

CITY OF URBANA, ILLINOIS
Fire Department Pension Fund

FINANCIAL STATEMENTS
For The Year Ended
April 30, 1972

Together With Auditors' Opinion

WINAKOR, BATES & BRUNSON
Certified Public Accountants
Champaign, Illinois

CITY OF URBANA, ILLINOIS
Fire Department Pension Fund

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Board of Trustees
Fire Department Pension Fund
Urbana, Illinois

Gentlemen:

We have examined the statement of assets and liabilities arising from cash transactions of the Fire Department Pension Fund of Urbana, Illinois as of April 30, 1972, and the related statements of revenue collected and expenses paid and changes in fund balance 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 aforementioned statements present fairly the assets and liabilities arising from cash transactions of the Fire Department Pension Fund of Urbana, Illinois as of April 30, 1972, and the revenue collected and expenses paid and the changes in fund balance during the year then ended.

Winakor, Bates & Brunson

Champaign, Illinois
June 10, 1972

EXHIBIT I

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Statement of Assets and Liabilities
Arising From Cash Transactions (Note 1)
At April 30, 1972

ASSETS

Cash in bank - checking account		\$ 7,031
Investments - at cost:		
U. S. Securities - market value		
\$165,996	\$156,605	
Savings and loan associations	50,000	
Cash in bank - savings accounts and certificates of deposit	<u>22,118</u>	<u>228,723</u>
 Total Assets		 <u>\$235,754</u>

LIABILITIES AND FUND BALANCE

Liabilities		None
Fund Balance:		
Automatic increase reserve - Note 2	\$ 3,295	
Statutory reserve - Note 3	33,000	
Unrestricted fund	<u>199,459</u>	<u>\$235,754</u>
 Total Liabilities and Fund Balance		 <u>\$235,754</u>

(See Notes To The Financial Statements)

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Statement of Revenue Collected and Expenses Paid (Note 1)
For The Year Ended April 30, 1972

Revenue collected:

Property - taxes		\$37,342
Contributions: from participants	\$23,234	
from City of Urbana	<u>1,474</u>	24,708
Interest income - investments (Schedule 1)		14,225
License fees		<u>355</u>
Total Revenue Receipts		\$76,630

Expenses paid:

Pensions paid	\$28,782	
Accounting	525	
State fees	50	
Miscellaneous	<u>6</u>	
Total Expenses		<u>29,363</u>

Excess of revenue collected over expenses paid \$47,267

(See Notes To The Financial Statements)

EXHIBIT III

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Statement of Changes in Fund Balance
For The Year Ended April 30, 1972

	<u>Unrestricted Fund</u>	<u>Statutory Reserve (Note 3)</u>	<u>Automatic Increase Reserve (Note 2)</u>
Balance, May 1, 1971	\$155,487	\$33,000	\$ -
Excess of revenue collected over expenses paid	47,267		
Allocation to automatic increase reserve for year	<u>(3,295)</u>	<u> </u>	<u>3,295</u>
Balance, April 30, 1972	<u>\$199,459</u>	<u>\$33,000</u>	<u>\$3,295</u>

(See Notes To The Financial Statements)

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Notes To The Financial Statements

Note 1:

The records of the Fire Department Pension Fund are maintained on a cash basis.

Note 2:

The Automatic Increase Reserve was established pursuant to the requirements of the Illinois Pension Code as amended in September 1971. Allocations to the reserve result from a ½ per cent increase in participants contributions, effective July 1, 1971; from a matching amount from the city; and from interest credited at the rate of 4 per cent per annum on the balance in the Reserve at the beginning of each calendar year.

The purpose of the reserve is to fund the cost of increases in pensions as set forth in the Code Amendment.

Note 3:

The statutory reserve is maintained at the level required by the state statutes for fire department pensions. This requirement states that the reserve should contain \$1,000 for each one thousand inhabitants. The population of Urbana was determined to be 32,800 by the 1970 census. This reserve has not been actuarially determined and should not be considered as such.

Note 4:

Section 4-118 of the Illinois Pension Code, effective July 1967 states the minimum tax levy requirements for the Firemen's Pension Fund. These requirements have not been met for the Firemen's Pension Fund since inception of Section 4-118 to April 30, 1972 as follows:

Total amount of tax levy necessary to arrive at the annual requirements of the Fund as contemplated by Section 4-118 of the Illinois Pension Code

April 30, 1968	60,511
April 30, 1969	72,404
April 30, 1970	83,346
April 30, 1971	111,279

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Notes To The Financial Statements

Note 4:

Actual levies are as follows:

Year of levy 1968	26,271
Year of levy 1969	31,470
Year of levy 1970	36,750
Year of levy 1971	45,600

The Board of Trustees of the Firemen's Pension Fund, City of Urbana, does not know what the ultimate disposition of this deficiency will be. After discussion with the Department of Insurance, the Board anticipates taking no further action with respect to this deficiency unless further demands are made.

CITY OF URBANA, ILLINOIS

Fire Department Pension Fund

Schedule of Investments At April 30, 1972
And Investment Income for the Year Then Ended

	<u>Investments At Cost</u>	<u>Investment Income</u>
U. S. Treasury Notes:		
5½% due 5/15/71 par \$15,000.00 interest dates 5/15 and 11/15	Matured	\$ 394
6½% due 5/15/76 par \$10,000.00 interest dates 5/15 and 11/15	\$ 9,968	650
6½% due 5/15/76 par \$14,000.00 interest dates 5/15 and 11/15	13,854	910
7½% due 8/15/76 par \$32,000.00 interest dates 8/15 and 2/15	32,000	2,400
8 % due 2/15/77 par \$50,000.00 interest dates 2/15 and 8/15	50,645	4,000
8 % due 2/15/77 par \$15,000.00 interest dates 2/15 and 8/15	15,343	1,200
8 % due 2/15/77 par \$ 5,000.00 interest dates 2/15 and 8/15	5,096	400
U. S. Treasury Bond:		
7 % due 8/15/81 par \$20,000.00 interest dates 8/15 and 2/15	9,815	378
Federal National Mortgage Association:		
6 3/4% due 6/10/83 par \$10,000.00 interest dates 6/10 and 12/10	19,884	696
Stocks:		
Citizens Building Association	20,000	1,212
Urbana Savings and Loan	20,000	1,200
First Federal Savings and Loan	10,000	120
Savings Accounts:		
Champaign County Bank and Trust	303	13
Champaign County Bank and Trust CD	5,000	216
Busey Bank	3,815	101
National Bank of Urbana CD	<u>13,000</u>	<u>374</u>
Total	<u>\$228,723</u>	<u>\$14,264</u>