

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Audit Report

For the Years Ended June 30, 1982 and 1981

BRAY, DRAKE, GUTHRIE & RICHARDSON
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

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August 25, 1982

Board of Trustees
Firemen's Pension Fund
Urbana, Illinois

We have examined the balance sheets of the Firemen's Pension Fund of the City of Urbana, Illinois, as of June 30, 1982 and June 30, 1981, and the related statements of revenue and expenditures, and changes in municipal equity, together with the supporting schedules, for the years 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.

The Firemen's Pension Fund is only one fund of many of the City of Urbana. Only the financial statements of this one fund are presented herewith and covered by this report.

In our opinion, the financial statements referred to above present fairly the financial position of the Firemen's Pension Fund as of June 30, 1982 and June 30, 1981, and the results of its operations and the changes in its municipal equity for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Bray, Drake, Guthrie & Richardson
BRAY, DRAKE, GUTHRIE & RICHARDSON

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Comparative Balance Sheet
As of June 30, 1982 and 1981

	<u>1982</u>	<u>1981</u>
<u>ASSETS</u>		
Cash in Bank-Checking Account	\$ 28,499.86	\$ 25,154.62
Property and Replacement Tax Receivable (Net of Allowance for Uncollectible of \$25,736.67 in 1982 and \$22,907.86 in 1981)	305,191.87	309,781.32
Accrued Investment Interest Receivable	69,950.97	53,266.33
Investments (Note 1):		
U.S. Government Securities	1,068,391.00	914,794.00
Certificates of Deposit	1,530,130.34	1,146,265.12
Savings Accounts	<u>3,673.32</u>	<u>3,395.89</u>
 Total Assets	 \$3,005,837.36 =====	 \$2,452,657.28 =====
<u>LIABILITIES AND MUNICIPAL EQUITY</u>		
<u>Liabilities:</u>		
Payroll Taxes Withheld	\$ 40.20	\$ -0-
 <u>Municipal Equity:</u>		
Automatic Increase Reserve (Note 3)	128,353.96	105,628.61
Statutory Reserve (Note 4)	35,000.00	35,000.00
Unrestricted	<u>2,842,443.20</u>	<u>2,312,028.67</u>
 Total Liabilities and Municipal Equity	 \$3,005,837.36 =====	 \$2,452,657.28 =====

The Notes to Financial Statements are an integral part of this statement

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Comparative Statement of Revenues and Expenditures
For the Years Ended June 30, 1982 and 1981

	<u>1982</u>	<u>1981</u>
Revenues:		
Property Tax Revenue	\$300,409.19	\$305,396.93
Replacement Tax Revenue	24,027.98	6,487.71
Interest Income	292,970.57	193,986.73
Salary Deductions	<u>72,157.54</u>	<u>62,689.87</u>
Total Revenues	<u>689,565.28</u>	<u>568,561.24</u>
Expenditures:		
Disability Pension	65,738.73	58,186.86
Firemen's Pension	74,103.99	51,336.54
Dependent Pension	16,099.20	16,263.16
Pension Contribution Refund	1,532.88	3,574.72
Professional Fees	302.00	1,202.00
Hospital and Doctor Fees	391.50	1,158.50
Clerk Salary	1,980.00	720.00
Filing Fees	50.00	50.00
Miscellaneous	<u>180.10</u>	<u>29.01</u>
Total Expenditures	<u>160,378.40</u>	<u>132,520.79</u>
Excess of Revenues Over Expenditures	<u>\$529,186.88</u> =====	<u>\$436,040.45</u> =====

The Notes to Financial Statements are an integral part of this statement

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Comparative Statement of Changes in Municipal Equity
For the Years Ended June 30, 1982 and 1981

	1982			1981				
	Automatic Increase Reserve	Statutory Reserve	Unrestricted Fund	Total	Automatic Increase Reserve	Statutory Reserve	Unrestricted Fund	Total
Balance, Beginning of Year	\$105,628.61	\$35,000.00	\$2,312,028.67	\$2,452,657.28	\$86,244.16	\$35,000.00	\$1,951,217.23	\$2,072,461.39
Excess of Revenues Over Expenditures			529,186.88	529,186.88			436,040.45	436,040.45
Gain (Loss) in Fund Equity Due to Decrease in Market Value of Government Securities			23,953.00	23,953.00			(55,844.56)	(55,844.56)
Allocation to Automatic Increase Reserve for the Year	22,725.35		(22,725.35)	-0-	19,384.45		(19,384.45)	-0-
	\$128,353.96	\$35,000.00	\$2,842,443.20	\$3,005,797.16	\$105,628.61	\$35,000.00	\$2,312,028.67	\$2,452,657.28

The Notes to Financial Statements are an integral part of this statement

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Notes to Financial Statements
June 30, 1982 and 1981

Note 1 - Summary of Significant Accounting Policies:

The pension fund was organized on April 4, 1927 and is exempt from federal income tax. The fund maintains their books and records on the cash basis of accounting. The statements presented in this report use the modified accrual basis of accounting. Receipts are recognized when they become both "measurable and available to finance current period expenditures", and expenditures are recognized when the liability is incurred. Property tax revenue includes the 1981 tax levy for fiscal year 1982 and the 1980 tax levy for fiscal year 1981 certified against real property as of the beginning of the calendar year. Interest on investments is accrued as of June 30, 1982 and 1981. Investments in certificates of deposit and savings accounts are carried at cost, while government securities are adjusted to market values at June 30, 1982 and 1981.

