

AUDIT REPORT

Of

**DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS**

For the Period
April 1, 2002 through March 31, 2003

STEVEN E. GARLAND

**Certified Public Accountant
151 W. Lincoln Hwy.
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DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

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DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

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STEVEN E. GARLAND

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151 W. Lincoln Hwy.
DeKalb, Illinois 60115

815-758-0101

INDEPENDENT AUDITOR'S REPORT

To the President
and Members of the Board of Trustees
DeKalb Township, Illinois

I have audited the accompanying financial statements of the DeKalb Township, Illinois, as of March 31, 2003, and for the year then ended. These financial statements are the responsibility of the DeKalb Township, Illinois. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The general purpose financial statements referred to above do not include the general fixed asset account group, which should be included to conform to generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

As described in Note 1, the Township prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Illinois, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of the DeKalb Township, Illinois as of March 31, 2003, and the revenues it received and expenditures it paid for the year then ended, on a basis of accounting described in Note 1.

Sincerely,



Steven E. Garland
Certified Public Accountant

May 17, 2003

DEKALB TOWNSHIP, ILLINOIS

All Fund Types and Account Group
Combined Balance Sheet
Arising from Cash Receipts and Disbursements

For the Year Ended March 31, 2003

ASSETS	<u>Total (Memorandum Only)</u>	<u>General</u>	<u>Special Revenue</u>
Cash	\$ 2,778,136	\$ 467,725	\$ 2,310,411
Investments	<u>0</u>	<u>0</u>	<u>0</u>
Total cash and Investments	<u>\$ 2,778,136</u>	<u>\$ 467,725</u>	<u>\$ 2,310,411</u>
TOTAL ASSETS	<u><u>\$ 2,778,136</u></u>	<u><u>\$ 467,725</u></u>	<u><u>\$ 2,310,411</u></u>
 LIABILITIES			
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOWNSHIP EQUITY			
Fund Balance	<u>\$ 2,778,136</u>	<u>\$ 467,725</u>	<u>\$ 2,310,411</u>
TOTAL TOWNSHIP EQUITY	<u>\$ 2,778,136</u>	<u>\$ 467,725</u>	<u>\$ 2,310,411</u>
TOTAL LIABILITIES AND TOWNSHIP EQUITY	<u><u>\$ 2,778,136</u></u>	<u><u>\$ 467,725</u></u>	<u><u>\$ 2,310,411</u></u>

The accompanying notes are an integral part of these statements.

DEKALB TOWNSHIP, ILLINOIS

COMBINED STATEMENT OF CASH RECEIPTS AND CASH
DISBURSEMENTS AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES

For the Year Ended March 31, 2003

	Total (Memorandum Only)	General	Special Revenue
REVENUE			
Replacement Tax	\$ 58,497	\$ 19,582	\$ 38,915
Property Tax	1,510,000	583,002	926,998
Share Income & SSI/State	10,582	10,582	0
Interest Income	57,333	11,330	46,003
Other Revenue	6,412	4,773	1,639
TOTAL REVENUE	\$ 1,642,824	\$ 629,269	\$ 1,013,555
EXPENDITURES			
Operations	1,042,003	\$ 610,223	431,780
TOTAL EXPENDITURES	\$ 1,042,003	\$ 610,223	\$ 431,780
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES/SOURCES	\$ 600,821	\$ 19,046	\$ 581,775
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 10,000	\$ 10,000	\$ 0
Operating transfers out	10,000	10,000	0
NET OTHER FINANCING SOURCES (USE)	\$ 0	\$ 0	\$ 0
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	\$ 600,821	\$ 19,046	\$ 581,775
TOWNSHIP EQUITY			
Balance, beginning of year	2,177,315	448,679	1,728,636
TOTAL TOWNSHIP EQUITY	\$ 2,778,136	\$ 467,725	\$ 2,310,411

The accompanying notes are an integral part of these statements.

