

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Audit Report

For the Years Ended June 30, 1985 and 1984

BRAY, DRAKE, GUTHRIE & RICHARDSON  
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Audit Report  
For the Years Ended June 30, 1985 and 1984

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August 23, 1985

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, 1985 and June 30, 1984, and the related statements of revenue and expenses, 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 of the City of Urbana as of June 30, 1985 and June 30, 1984, 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, 1985 and 1984

	1985	1984
<u>ASSETS</u>		
Cash in Bank-Checking Account and on Hand	\$ 112,810	\$ 145,196
Property and Replacement Tax Receivable (Net of Allowance for Uncollectibles)	165,832	131,501
Accrued Investment Interest Receivable	110,932	91,216
Investments (Note 1):		
U.S. Government Securities	1,955,797	1,517,611
Certificates of Deposit	<u>2,730,599</u>	<u>2,438,273</u>
 Total Assets	 \$5,075,970 =====	 \$4,323,797 =====
<u>LIABILITIES AND MUNICIPAL EQUITY</u>		
<u>Liabilities:</u>	\$ -0-	\$ -0-
<u>Municipal Equity:</u>		
Automatic Increase Reserve (Note 3)	207,015	178,782
Statutory Reserve (Note 4)	37,000	35,000
Unrestricted (Note 5)	<u>4,831,955</u>	<u>4,110,015</u>
 Total Liabilities and Municipal Equity	 \$5,075,970 =====	 \$4,323,797 =====

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 Expenses  
For the Years Ended June 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
<u>Revenues:</u>		
Property Tax Revenue	\$299,482	\$253,929
Replacement Tax Revenue	28,500	28,500
Interest Income	493,217	416,734
Salary Deductions	<u>81,691</u>	<u>79,945</u>
 Total Revenues	 <u>902,890</u>	 <u>779,108</u>
<u>Expenses:</u>		
Disability Pension	73,676	73,199
Firemen's Pension	62,872	61,877
Dependent Pension	10,800	12,394
Insurance	302	347
Hospital and Doctor Fees	425	98
Clerk Salary and Taxes	2,569	2,400
Filing Fees	50	50
Miscellaneous	<u>23</u>	<u>426</u>
 Total Expenses	 <u>150,717</u>	 <u>150,791</u>
 Excess of Revenues Over Expenses	 \$752,173 =====	 \$628,317 =====

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, 1985 and 1984

	1985				1984			
	Automatic Increase Reserve	Statutory Reserve	Unrestricted Fund	Total	Automatic Increase Reserve	Statutory Reserve	Unrestricted Fund	Total
Balance, Beginning of Year	\$178,782	\$35,000	\$4,110,015	\$4,323,797	\$152,068	\$35,000	\$3,508,412	\$3,695,480
Excess of Revenues Over Expenses			752,173	752,173			628,317	628,317
Allocation to Reserves for the Year	28,233	2,000	(30,233)		26,714		(26,714)	-0-
Balance, End of Year	\$207,015	\$37,000	\$4,831,955	\$5,075,970	\$178,782	\$35,000	\$4,110,015	\$4,323,797

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, 1985 and 1984

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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 accrual basis of accounting. Receipts are recognized when they are earned and become measurable; expenses are recognized when incurred and measurable. Property tax revenue includes the 1984 tax levy for fiscal year 1985 and the 1983 tax levy for fiscal year 1984 certified against real property as of the beginning of the calendar year. Interest on investments is accrued as of June 30, 1985 and 1984. Investments are carried at amortized cost, which approximates market.

Note 2 - Actuarial Deficiency:

Unfunded accrued liabilities existed at the end of each fiscal year. These amounts of \$1,701,280 at 1984 and \$2,043,035 at 1983 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 35.5068 years at \$123,824 per year. The 1985 tax levy and estimated corporate personal property replacement tax amount included \$177,597 for the current portion and \$123,824 for the accrued liability. The 1984 tax levy and estimated corporate personal property replacement tax amount includes \$147,619 for the current requirement and \$147,619 required to fund 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, 1985 and 1984  
(continued)

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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 \$26,714 for 1984 and \$28,233 for 1985.

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 per 1,000 inhabitants in the municipality. The most recent population figure for the City of Urbana was approximately 36,000 people. Thus, the reserve balance as of June 30, 1985 is \$37,000. 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, 1985

	<u>Interest Rate</u>	<u>Investments at Par June 30, 1985</u>	<u>Investments at Amortized Cost June 30, 1985</u>	<u>Maturity Date</u>
<u>U.S. Securities:</u>				
Treasury Note	9.875	\$ 300,000	\$ 300,000	02/15/86
Treasury Note	7.875	60,000	60,000	05/15/86
Treasury Note	8.25	50,000	49,993	08/15/85
Treasury Note	8.25	105,000	104,982	08/15/85
Treasury Note	10.0	100,000	100,000	07/01/85
Treasury Note	10.625	200,000	200,000	07/31/85
Treasury Note	11.125	150,000	150,650	09/30/87
Treasury Note	11.125	170,000	171,056	09/30/87
Treasury Note	11.25	150,000	149,873	12/31/87
Treasury Note	13.0	50,000	50,000	06/30/86
Treasury Note	12.625	70,000	70,119	07/31/86
Treasury Note	12.375	250,000	250,514	08/31/86
Treasury Note	11.875	100,000	99,902	09/30/86
Treasury Note	10.375	80,000	79,758	02/15/88
Treasury Note	11.25	<u>118,000</u>	<u>118,950</u>	03/31/89
Total		\$1,953,000 =====	\$1,955,797 =====	

CITY OF URBANA, ILLINOIS  
FIREMEN'S PENSION FUND

Schedule of Certificates of Deposit  
June 30, 1985

	<u>Interest Rate</u>	<u>Investments at Par June 30, 1985</u>	<u>Maturity Date</u>
<u>Certificates of Deposit:</u>			
American Savings	10.5	\$ 300,000	10/23/87
University Federal Savings and Loan	12.0	100,000	07/02/85
Citizens Federal	9.7	200,000	08/21/85
Urbana Federal Savings and Loan	10.1	100,000	11/17/86
Urbana Federal Savings and Loan	9.80	100,000	12/07/85
Gibson Federal Savings and Loan	10.85	150,000	10/11/86
Gibson Federal Savings and Loan	10.75	100,000	11/02/86
Mid-State Savings and Loan	11.0	176,161	09/30/86
Mid-State Savings and Loan	11.0	100,000	01/16/87
Mid-State Savings and Loan	11.25	350,000	02/01/89
Champaign National Bank	10.25	100,000	06/05/88
American Savings	10.675	100,000	04/23/86
Citizen's Federal	10.5	94,438	01/10/89
Citicorp Savings	11.15	700,000	03/04/90
Citicorp Savings	11.97	<u>60,000</u>	10/10/87
Total		\$2,730,599 =====	