

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Audit Report

For the Year Ended June 30, 1981

**BRAY, DRAKE, GUTHRIE & RICHARDSON**  
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Audit Report  
For the Year Ended June 30, 1981

INDEX

	<u>Page No.</u>
Opinion . . . . .	1
Exhibit A: <u>Balance Sheet, June 30, 1981</u> . . . . .	2
Exhibit B: <u>Statement of Revenues and Expenditures,</u> <u>For the Year Ended June 30, 1981</u> . . . . .	3
Exhibit C: <u>Statement of Changes in Municipal Equity,</u> <u>For the Year Ended June 30, 1981</u> . . . . .	4
<u>Notes to Financial Statements, June 30, 1981</u> . . . . .	5 - 6
Schedule 1: <u>Schedule of Government Securities,</u> <u>June 30, 1981</u> . . . . .	7
Schedule 2: <u>Schedule of Other Investments,</u> <u>June 30, 1981</u> . . . . .	8 - 9

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August 25, 1981

Board of Trustees  
Firemen's Pension Fund  
Urbana, Illinois

We have examined the balance sheet of the Firemen's Pension Fund of the City of Urbana, Illinois, as of June 30, 1981, 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. The financial statements for this fund for the prior year were examined by other auditors, whose report, dated August 19, 1980, expressed an unqualified opinion on the financial statements.

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, 1981, 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.

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CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Balance Sheet  
June 30, 1981

ASSETS

Cash in Bank-Checking Account	\$ 25,154.62
Property and Replacement Tax Receivable (Net of Allowance for Uncollectible of \$22,907.86)	309,781.32
Accrued Investment Interest Receivable	53,266.33
Investments (Note 1):	
U.S. Government Securities	914,794.00
Certificates of Deposit	1,146,265.12
Savings Accounts	<u>3,395.89</u>
 Total Assets	 <u>\$2,452,657.28</u>

LIABILITIES AND MUNICIPAL EQUITY

<u>Liabilities:</u>	\$ -0-
 <u>Municipal Equity:</u>	
Automatic Increase Reserve (Note 3)	105,628.61
Statutory Reserve (Note 4)	35,000.00
Unrestricted	<u>2,312,028.67</u>
 Total Liabilities and Municipal Equity	 <u>\$2,452,657.28</u>

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

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Statement of Revenues and Expenditures  
For the Year Ended June 30, 1981

Revenues:

Property Tax Revenue	\$305,396.93
Replacement Tax Revenue	6,487.71
Interest Income	193,986.73
Salary Deductions	<u>62,689.87</u>
 Total Revenues	 568,561.24

Expenditures:

Disability Pension	\$58,186.86
Firemen's Pension	51,336.54
Dependent Pension	16,263.16
Pension Contribution Refund	3,574.72
Professional Fees	1,202.00
Hospital and Doctor Fees	1,158.50
Clerk Salary	720.00
Filing Fees	50.00
Miscellaneous	<u>29.01</u>
 Total Expenditures	 <u>132,520.79</u>
 Excess of Revenues Over Expenditures	  <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

Statement of Changes in Municipal Equity  
For the Year Ended June 30, 1981

	<u>Automatic Increase Reserve</u>	<u>Statutory Reserve</u>	<u>Unrestricted Fund</u>	<u>Total</u>
Balance, July 1, 1980	\$ 86,244.16	\$35,000.00	\$1,951,217.23	\$2,072,461.39
Excess of Revenues Over Expenditures			436,040.45	436,040.45
Loss in Fund Equity Due to Decrease in Market Value of Government Securities			(55,844.56)	(55,844.56)
Allocation to Reserve for The Year	<u>19,384.45</u>	<u>          </u>	<u>(19,384.45)</u>	<u>-0-</u>
Balance, June 30, 1981	<u>\$105,628.61</u>	<u>\$35,000.00</u>	<u>\$2,312,028.67</u>	<u>\$2,452,657.28</u>

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, 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 1980 tax levy certified against real property as of the beginning of the calendar year. Interest on investments is accrued as of June 30, 1981. Investments in certificates of deposit and savings accounts are carried at cost, while government securities are adjusted to market values at June 30, 1981, which are lower than cost.

Note 2 - Actuarial Deficiency:

As of June 30, 1980, an unfunded accrued liability of \$2,741,710.00 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 39.5068 years at \$149,682.00 per year. The 1980 tax levy of \$306,760.00 includes \$187,810.00 for the current requirement and \$118,950.00 of the \$149,682.00 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.

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. The Automatic Increase Reserve transfer totaled \$19,384.45 for the year ended June 30, 1981.