DEKALB TOWNSHIP, ILLINOIS

ALL GOVERNMENTAL FUND TYPES

COMBINED BUDGETARY-BASIS STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
(AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)

For the Year Ended March 31, 2003

	<u>Total (Memorandum Only)</u>		<u>General</u>		<u>Special Revenue</u>	
	<u>Estimated Revenue and Appropriations</u>	<u>Actual</u>	<u>Estimated Revenue and Appropriations</u>	<u>Actual</u>	<u>Estimated Revenue and Appropriations</u>	<u>Actual</u>
REVENUES COLLECTED						
Replacement Tax	\$ 75,470	\$ 58,497	\$ 25,470	\$ 19,582	\$ 50,000	\$ 38,915
Property Tax	1,482,056	1,510,000	581,140	583,002	900,916	926,998
Share Income & SSI/State	1,000	10,582	1,000	10,582	0	0
Interest Income	77,126	57,333	22,200	11,330	54,926	46,003
Other Income	12,000	6,412	2,000	4,773	10,000	1,639
TOTAL REVENUE COLLECTED	\$ 1,647,652	\$ 1,642,824	\$ 631,810	\$ 629,269	\$ 1,015,842	\$ 1,013,555
EXPENDITURES PAID						
Operations	2,763,045	1,042,003	734,100	\$ 610,223	2,028,945	431,780
TOTAL EXPENDITURES PAID	\$ 2,763,045	\$ 1,042,003	\$ 734,100	\$ 610,223	\$ 2,028,945	\$ 431,780
OPERATING TRANSFER	0	0	0	0	0	0
BUDGETARY-BASIS EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES	\$ (1,115,393)	\$ 600,821	\$ (102,290)	\$ 19,046	\$ (1,013,103)	\$ 581,775

The accompanying notes are an integral part of these statements.

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

1. Summary of Significant Accounting Policies

A. Fund Accounting

The accounts of the Township are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriated. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and accounts are grouped in the financial statements into five generic fund types, three broad categories and two account groups as follows:

FUND CATEGORIES

1. Governmental Fund Types

The measurement focus is upon determination of financial position and changes in financial position rather than upon net income determination.

General Fund

The General Fund is used to account for all revenue and expenditures applicable to the general operations of Township government which are not more properly accounted for in another fund. The revenues of the General Fund are primarily derived from general property taxes, intergovernmental revenue, licenses, and permits. The expenditures of the General Fund are primarily related to general administration and public building operations.

Special Revenue Funds

These funds are operating funds used to account for revenue derived from specific sources, either externally restricted or internally designated.

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting

The cash basis of accounting is used for all governmental funds. Under this method of accounting, revenues are recognized in the period in which they are received and expenditures are recorded as they are paid.

The cash basis of accounting is used for the Proprietary Fund. Under this method of accounting, revenues are recognized in the accounting period in which they are received and expenses are recognized in the period paid.

C. Cash and Investments

The Township maintains a cash pool, which is available for use by the General and Special, Revenue Funds. All other funds either have their own cash accounts in the form of regular checking or money market accounts.

State statutes govern the Township's investment policies. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts, or certificates of deposits. The cash and investment accounts are recorded at cost plus, which approximates market.

D. Revenue Recognition

Property taxes are recognized at the time they are received. Property taxes are levied and attached as an enforceable lien on property on January 1, and are payable in two installments on June 1 and September 1 subsequent to the year of levy.

Substantially, all other shared revenues are recorded during the period when received by the collecting authority, the State of Illinois.

Income from investments, accounts and unbilled usage receivables are recognized when received. Licenses and permits, forfeits, fees and refunds, charges for service, miscellaneous and other revenues are recorded as revenue when received in cash.

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

1. Summary of Significant Accounting Policies (continued)

E. Fixed Assets

Fixed assets acquired or constructed for general governmental services are recorded as expenditures in the fund acquiring the asset and should be capitalized at cost in a General Fixed Assets Account Group. The Township does not maintain this account group. Infrastructures, e.g. (streets, bridges, and lighting) are not capitalized. Assets acquired by gift or contribution are carried at the estimated fair value of the asset at the time of receipt. No depreciation should be recorded on general fixed assets.