Note 2 - Actuarial Deficiency:

Unfunded accrued liabilities existed at the end of each fiscal year. These amounts of \$2,849,510.00 at 1981 and \$2,741,710.00 at 1980 are the required amounts necessary to meet the actuarial reserve requirement of the State of Illinois Department of Insurance. This deficiency is being funded over the next 38.5068 years at \$157,075.00 per year. The 1981 tax levy and estimated corporate personal property replacement tax amount includes \$210,788.00 for the current requirement and \$157,075.00 required to fund the accrued liability. The 1980 tax levy and estimated corporate personal property replacement tax amount included \$187,810.00 for the current portion and \$149,682.00 for the accrued liability. The deficiency occurred as the result of prior year's tax levies not meeting the minimum levy requirements as prescribed in Section 4-118 of the Illinois Pension Code.

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Notes to Financial Statements
June 30, 1982 and 1981
(continued)

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 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. The Automatic Increase Reserve transfer totaled \$22,725.35 for 1982 and \$19,384.45 for 1981.

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 35,978 people. Thus, the reserve balance as of June 30, 1982 is \$35,000.00. This reserve is not to be considered as an actuarial reserve.

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Government Securities
June 30, 1982

	<u>Interest Rate</u>	<u>Investments at Par June 30, 1982</u>	<u>Investments at Market Value June 30, 1982</u>	<u>Maturity Date</u>
<u>U.S. Securities:</u>				
Treasury Note	8.125	\$ 50,000.00	\$ 49,672.00	08/15/82
Treasury Note	7.875	60,000.00	48,788.00	05/15/86
Federal National Mortgage Association	6.75	10,000.00	9,247.00	06/10/83
Treasury Note	8.25	50,000.00	42,219.00	08/15/85
Treasury Note	8.25	105,000.00	88,659.00	08/15/85
Treasury Note	8.875	60,000.00	56,681.00	06/30/83
Treasury Note	11.125	125,000.00	124,375.00	08/31/82
Treasury Note	11.875	100,000.00	99,531.00	09/30/82
Treasury Note	16.0	100,000.00	101,500.00	09/30/83
Treasury Note	15.5	100,000.00	100,563.00	10/31/83
Treasury Note	13.0	150,000.00	146,156.00	12/31/83
Treasury Note	15.0	200,000.00	201,000.00	01/31/84
		<u>\$1,110,000.00</u>	<u>\$1,068,391.00</u>	
		=====	=====	
Total				

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Schedule of Other Investments
June 30, 1982

	<u>Interest Rate</u>	<u>Investments at Cost June 30, 1982</u>	<u>Maturity Date</u>
<u>Certificates of Deposit:</u>			
Commercial Savings and Loan	12.0	\$ 45,000.00	04/02/83
Commercial Savings and Loan	12.0	35,000.00	05/19/83
Commercial Savings and Loan	15.75	100,000.00	10/08/82
Gibson Federal Savings and Loan	11.5	55,000.00	03/16/83
Gibson Federal Savings and Loan	7.75	40,000.00	06/01/83
Gibson Federal Savings and Loan	14.5	200,000.00	10/20/82
First Federal Savings and Loan	7.75	60,000.00	08/25/83
Citizens Savings and Loan	10.25	100,000.00	02/21/83
Bloomington Federal Savings and Loan	7.75	40,000.00	06/29/83
Bloomington Federal Savings and Loan	7.75	20,000.00	11/09/83
American Savings Association	12.0	35,130.34	05/19/83
American Savings Association	14.75	100,000.00	10/15/82
First Financial Savings and Loan	14.625	100,000.00	09/01/82
First Financial Savings and Loan	14.625	100,000.00	09/01/82
First Financial Savings and Loan	14.625	100,000.00	09/01/83
First Financial Savings and Loan	14.625	100,000.00	09/01/83
First Financial Savings and Loan	15.5	100,000.00	04/03/83
Urbana Federal Savings and Loan	9.5	60,000.00	01/30/83
Urbana Federal Savings and Loan	10.25	40,000.00	02/19/83
Urbana Federal Savings and Loan	12.75	100,000.00	12/13/83
		<u>\$1,530,130.34</u>	
		=====	
<u>Savings Account:</u>			
Busey First National Bank	5.25	\$ 3,673.32	--
		<u>=====</u>	