

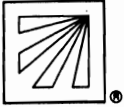
CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

FINANCIAL STATEMENTS
and
ACCOUNTANTS' REPORT

June 30, 1980

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Clifton, Gunderson & Co.

CERTIFIED PUBLIC ACCOUNTANTS • COLORADO • ILLINOIS • INDIANA • KANSAS • MISSOURI • OHIO • WISCONSIN

Board of Trustees
Firemen's Pension Fund
Urbana, Illinois

We have examined the balance sheet of the Firemen's Pension Fund of Urbana, Illinois, as of June 30, 1980, and the related statements of revenue and expenditures, and changes in municipal equity, together with the supporting schedules, for the period 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 financial statements referred to above present fairly the financial position of the Firemen's Pension Fund as of June 30, 1980, and the results of its operations and the changes in its municipal equity for the period then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clifton, Gunderson & Co.

Champaign, Illinois
August 19, 1980

CITY OF URBANA, ILLINOIS
 FIREMEN'S PENSION FUND
 BALANCE SHEET
June 30, 1980

ASSETS

Cash in bank - checking account	\$ 35,708.26
Taxes receivable (net of allowance for uncollectible of \$21,544.79)	297,097.02
Accrued interest receivable - investments	35,117.95
Investments - at market value (Note 1)	
U.S. securities (Schedule A)	905,937.00
Certificates of deposit (Schedule B)	783,419.74
Savings (Schedule B)	<u>15,181.42</u>
 Total assets	 <u>\$2,072,461.39</u>

LIABILITIES AND MUNICIPAL EQUITY

Liabilities (Note 1)

Commitments and contingencies (Note 2)

Municipal equity (Statement 2)

Automatic increase reserve (Note 3)	\$ 86,244.16
Statutory reserve (Note 4)	35,000.00
Unrestricted	<u>1,951,217.23</u>
 Total liabilities and municipal equity	 <u>\$2,072,461.39</u>

These financial statements should be read only in connection with the accompanying accountants' report and notes to financial statements.

CITY OF URBANA, ILLINOIS
 FIREMEN'S PENSION FUND
 STATEMENT OF CHANGES IN MUNICIPAL EQUITY
Year Ended June 30, 1980

	Automatic Increase Reserve <u>(Note 3)</u>	Statutory Reserve <u>(Note 4)</u>	<u>Unrestricted Fund</u>
<u>Balance, July 1, 1979</u>	\$67,358.31	\$35,000.00	\$1,607,965.47
Excess of revenue over expenditures (Statement 3)	-	-	369,743.16
Loss in fund equity due to decrease in market value of government securities	-	-	(7,605.55)
Allocation to specific reserve for year	<u>18,885.85</u>	<u>-</u>	<u>(18,885.85)</u>
<u>Balance, June 30, 1980 (Statement 1)</u>	<u>\$86,244.16</u>	<u>\$35,000.00</u>	<u>\$1,951,217.23</u>

These financial statements should be read only in connection with the accompanying accountants' report and notes to financial statements.

CITY OF URBANA, ILLINOIS
 FIREMEN'S PENSION FUND
 STATEMENT OF REVENUE AND EXPENDITURES
Year Ended June 30, 1980

Revenue

Tax revenue	\$301,204.02
Interest income	135,716.90
Salary deductions	<u>59,021.02</u>
 Total revenue	 \$495,941.94

Expenditures

Disability pension	\$ 52,931.94	
Fireman's pension	51,123.06	
Dependent pension	16,217.25	
Pension contribution refund	3,188.00	
Professional fees	1,150.00	
Hospital and doctor fees	855.00	
Clerk salary	600.00	
Filing fees	100.00	
Bank charges	<u>33.53</u>	<u>126,198.78</u>
 Excess of revenue over expenditures (Statement 2)		 <u>\$369,743.16</u>

These financial statements should be read only in connection with the accompanying accountants' report and notes to financial statements.

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF GOVERNMENT SECURITIES
June 30, 1980

	<u>Safekeeping Number</u>	<u>Investments at Par June 30, 1980</u>	<u>Investments at Market Value June 30, 1980</u>	<u>Interest In- come Fiscal year ended June 30, 1980</u>
<u>U.S. securities</u>				
Treasury note	A217363	\$ 30,000.00	\$ 29,466.00	\$ 2,325.00
Treasury note	A217368	50,000.00	49,400.00	4,062.50
Treasury note	6-3205	60,000.00	55,260.00	4,725.00
Treasury bond	A142617	20,000.00	19,760.00	1,400.00
Federal Nat'l Mortgage Asso- ciation	A138996	10,000.00	9,228.00	675.00
Treasury note	309564	50,000.00	47,500.00	4,125.00
Treasury note	310154	105,000.00	99,750.00	8,662.50
Treasury note	311204	100,000.00	99,290.00	8,625.00
Treasury note	316077	60,000.00	60,144.00	5,850.00
Treasury note	319406	60,000.00	59,460.00	5,325.00
Treasury note	321208	130,000.00	130,377.00	10,427.08
Treasury note	322486	70,000.00	70,896.00	5,315.63
Treasury note	327242	100,000.00	103,180.00	4,791.67
Treasury note	327597	70,000.00	72,226.00	3,354.17
Treasury note	314713	<u>retired</u>	<u>retired</u>	<u>4,417.81</u>
Total		<u>\$915,000.00</u>		<u>\$74,081.36</u>
Total (Statement 1)			<u>\$905,937.00</u>	

These financial statements should be read only in connection with the accompanying accountants' report and notes to financial statements.