F. Fund Equity

Fund balances: indicates that portion of fund equity, which is available for budgeting in future periods.

G. Expenditures

All Fund Types
Expenditures are recognized when they are paid.

H. Budget

The budget represents departmental appropriations as authorized by the Township's appropriation ordinance and includes revisions authorized by the Township Board to reflect changes in departmental programs. At March 31, unexpended appropriation of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the cash basis.

I. Memorandum Totals

The total columns on the general purpose combined financial statements are captioned memorandum only and are presented only to facilitate financial analysis and do not present financial condition, results of operations or accounting principles. Neither is such data comparable to a consolidation because interfund eliminations have not been made.

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

2. Retirement Fund Commitment

Illinois Municipal Retirement Fund

The DeKalb Township's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The DeKalb Township is required to contribute at an actuarially determined rate. The employer rate for calendar year 2002 was 8.16 % of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2002 was 30 years.

For December 31, 2002, the DeKalb Township's annual pension cost of \$23,379. was equal to the DeKalb Township's required and actual contributions. The required contributions were determined as part of the December 31, 2000 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2001 actuarial valuation were based on the 1996-1998 experience study.

However, the 2002 actuarial valuation information shown on the Schedule of Funding Progress is based on the assumptions derived from the 1999 - 2001 Experience Study. The effect of the assumption change increased (decreased) the unfunded actuarial accrued liability by \$3,481.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/02	23,379	100%	0
12/31/01	22,052	100%	0
12/31/00	21,773	100%	0
12/31/99	21,964	100%	0
12/31/98	22,887	100%	0
12/31/97	22,164	100%	0
12/31/96	20,946	100%	0
12/31/95	20,624	100%	0
12/31/94	19,671	100%	0
12/31/93	18,044	100%	0
12/31/92	20,725	100%	0

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

2. Retirement Fund Commitments (Continued)

Illinois Municipal Retirement Fund (Continued)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UALL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)	((b-a) /c)
12/31/02	892,200	1,003,2004	111,004	88.94%	286,512	38.74%
12/31/01	892,029	888,939	(3,090)	100.35%	274,276	0.00%
12/31/00	810,374	781,044	(29,330)	103.76%	258,896	0.00%
12/31/99	689,078	664,582	(24,496)	103.69%	243,775	0.00%
12/31/98	530,980	568,665	7,685	98.65%	236,926	3.249%
12/31/97	464,193	498,595	34,402	93.10%	239,741	14.35%
12/31/96	417,645	470,864	53,219	88.70%	220,308	24.16%
12/31/95	357,351	425,611	68,260	83.96%	220,755	30.92%
12/31/94	303,529	351,382	47,853	86.38%	196,709	24.33%
12/31/93	251,495	301,560	50,065	83.40%	186,789	26.80%
12/31/92	198,076	263,366	65,290	75.21%	186,377	35.03%

On a market value basis, the actuarial value of assets as of December 31, 2002 is \$695,930. On a market basis, the funded ratio would be 69.37%.

*Digest of Changes

2002 Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2002 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For Regular members, fewer normal and early retirements are expected to occur.

3. Cemetery Fund

A portion of the fund balance (\$53,848) is restricted per state statute as perpetual care principal. The amount is invested in a separate account at the American National Bank.

