

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Audit Report

For the Years Ended June 30, 1984 and 1983

BRAY, DRAKE, GUTHRIE & RICHARDSON
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

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August 29, 1984

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, 1984 and June 30, 1983, 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 of the City of Urbana as of June 30, 1984 and June 30, 1983, 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

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CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Comparative Balance Sheet
As of June 30, 1984 and 1983

	<u>1984</u>	<u>1983</u>
<u>ASSETS</u>		
Cash in Bank-Checking Account and on Hand	\$ 145,196	\$ 69,309
Property and Replacement Tax Receivable (Net of Allowance for Uncollectibles)	131,501	317,509
Accrued Investment Interest Receivable	91,216	52,370
Investments (Note 1):		
U.S. Government Securities	1,517,611	1,272,421
Certificates of Deposit	2,438,273	1,980,000
Savings Accounts	<u>-0-</u>	<u>3,871</u>
 Total Assets	 \$4,323,797 =====	 \$3,695,480 =====
<u>LIABILITIES AND MUNICIPAL EQUITY</u>		
<u>Liabilities:</u>	\$ -0-	\$ -0-
<u>Municipal Equity:</u>		
Automatic Increase Reserve (Note 3)	178,782	152,068
Statutory Reserve (Note 4)	35,000	35,000
Unrestricted (Note 5)	<u>4,110,015</u>	<u>3,508,412</u>
 Total Liabilities and Municipal Equity	 \$4,323,797 =====	 \$3,695,480 =====

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

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CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Comparative Statement of Revenues and Expenditures
For the Years Ended June 30, 1984 and 1983

	<u>1984</u>	<u>1983</u>
<u>Revenues:</u>		
Property Tax Revenue	\$253,929	\$350,293
Replacement Tax Revenue	28,500	22,723
Interest Income	416,734	398,904
Salary Deductions	<u>79,945</u>	<u>71,997</u>
 Total Revenues	 <u>779,108</u>	 <u>843,917</u>
<u>Expenditures:</u>		
Disability Pension	73,199	73,103
Firemen's Pension	61,877	52,512
Dependent Pension	12,394	12,550
Pension Contribution Refund	-0-	11,688
Insurance	347	302
Hospital and Doctor Fees	98	1,225
Clerk Salary	2,400	2,400
Filing Fees	50	50
Miscellaneous	<u>426</u>	<u>404</u>
 Total Expenditures	 <u>150,791</u>	 <u>154,234</u>
 Excess of Revenues Over Expenditures	 \$628,317 =====	 \$689,683 =====

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

BRAY, DRAKE, GUTHRIE & RICHARDSON

Certified Public Accountants

CITY OF URBANA, ILLINOIS
FIREMEN'S PENSION FUND

Notes to Financial Statements
June 30, 1984 and 1983

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 1983 tax levy for fiscal year 1984 and the 1982 tax levy for fiscal year 1983 certified against real property as of the beginning of the calendar year. Interest on investments is accrued as of June 30, 1984 and 1983. 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 \$2,043,035 at 1983 and \$1,842,414 at 1982 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 36.5068 years at \$147,619 per year. The 1984 tax levy and estimated corporate personal property replacement tax amount included \$171,672 for the current portion and \$147,619 for the accrued liability. The 1983 tax levy and estimated corporate personal property replacement tax amount includes \$147,443 for the current requirement and \$132,223 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
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Notes to Financial Statements
June 30, 1984 and 1983
(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 \$26,714 for 1984 and \$23,714 for 1983.

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 35,339 people. Thus, the reserve balance as of June 30, 1984 is \$35,000. This reserve is not to be considered as an actuarial reserve.

Note 5 - Restated Fund Balance:

The Pension Fund changed its method of accounting for Government Investments from market value to amortized cost. The result of the change is immaterial to both the balance sheet and the income statement. The assets for last year were restated by \$8,403 and the changes in unrestricted fund balance for last year was restated by \$8,403.

CITY OF URBANA, ILLINOIS
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Schedule of Government Securities
June 30, 1984

	<u>Interest Rate</u>	<u>Investments at Par June 30, 1984</u>	<u>Investments at Amortized Cost June 30, 1984</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	49,952	08/15/85
Treasury Note	8.25	105,000	104,873	08/15/85
Treasury Note	10.0	100,000	99,941	06/30/85
Treasury Note	10.625	200,000	200,000	07/31/85
Treasury Note	12.149	200,000	179,985	09/06/84
Treasury Note	11.125	150,000	151,171	09/30/87
Treasury Note	11.125	170,000	171,901	09/30/87
Treasury Note	11.25	150,000	149,788	12/31/87
Treasury Note	13.0	<u>50,000</u>	<u>50,000</u>	06/30/86
Total		\$1,535,000 =====	\$1,517,611 =====	

CITY OF URBANA, ILLINOIS
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Schedule of Certificates of Deposit
June 30, 1984

	<u>Interest Rate</u>	<u>Investments at Par June 30, 1984</u>	<u>Maturity Date</u>
<u>Certificates of Deposit:</u>			
First Federal of Chicago	12.75	600,000	03/02/85
American Savings	11.1	400,000	04/22/85
University Federal Savings and Loan	10.5	100,000	03/03/85
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
Gibson Federal Savings and Loan	10.5	80,000	04/05/85
Mid-State Savings and Loan	11.0	158,273	09/30/86
Mid-State Savings and Loan	11.0	100,000	01/16/87
Mid-State Savings and Loan	11.25	<u>350,000</u>	02/01/89
Total		\$2,438,273 =====	