

BOARD OF TRUSTEES OF THE
FIRE DEPARTMENT PENSION FUND

City of Urbana, Illinois

Audit Report

For the Year Ended

April 30, 1967

Andrews, Filbey & Smith
Certified Public Accountants
Champaign, Illinois

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June 19, 1967

Board of Trustees
Fire Department Pension Fund
Urbana, Illinois

Gentlemen:

We have examined the Statement of Financial Position (Cash Basis) of the Fire Department Pension Fund of Urbana, Illinois as of April 30, 1967, and the related Statement of Revenue Receipts, Expenditures and Fund Balances resulting from cash transactions for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements present fairly the assets and fund balance of the Fire Department Pension Fund of Urbana, Illinois as of April 30, 1967 resulting from cash transactions, and the income collected and expenses disbursed during the year then ended, on a basis consistent with that of the preceding year.

Very truly yours,

Andrews, Filbey & Smith

Certified Public Accountants

COMPARATIVE STATEMENT OF FINANCIAL POSITION (CASH BASIS)

Board of Trustees of the Fire Department Pension Fund
Of the City of Urbana, Illinois

April 30, 1967 and April 30, 1966

ASSETS			
	<u>April 30,</u> <u>1967</u>	<u>April 30,</u> <u>1966</u>	<u>Increase</u> <u>(Decrease)</u>
Cash in bank	\$ 1,409.23	\$ 2,627.62	(\$ 1,218.39)
Savings account	1,219.86	1,172.52	47.34
Certificate of deposit	10,000.00	10,000.00	-
Shares in Savings & Loan, at cost	49,500.00	40,000.00	9,500.00
U. S. Government Securities, at cost	41,898.72	41,979.22	(80.50)
Stocks (market value on April 30, 1967, \$5,000.00), at cost	<u>2,443.75</u>	<u>2,443.75</u>	<u>-</u>
 Total Assets	 <u>\$106,471.56</u>	 <u>\$ 98,223.11</u>	 <u>\$ 8,248.45</u>

LIABILITIES AND FUND BALANCES

Statutory Reserve (See Note 1)	\$ 29,443.39	\$ 29,443.39	\$ -
Amount in excess of reserve	<u>77,028.17</u>	<u>68,779.72</u>	<u>8,248.45</u>
 Total Fund Balance	 <u>\$106,471.56</u>	 <u>\$ 98,223.11</u>	 <u>\$ 8,248.45</u>

Notes:

1. The statutory reserve is not an actuarially determined figure nor is it intended to represent one.
2. Assets not listed include \$113.70 for pension withholding on a member who was on leave to May 8, 1964 and taxes receivable, collectible during the next fiscal year.

COMPARATIVE STATEMENT OF REVENUE RECEIPTS,
EXPENDITURES AND FUND BALANCES (CASH BASIS)

Board of Trustees of the Fire Department Pension Fund
Of the City of Urbana, Illinois

For the Years Ended April 30, 1967 and April 30, 1966

	Year Ended		Increase (Decrease)
	April 30, 1967	April 30, 1966	
<u>Revenue Receipts</u>			
Taxes	\$ 18,287.88	\$ 13,812.25	\$ 4,475.63
Licenses	358.51	266.39	92.12
Salary Deductions	7,605.56	7,457.98	147.58
Interest on U. S. Bonds	6,033.84	1,080.00	4,953.84
Interest on Building on Loan Shares	1,922.50	1,476.87	445.63
Dividends	212.00	200.00	12.00
Interest on Savings Account	47.34	39.96	7.38
Interest on Certificate of Deposit	400.00	416.00	(16.00)
Total Revenue	34,867.63	24,749.45	10,118.18
<u>Expenditures</u>			
Pensions Paid	23,751.60	21,147.76	2,603.84
Auditing Expense	170.00	160.00	10.00
Bank Fees and Miscellaneous	45.20	71.39	(26.19)
Purchase of Equipment	-	69.40	(69.40)
Refunds to Participants	2,652.38	596.00	2,056.38
Total Expenditures	26,619.18	22,044.55	4,574.63
<u>Excess of Revenue Over</u>			
<u>Expenditures</u>	8,248.45	2,704.90	5,543.55
<u>Fund Balance at Beginning of</u>			
<u>Year</u>	98,223.11	95,518.21	2,704.90
<u>Fund Balance at End of Year</u>			
	\$106,471.56	\$ 98,223.11	\$ 8,248.45

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Board of Trustees of the Fire Department Pension Fund
Of the City of Urbana, Illinois

For the Year Ended April 30, 1967

<u>Cash in Bank, May 1, 1966</u>		\$ 2,627.62
<u>Receipts</u>		
Total Revenue Receipts (See Exhibit B)	\$ 34,867.63	
Less Savings Account Income Included	<u>47.34</u>	
Net Received in Checking Account	34,820.29	
Treasury Notes Liquidated	<u>15,120.00</u>	
Total Receipts		<u>49,940.29</u>
Total Cash to be Accounted For		52,567.91
<u>Disbursements</u>		
Expenditures for pensions, etc. (See Exhibit B)	26,619.18	
Investments Acquired	<u>24,539.50</u>	
Total Disbursements		<u>51,158.68</u>
<u>Cash in Bank, April 30, 1967</u>		<u>\$ 1,409.23</u>

RECOMMENDED TAX LEVY

Board of Trustees of the Fire Department Pension Fund Of the City of Urbana, Illinois

The law which regulates the Firemen's Pension Fund does not specify a required fund balance. There is a small statutory reserve which is actually the reserve which was on hand on a certain date and is not an actuarially determined reserve. If the Firemen's Pension Fund had the same reserve requirements as the Police Pension Fund the recommended balance at April 30, 1967 would be \$320,000 for 23 firemen and 9 pensioners. The fund balance at April 30, 1967 was \$106,471.56. Applying the Police Pension target date for attaining the required reserve balance of 1999, the fund balance would have to increase \$6,700 per year over the next 32 years.

In each of the last two years the tax levy has been increased by \$2,000. The 1965 levy, received in 1966, was \$18,000. The 1966 levy, which will be collected during the year ending April 30, 1968, was increased to \$20,000. If pensions and expenses were to remain constant, that levy would be sufficient. However, taking into account the expected growth in the Department and the probable increase in pensioners, an increase in the 1967 levy to \$22,000 appears to be warranted.

It should be recognized that suggestions of the auditors regarding the tax levies are based primarily upon the recent history of revenue and expenditures. The Board of Trustees can be in the best position to recommend tax levies only after a comprehensive review of the Fund is made by actuaries. We suggest that the Board attempt to secure such a review, possibly by the State Department of Insurance, before the 1968 levy is established.