DEKALB TOWNSHIP, ILLINOIS

GENERAL FUND

COMBINING BALANCE SHEET, ARISING
FROM CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended March 31, 2003

	<u>Total (Memorandum Only)</u>	<u>Town</u>	<u>General Assistance</u>	<u>Cemetery</u>
<u>ASSETS</u>				
Cash	\$467,725	\$ 249,547	\$ 129,477	\$ 88,701
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$467,725</u>	<u>\$ 249,547</u>	<u>\$ 129,477</u>	<u>\$ 88,701</u>
<u>LIABILITIES</u>				
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>TOWNSHIP EQUITY</u>				
Fund Balance	<u>\$467,725</u>	<u>\$ 249,547</u>	<u>\$ 129,477</u>	<u>\$ 88,701</u>
TOTAL LIABILITIES AND TOWNSHIP EQUITY	<u>\$467,725</u>	<u>\$ 249,547</u>	<u>\$ 129,477</u>	<u>\$ 88,701</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

GENERAL FUND

COMBINING STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

	Total (Memorandum Only)	Town	General Assistance	Cemetery
REVENUE				
Replacement Tax	\$ 19,582	\$ 19,582	\$ 0	\$ 0
Property Tax	583,002	509,178	71,038	2,786
Interest Income	11,330	9,024	2,306	0
Share Income & SSI/State	10,582	0	10,582	0
Other	4,773	3,167	1,406	200
TOTAL REVENUE	\$629,269	\$540,951	\$ 85,332	\$ 2,986
EXPENDITURES				
Operations	\$610,223	\$524,816	\$ 77,069	\$ 8,338
TOTAL EXPENDITURES	\$610,223	\$524,816	\$ 77,069	\$ 8,338
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 19,046	\$ 16,135	\$ 8,263	\$ (5,352)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Operating transfers out	10,000	10,000	0	0
NET OTHER FINANCING SOURCES (USES)	\$ 0	\$ (10,000)	\$ 0	\$ 10,000
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES.	\$ 19,046	\$ 6,135	\$ 8,263	\$ 4,648
FUND BALANCE				
Balance, beginning of year	448,679	243,412	121,214	84,053
Balance, end of year	\$467,725	\$249,547	\$ 129,477	\$ 88,701

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 (AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
 AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

TOWN FUND - REVENUE

	<u>Estimated</u>	<u>Cash Basis</u>
Replacement Tax	\$ 25,470	\$ 19,582
Property Tax	510,000	509,178
Interest Income	14,000	9,024
Other	<u>1,000</u>	<u>3,167</u>
TOTAL REVENUE	<u>\$ 550,470</u>	<u>\$540,951</u>
 EXPENDITURES		
Administration	\$283,000	\$237,683
Assessor	97,500	79,708
Social Services	80,000	80,000
County Home	125,000	125,000
Contingencies	<u>10,000</u>	<u>2,425</u>
TOTAL EXPENDITURES	<u>\$595,500</u>	<u>\$524,816</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

TOWN FUND

COMPARISON OF CASH DISBURSEMENTS WITH APPROPRIATIONS

For the Year Ended March 31, 2003

	<u>Cash Basis Appropriations</u>	<u>Actual</u>
Administration		
Personnel Services		
Salaries	\$ 158,000	\$ 151,419
Insurance	23,000	21,291
Retirement	28,500	23,773
	<u>\$ 209,500</u>	<u>\$ 196,483</u>
Total Personnel Services		
Contractual Services		
Legal	\$ 3,000	\$ 250
Other Professional	2,000	1,263
Postage	1,500	1,215
Telephone	7,000	6,773
Publishing & Printing	1,300	142
Subscriptions	200	0
Dues	1,100	850
Travel	6,700	4,699
Training	3,500	1,722
Utilities	6,000	4,077
Insurance	10,000	8,724
NAT	2,500	1,240
Maintenance	2,000	1,793
	<u>\$ 46,800</u>	<u>\$ 32,748</u>
Total Contractual Services		
Commodities		
Office Supplies	\$ 2,000	\$ 1,317
Operating Supplies	4,000	1,276
	<u>\$ 6,000</u>	<u>\$ 2,593</u>
Total Commodities		
Other Expenditures		
Equipment Lease	\$ 3,500	\$ 3,003
Miscellaneous	3,200	2,137
	<u>\$ 6,700</u>	<u>\$ 5,140</u>
Total Other		
Capital Expenditures	\$ 14,000	\$ 719
	<u>\$ 283,000</u>	<u>\$ 237,683</u>
TOTAL		