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF OTHER INVESTMENTS
June 30, 1980

	<u>Certificate Number</u>	<u>Investments at cost June 30, 1980</u>	<u>Interest In- come Fiscal year ended June 30, 1980</u>
<u>Certificates of deposit</u>			
National Bank of Urbana	625	\$ 20,000.00	\$ 1,450.00
National Bank of Urbana	616	13,000.00	942.50
Champaign National Bank	7073	25,000.00	1,812.50
Champaign National Bank	7175	15,000.00	1,106.11
City Bank of Champaign	1178	30,000.00	2,175.00
City Bank of Champaign	1208	10,000.00	750.00
Commercial Bank of Champaign	2122	20,000.00	1,400.00
Commercial Bank of Champaign	5835	20,000.00	1,450.00
First National Bank of Champaign	4356	20,000.00	1,450.00
Market Place National Bank	1001	25,000.00	1,875.00
Market Place National Bank	1004	15,000.00	1,125.00
Bank of Illinois	50331	20,000.00	1,450.00
Bank of Illinois	50332	20,000.00	1,450.00
American National Bank	1248	40,000.00	3,000.00
Commercial Savings and Loan	25	20,000.00	1,600.00
Gibson Federal Savings and Loan	C-000835	40,000.00	3,100.00
First Federal Savings and Loan	4C-1931-5	30,000.00	2,250.00
First Federal Savings and Loan	6C-148-5	60,000.00	4,650.00
Citizens Savings and Loan	4998	40,000.00	3,100.00
Bloomington Federal Savings and Loan	01-34326-27	40,000.00	3,100.00
University Federal Savings and Loan	05-500126-26	25,000.00	1,875.00
University Federal Savings and Loan	05-501569-27	24,617.38	1,855.45
Champaign Loan and Building	77-104-7	35,029.58	2,461.30
Champaign Loan and Building	77-126-9	15,000.00	1,162.50
Champaign Loan and Building	77-154-1	60,772.78	4,353.99
Rantoul First Federal Savings and Loan	C6-219	40,000.00	3,100.00
Rantoul First Federal Savings and Loan	C6-307	25,000.00	1,937.50
Rantoul First Federal Savings and Loan	C6-240	<u>35,000.00</u>	<u>2,712.50</u>
Total (Statement 1)		<u>\$783,419.74</u>	<u>\$58,694.35</u>
<u>Savings accounts</u>			
Busey First National Bank		\$ 13,226.97	\$ 678.28
Champaign County Bank & Trust		954.45	48.91
University Federal Savings and Loan		<u>1,000.00</u>	<u>55.28</u>
Total (Statement 1)		<u>\$ 15,181.42</u>	<u>\$ 782.47</u>

These financial statements should be read only in connection with the accompanying accountants' report and notes to financial statements.

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 1980

Note 1 - Summary of significant accounting policies

The pension fund was organized on April 4, 1927 and is exempt from federal income tax. Following is a summary of significant accounting policies followed by the pension fund:

- A - Tax revenue on Statement 3 includes the 1979 tax levy certified against real property as of the beginning of the calendar year.
- B - Interest income is recognized for amounts due to the fund as of June 30, 1980.
- C - Unfunded actuarial deficiencies are not reflected as liabilities of the fund.
- D - Investments in government securities are adjusted to their market values at June 30, 1980. Certificates of deposit and savings accounts are carried at cost.

Note 2 - Actuarial deficiency

As of June 30, 1979, an unfunded accrued liability of \$2,733,384.00 exists which is the required amount necessary to meet the actuarial reserve requirement of the State of Illinois Department of Insurance. This amount is being funded through tax levies for the next 27½ years at \$165,682.00 per year. The 1979 tax levy of \$300,098.00 includes \$169,575.00 for the current requirement and \$130,523.00 of the \$165,682.00 required to fund the accrued liability. The deficiency occurred as the result of prior years tax levies not meeting the minimum levy requirements as prescribed in Section 4-118 of the Illinois Pension Code.

(continued)

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 1980

Note 3 - Automatic increase reserve

The September 1971 amendment to the Illinois Pension Code specifies that an Automatic Increase Reserve is to be established and maintained into which $\frac{1}{2}\%$ of participants' salaries including longevity and an equal amount, to be contributed by the municipality, is to be allocated to this account. As of January 1976, the rate was increased to 1% per section 4-109.1. An additional allocation for interest of 4% on the beginning reserve balance is to be made each year.

Note 4 - Statutory reserve

As amended in September 1971, the Illinois Pension Code requires the establishment and maintenance of a reserve to ensure the payment of obligations incurred under the Pension Code. The minimum as specified in the code is to be no less than \$1,000.00 per 1,000 inhabitants in the municipality. The most recent population figure for the City of Urbana was approximately 35,339 people. Thus, the reserve balance as of June 30, 1979 is \$35,000.00. This reserve is not to be considered as an actuarial reserve.

This information should be read only in connection
with the accompanying accountants' report.