May 26, 1964

Mr. William Uden, President
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, 1964.

In addition, we did certain bookkeeping work as follows:

- (a) Entering and 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, 1964 and 1963

Schedule II: Comparative Statements of Revenue Receipts, Expenditures, and Fund Balance, for years ended April 30, 1964 and 1963.

Schedule III: Statement of Receipts and Disbursements, for year ended April 30, 1964.

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, 1964, 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 D. Brighton
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Certified Public Accountant

COMMENTS AND RECOMMENDATIONS

The fund again shows a commendable increase this past year, \$8,244.14, as shown in Schedule II, compared with \$8,630.24, the year before.

Considering the size of the Fire Department, twenty-three men, and the fact that the pension roll was increased by one man and that two more 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. In fact, however, the increase next year will be substantially less because of the increase in the pension roll.

RECOMMENDED INVESTMENTS

One new investment was made during the year, \$10,000 in Busy First National Bank. A further investment of about \$8,000 should be made in the near future. The checking account balance of \$6,447.27 on April 30, 1964 is above current needs. In addition, substantial tax receipts will have been received during the month of May, and will be received during the month of June. Current receipts from salary withholding and from investment earnings are almost equal to the current pension payments.

Unless it develops that one or more of the eligible members are retiring in the very near future at least \$8,000 is available as of this date for investment in U.S. bonds or notes, building and loan, or in a bank savings account or certificate of deposit.

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

RECOMMENDED TAX LEVY

The 1962 tax levy which was the one collected during the fiscal year ended April 30, 1964, was for \$10,000. The 1963 levy also approved for \$10,000 will be collected during the next fiscal year ending April 30, 1965.

The 1964 levy, which is the one to be approved in the near future, should be greater than \$10,000 in order to continue to increase reserves against future retirements. The practice in recent years, which we think is very sound, has been to maintain a relatively stable amount of levy so as to have only mild tax increases, or no increases, at times of increased pension load. At present, an increase of about \$3,000 to a total of \$13,000 is our recommendation.

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, 1964 AND 1963

ASSETS

	As of <u>4/30/64</u>	As of <u>4/30/63</u>
Cash in bank	\$ 6,447.27	\$ 8,235.39
Savings account in bank	11,099.36	1,067.10
Shares in Savings and Loan (Cost)	30,000.00	30,000.00
Investment in U.S. Bonds (Cost)	41,979.22	41,979.22
Investment in Stocks (Cost)	<u>2,443.75</u>	<u>2,443.75</u>
TOTAL	<u>\$ 91,969.60</u>	<u>\$ 83,725.96</u>

LIABILITIES AND FUND BALANCE

Fund balance:

Statutory reserve	\$ 29,443.39	\$ 29,443.39(A)
Amount in excess of reserve	<u>62,526.21</u>	<u>54,282.07</u>
TOTAL	<u>\$ 91,969.60</u>	<u>\$ 83,725.46</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, 1964 AND 1963

	Year Ended <u>4/30/64</u>	Year Ended <u>4/30/63</u>
Revenue Receipts:		
Taxes	\$ 9,940.86	\$ 9,987.72
Licenses	265.77	260.78
Salary deductions	5,982.55	6,003.64
Interest on U.S. Bonds	1,080.00	1,080.00
Interest on Building and Loan Shares	1,200.00	946.00
Dividends	192.50	170.00
Interest on savings account	<u>32.26</u>	<u>31.28</u>
TOTAL	\$ <u>18,693.94</u>	\$ <u>18,479.42</u>
Expenditures:		
Pensions paid	\$ 10,273.20	\$ 9,665.04
Auditing expense	145.00	149.00
Bank fees, and misc.	<u>31.60</u>	<u>35.14</u>
TOTAL	\$ <u>10,449.80</u>	\$ <u>9,849.18</u>
Excess of revenue over expenditures	\$ <u>8,244.14</u>	\$ <u>8,630.24</u>
Increase in fund balance	\$ 8,244.14	\$ 8,630.24
Fund balance at beginning of year	\$ <u>83,725.46</u>	\$ <u>75,095.22</u>
Fund balance at end of year	\$ <u>91,969.60</u>	\$ <u>83,725.46</u>

SCHEDULE III

FIREMEN'S PENSION FUND
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR YEAR ENDED APRIL 30, 1964

Cash in bank, April 30, 1963		\$ 8,235.39
Plus receipts:		
Total revenue receipts (See Schedule II)	\$ 18,693.94	
Other receipts	<u>None</u>	
Total Receipts		\$ <u>18,693.94</u>
Total cash to be accounted for		\$ 26,929.33
Less disbursements:		
Expenditures for operations (See Schedule II)	\$ 10,449.80	
Deposit in savings account	32.26	
Investments	<u>10,000.00</u>	
Total Disbursements		\$ <u>20,482.06</u>
Cash in Champaign County Bank & Trust Co., April 30, 1964		\$ <u><u>6,447.27</u></u>