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

TOWN FUND

COMPARISON OF CASH DISBURSEMENTS WITH APPROPRIATIONS

For the Year Ended March 31, 2003

	Cash Basis Appropriations	Actual
Assessor		
Personnel Services		
Salaries	\$ 48,000	\$ 45,680
Insurance	15,300	13,902
Retirement	8,400	7,205
	<u>71,700</u>	<u>66,787</u>
Total Personnel Services	\$ 71,700	\$ 66,787
Contractual Services		
Legal	\$ 2,500	\$ 0
Postage	100	39
Telephone	1,400	1,869
Dues	600	180
Travel	3,600	1,138
Training	2,500	1,939
Appraisal Fee's	3,000	0
Maintenance	1,000	0
	<u>14,700</u>	<u>5,165</u>
Total Contractual Services	\$ 14,700	\$ 5,165
Commodities		
Office Supplies	\$ 600	\$ 382
Operating Supplies	3,000	900
	<u>3,600</u>	<u>1,282</u>
Total Commodities	\$ 3,600	\$ 1,282
Other Expenditures		
Miscellaneous	\$ 500	\$ 367
Capital Expenditures	\$ 7,000	\$ 6,107
TOTAL	<u>\$ 97,500</u>	<u>\$ 79,708</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

GENERAL ASSISTANCE

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
(AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 71,140	\$ 71,038
Interest Income	5,700	2,306
Miscellaneous Income	1,000	1,406
SSI/ST of Il. Interim	<u>2,500</u>	<u>10,582</u>
TOTAL REVENUE	<u>\$ 80,340</u>	<u>\$ 85,332</u>
EXPENDITURES		
Administration	\$ 47,800	\$ 35,584
Home Relief	60,500	41,485
Contingencies	<u>12,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 120,300</u>	<u>\$ 77,069</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

CEMETERIES

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 (AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
 AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 0	\$ 0
Interest Income	2,500	2,786
Miscellaneous Income	1,000	0
Maintenance Fees	1,000	150
Lots	1,000	50
	<u>5,500</u>	<u>2,986</u>
TOTAL REVENUE	\$ 5,500	\$ 2,986
EXPENDITURES		
Administration	\$ 0	\$ 0
Contractual	16,600	7,554
Commodities	1,700	784
Capital Outlay	0	0
Other Expenditures	0	0
	<u>18,300</u>	<u>8,338</u>
TOTAL EXPENDITURES	\$ 18,300	\$ 8,338

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS
SPECIAL REVENUE FUND
COMBINING BALANCE SHEET, ARISING
FROM CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended March 31, 2003

	Total (Memorandum Only)	Road & Bridge	Permanent Road	Building & Equipment	Special Bridge
ASSETS					
Cash	\$ 2,310,411	\$ 466,184	\$ 1,341,427	\$ 162,435	\$340,365
Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 2,310,411</u>	<u>\$ 466,184</u>	<u>\$ 1,341,427</u>	<u>\$ 162,435</u>	<u>\$340,365</u>
LIABILITIES					
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOWNSHIP EQUITY					
Fund Balance	<u>\$ 2,310,411</u>	<u>\$ 466,184</u>	<u>\$ 1,341,427</u>	<u>\$ 162,435</u>	<u>\$340,365</u>
TOTAL LIABILITIES AND TOWNSHIP EQUITY	<u>\$ 2,310,411</u>	<u>\$ 466,184</u>	<u>\$ 1,341,427</u>	<u>\$ 162,435</u>	<u>\$340,365</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