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Notes to Financial Statements

June 30, 1981

(continued)

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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, 1981 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, 1981

	<u>Safekeeping Number</u>	<u>Investments at Par June 30, 1981</u>	<u>Investments At Market Value June 30, 1981</u>	<u>Interest Income Fiscal Year Ended June 30, 1981</u>
<u>U.S. Securities:</u>				
Treasury Note	A217363	\$ 30,000.00	\$ 29,205.00	\$ 2,325.00
Treasury Note	A217368	50,000.00	46,865.00	4,062.50
Treasury Note	A226866	60,000.00	47,508.00	4,725.00
Treasury Bond	A142617	20,000.00	19,782.00	1,400.00
Federal National Mortgage Association	A138996	10,000.00	8,670.00	675.00
Treasury Note	A309564	50,000.00	41,120.00	4,125.00
Treasury Note	A310154	105,000.00	86,352.00	8,662.50
Treasury Note	A311204	Retired	Retired	2,162.16
Treasury Note	A316077	Retired	Retired	3,894.66
Treasury Note	A319406	60,000.00	54,144.00	5,325.00
Treasury Note	A321208	130,000.00	128,453.00	12,512.50
Treasury Note	A322486	70,000.00	68,768.00	7,087.50
Treasury Note	A327242	100,000.00	97,810.00	11,500.00
Treasury Note	A327597	70,000.00	68,467.00	8,050.00
Treasury Note	A335553	125,000.00	120,250.00	11,588.54
Treasury Note	A336595	<u>100,000.00</u>	<u>97,400.00</u>	<u>8,906.25</u>
Total		<u>\$980,000.00</u>	<u>\$914,794.00</u>	<u>\$97,001.61</u>

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Schedule of Other Investments  
June 30, 1981

	<u>Certificate Number</u>	<u>Investments at Cost June 30, 1981</u>	<u>Interest Income Fiscal Year Ended June 30, 1981</u>
<u>Certificates of Deposit:</u>			
American National Bank	1248	\$ 40,000.00	\$ 3,000.00
City Bank in Champaign	1208	10,000.00	593.85
City Bank in Champaign	1178	Retired	1,136.96
Commercial Bank of Champaign	2122	20,000.00	1,464.59
Commercial Bank of Champaign	5835	Retired	229.72
First National Bank of Champaign	4356	Retired	555.49
Market Place National Bank	1001	25,000.00	2,239.75
Market Place National Bank	1004	15,000.00	1,142.41
Bank of Illinois	50331	Retired	223.46
Bank of Illinois	50332	Retired	223.46
National Bank of Urbana	625	Retired	262.86
National Bank of Urbana	616	Retired	90.14
Champaign National Bank	7073	Retired	694.22
Champaign National Bank	7175	Retired	540.52
Commercial Savings and Loan	25	20,000.00	1,600.00
Commercial Savings and Loan	515	45,000.00	4,009.32
Commercial Savings and Loan	583	35,000.00	2,570.31
Gibson Federal Savings and Loan	C-000835	40,000.00	3,100.00
Gibson Federal Savings and Loan	C-5980186	55,000.00	4,973.35
First Federal Savings and Loans	4C-1931-5	Retired	509.83
First Federal Savings and Loans	6C-148-5	60,000.00	4,650.00
First Federal Savings and Loans	TB-6700-1	40,000.00	1,807.62
Citizens Savings and Loan	4998	40,000.00	3,100.00
Bloomington Federal Savings and Loans	01-34326-27	40,000.00	3,100.00
University Federal Savings and Loan	05-500126-26	Retired	776.55
University Federal Savings and Loan	05-501569-27	20,000.00	1,550.00
University Federal Savings and Loan	05-3912-25	40,000.00	1,828.41
University Federal Savings and Loan	05-4024-75	50,000.00	1,452.34
Champaign Loan and Building Association	77-109-7	Retired	661.40
Champaign Loan and Building Association	77-126-9	15,000.00	1,162.50
Champaign Loan and Building Association	77-154-1	51,134.78	4,393.74
Champaign Loan and Building Association	578-6	35,130.34	2,577.53

(continued)

BRAY, DRAKE, GUTHRIE &amp; RICHARDSON

Certified Public Accountants

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Schedule of Other Investments

June 30, 1981

(continued)

	<u>Certificate Number</u>	<u>Investments at Cost June 30, 1981</u>	<u>Interest Income Fiscal Year Ended June 30, 1981</u>
<u>Certificates of Deposit: (cont.)</u>			
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	35,000.00	2,712.50
Citizens Building Association	1015-07	100,000.00	10,309.45
Urbana Federal Savings and Loan	2000-568-4	60,000.00	5,225.00
Urbana Federal Savings and Loan	2000-591-6	40,000.00	3,591.99
Urbana Federal Savings and Loan	4957	100,000.00	8,767.12
Urbana Federal Savings and Loan	2123-0	50,000.00	3,864.58
		<u>\$1,146,265.12</u>	<u>\$95,728.47</u>
 <u>Savings Accounts:</u>			
University Federal Savings and Loan	05-5000-92-01	\$ -0-	\$ 22.64
Busey First National Bank	0765-85-6	3,395.89	258.06
Champaign County Bank and Trust	09-9784-01	-0-	968.21
Champaign County Bank and Trust	#08018-4	-0-	7.74
		<u>\$ 3,395.89</u>	<u>\$ 1,256.65</u>