SPECIAL REVENUE

COMBINING STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

	Total (Memorandum Only)	Road & Bridge	Permanent Road	Building & Equipment	Special Bridge
REVENUE					
Replacement Tax	\$ 38,915	\$ 38,915	\$ 0	\$ 0	\$ 0
Property Tax	926,998	131,562	765,372	30,064	0
Interest Income	46,003	17,628	17,553	4,628	6,194
Other	1,639	1,562	77	0	0
TOTAL REVENUE	\$ 1,013,555	\$ 189,667	\$ 783,002	\$ 34,692	\$ 6,194
EXPENDITURES					
Operations	\$ 431,780	\$ 319,772	\$ 110,481	\$ 0	\$ 1,527
TOTAL EXPENDITURES	\$ 431,780	\$ 319,772	\$ 110,481	\$ 0	\$ 1,527
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 581,775	\$ (130,105)	\$ 672,521	\$ 34,692	\$ 4,667
Operating Transfers	0	0	0	0	0
FUND BALANCE					
Balance, beginning of year	1,728,636	596,289	668,906	127,743	335,698
Balance, end of year	<u>\$ 2,310,411</u>	<u>\$ 466,184</u>	<u>\$ 1,341,427</u>	<u>\$162,435</u>	<u>\$340,365</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

ROAD & BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 (AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
 AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Replacement Tax	\$ 50,000	\$ 38,915
Property Tax	144,529	131,562
Interest Income	29,925	17,628
Miscellaneous	<u>10,000</u>	<u>1,562</u>
TOTAL REVENUE	<u>\$234,454</u>	<u>\$189,667</u>
EXPENDITURES		
Salaries	\$ 95,000	\$ 84,371
Retirement	17,600	7,582
Insurance	15,300	14,111
Contractual	83,350	37,733
Commodities	7,900	6,728
Capital Outlay	182,000	49,471
Contingency	20,000	1,000
Intergovernmental agreement	0	100,000
Personal Property	0	18,422
Miscellaneous	<u>0</u>	<u>354</u>
TOTAL EXPENDITURES	<u>\$421,150</u>	<u>\$319,772</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

PERMANENT ROAD FUND

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEM
 (AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
 AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 726,000	\$ 765,372
Interest Income	13,549	17,553
Miscellaneous	0	77
	<u> </u>	<u> </u>
TOTAL REVENUE	<u>\$ 739,549</u>	<u>\$ 783,002</u>
EXPENDITURES		
Contractual	\$ 1,301,456	\$ 104,149
Commodities	45,000	5,832
Other	2,000	0
Contingency	60,000	500
	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ 1,408,456</u>	<u>\$ 110,481</u>

DEKALB TOWNSHIP, ILLINOIS

BUILDING & EQUIPMENT FUND

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
(AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 30,387	\$ 30,064
Interest Income	4,459	4,628
Miscellaneous	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$ 34,846</u>	<u>\$ 34,692</u>
EXPENDITURES		
Capital Outlay	<u>\$162,589</u>	<u>\$ 0</u>
TOTAL EXPENDITURES	<u>\$162,589</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS

SPECIAL BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
 (AND COMPARISON WITH ESTIMATED REVENUE AND APPROPRIATIONS)
 AND CHANGES IN FUND BALANCE

For the Year Ended March 31, 2003

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 0	\$ 0
Interest Income	11,452	6,194
Miscellaneous	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$ 11,452</u>	<u>\$ 6,194</u>
EXPENDITURES		
Contractual Services	<u>\$ 25,000</u>	<u>\$ 805</u>
Capital Outlay	<u>\$ 11,750</u>	<u>\$ 722</u>
TOTAL EXPENDITURES	<u>\$ 36,750</u>	<u>\$ 1,527</u>

The accompanying notes are an integral part of these statements.

**DEKALB TOWNSHIP, ILLINOIS
ASSESSED VALUATION, EXTENDED TAX RATES
PERCENTAGE ALLOCATIONS AND AMOUNTS BY FUND**

For the Year Ended March 31, 2003

Tax levy Year	<u>2001</u>		<u>2000</u>		<u>1999</u>	
ASSESSED VALUATION	<u>\$ 473,935,643</u>		<u>\$ 459,067,353</u>		<u>\$ 435,802,172</u>	
Dekalb County						
TAX RATES AND PERCENTAGE ALLOCATION BY FUND						
<u>FUNDS</u>	<u>Rate</u>	<u>Percentages</u>	<u>Rate</u>	<u>Percentages</u>	<u>Rate</u>	<u>Percentages</u>
Town Fund	0.1131	32.08%	0.1111	31.45%	0.1148	32.17%
General Assistance	0.0147	4.17%	0.0155	4.39%	0.0122	3.42%
Road & Bridge	0.0514	14.58%	0.0531	15.03%	0.0559	15.66%
Building & Equipment	0.0064	1.82%	0.0066	1.87%	0.0070	1.96%
Permanent Road	<u>0.1670</u>	<u>47.36%</u>	<u>0.1670</u>	<u>47.27%</u>	<u>0.1670</u>	<u>46.79%</u>
Totals	<u>0.3526</u>	<u>100.00%</u>	<u>0.3533</u>	<u>100.00%</u>	<u>0.3569</u>	<u>100.00%</u>
PROPERTY TAX EXTENSIONS						
<u>FUNDS</u>						
Town Fund	\$	535,784	\$	510,024	\$	500,301
General Assistance		69,763		71,155		53,168
Road & Bridge		243,555		243,535		243,613
Building & Equipment		30,142		30,115		30,506
Permanent Road		<u>791,473</u>		<u>766,642</u>		<u>727,790</u>
Totals	<u>\$</u>	<u>1,670,717</u>	<u>\$</u>	<u>1,621,471</u>	<u>\$</u>	<u>1,555,378</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS
STATEMENT OF DEBT LIMIT MARGIN
For the Year Ended March 31, 2003

ASSESSED VALUATION	<u>\$ 473,935,643</u>
DEBT LIMITATION (8.625% of \$459,067,353)	\$ 40,876,949
General Bonded Debt	<u>0</u>
LEGAL DEBT MARGIN	<u>\$ 40,876,949</u>

The accompanying notes are an integral part of this statement.

STEVEN E. GARLAND

Certified Public Accountant
151 W. Lincoln Hwy.
DeKalb, Illinois 60115

815-758-0101

MANAGEMENT LETTER

To the President
and Members of the Board of Trustees
DeKalb Township, Illinois

I have audited the accompanying financial statements of the DeKalb Township, Illinois, as of March 31, 2003, and have issued my report thereon dated May 17, 2003. As part of my audit, I made a study and evaluation of the Township's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Township is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with the trustee's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles or another statutory basis.

Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of the Township taken as a whole.

However, my study and examination disclosed the following conditions in the system.

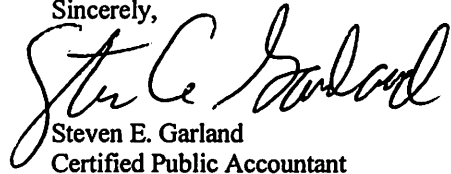
Fixed Asset Controls

The Township does not maintain a fixed asset account group. Fixed assets in the general fixed asset account group are required to be in accordance with Generally Accepted Accounting Policies. This is especially important under the new financial reporting model, which will also require the recording of infrastructure assets. The new financial reporting model will be required to be implemented by the fiscal year ended March 31, 2004. Under the proposed guidelines, an entity wide balance sheet and income statement under the full accrual basis of accounting will be required. The fixed asset records will also be beneficial to the Township in other ways. It can be used for capital budgeting and also for fixed asset controls as a record of what assets are owned by the Township as well as their age and location.

Board of Trustees
DeKalb Township

These conditions were considered in determining the nature, timing and extent of the audit tests applied in my audit and the issuing of my opinion, dated May 17, 2003, on the financial statements for the year ended March 31, 2003. The comments included in this letter supplement the information included in the financial statements and notes and is intended solely for use of the Township Trustees and should not be used for any other purpose.

Sincerely,



Steven E. Garland
Certified Public Accountant

July 30, 2002