

Audit Report

of

DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS

For the Period
April 1, 1987 through March 31, 1988

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

AUDIT REPORT
March 31, 1988

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815 - 758-1300

August 20, 1988

Board of Town Auditors
DeKalb Township
DeKalb, Illinois 60115

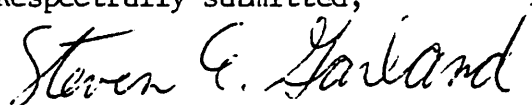
Gentlemen:

I have examined the accompanying financial statements of the funds, as listed in the table of contents of this report, of DeKalb Township for the period April 1, 1987 through March 31, 1988. My 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 I considered necessary in the circumstances.

As is more fully described in Note 1, the aforementioned financial statements have been prepared on the basis of cash receipts and disbursements. Consequently, these statements omit recognition of accounts payable, and other accrued items. Accordingly, these statements are not intended to and do not present financial position and results of operations in conformity with generally accepted accounting principles.

In my opinion, the aforementioned financial statements do present fairly the individual assets and liabilities arising from cash transactions of the funds, as listed in the table of contents of this report, of DeKalb Township at March 31, 1988 and the cash transactions of such funds for the period April 1, 1987 through March 31, 1988, on a basis consistent with that of the preceding year.

Respectfully submitted,



Steven E. Garland
Certified Public Accountant

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
All Funds
Statement of Assets and Liabilities
Arising From Cash Transactions
as of March 31, 1988

	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Special Gravel Fund</u>	<u>Special Bridge Fund</u>	<u>Building & Equipment Fund</u>	<u>Revenue Sharing Fund</u>	<u>Total All Funds</u>
<u>ASSETS</u>								
Cash	\$ 13,831	\$ 37,402	\$ 2,129	\$ 58,798	\$ 411	\$ 665	\$ ---	\$ 113,236
Investments	<u>79,027</u>	<u>346,826</u>	<u>324,296</u>	<u>304,036</u>	<u>233,687</u>	<u>27,623</u>	<u>---</u>	<u>1,315,495</u>
Total Assets	<u>\$ 92,858</u>	<u>\$ 384,228</u>	<u>\$ 326,425</u>	<u>\$ 362,834</u>	<u>\$ 234,098</u>	<u>\$ 28,288</u>	<u>\$ ---</u>	<u>\$ 1,428,731</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Payroll Taxes Withheld	<u>\$ 5,177</u>	<u>\$ ---</u>	<u>\$ 1,266</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,443</u>
Fund Balance April 1, 1987	\$ 128,779	\$ 333,332	\$ 392,421	\$ 257,154	\$ 221,008	\$ 26,842	\$ 6,056	\$ 1,365,592
Operating Receipts Over (under) Operating Disbursements	<u>(41,098)</u>	<u>50,896</u>	<u>(67,262)</u>	<u>105,680</u>	<u>13,090</u>	<u>1,446</u>	<u>(6,056)</u>	<u>56,696</u>
Fund Balance, March 31, 1988	<u>\$ 87,681</u>	<u>\$ 384,228</u>	<u>\$ 325,159</u>	<u>\$ 362,834</u>	<u>\$ 234,098</u>	<u>\$ 28,288</u>	<u>\$ ---</u>	<u>\$ 1,422,288</u>
Total Liabilities and Fund Balance	<u>\$ 92,858</u>	<u>\$ 384,228</u>	<u>\$ 326,425</u>	<u>\$ 362,834</u>	<u>\$ 234,098</u>	<u>\$ 28,288</u>	<u>\$ ---</u>	<u>\$ 1,428,731</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
Town Fund
Statement of Cash Receipts and Disbursements
April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1986 and Prior Levies		\$ 143,919
Interest on Investments		7,801
Personal Property Replacement Tax		15,673
Miscellaneous		<u>1,686</u>
		<u>\$ 169,079</u>
 <u>DISBURSEMENTS</u>		
Compensation of Town Officers:		
Highway Commissioner	\$ 23,500	\$ 23,000
Assessor	30,000	30,000
Deputy Assessors	40,000	35,490
Supervisor	29,000	28,000
Office	10,000	6,259
Treasurer - Road District	1,000	1,000
Town Clerk	1,500	1,500
Trustees	4,000	3,600
Town Building Expense:		
Utilities	5,500	3,792
Insurance & Bond	9,000	8,248
Repairs	36,500	278
Janitor	750	600
Town Officers' Expenses:		
Office Supplies	4,100	1,809
Office Equipment & Maintenance	7,500	2,292
Dues & Subscriptions	1,150	1,027
Transportation - Assessor	4,000	2,816
Convention Expense	5,000	4,632
Assessor Workshop & School	4,200	112
Printing, Publishing & Postage	700	181
Travel Expense, Supervisor	1,000	---
Other Expenses:		
Illinois Municipal Retirement Fund	10,700	10,475
Legal & Audit	4,000	2,966
Employees' Insurance	15,000	12,971
Unemployment Insurance	1,800	865
Miscellaneous	2,500	495
Agencies	19,000	18,779
Contingencies	4,555	---
Social Security Tax	13,700	<u>8,990</u>
	<u>\$ 289,655</u>	<u>\$ 210,177</u>

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DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
Town Fund
Statement of Cash Receipts and Disbursements
April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Actual</u>
Operating Receipts Over (Under) Operating Disbursements	\$ (41,098)
OTHER INCREASE (DECREASE) IN "CASH" PLUS INVESTMENTS" BALANCE	
Net Increase (Decrease) in Payroll Taxes Withheld	<u>2,484</u>
Increase (Decrease) in "Cash Plus Investments" balance during the year	\$ (38,614)
"CASH PLUS INVESTMENTS" Balance, Beginning	<u>131,472</u>
"CASH PLUS INVESTMENTS" Balance, Ending	<u>\$ 92,858</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 General Assistance Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1986 and Prior Levies		\$ 170,913
Interest on Investments		<u>16,589</u>
		<u>\$ 187,502</u>
 <u>DISBURSEMENTS</u>		
DeKalb County Home	\$ 140,000	\$ 123,816
Workmans Comp.	1,500	---
Medical Care	40,000	7,609
Food	4,000	830
Rent	30,000	2,911
Utilities	5,000	929
Personal Expense - Drugs	2,000	---
Funeral & Burial	2,000	---
Miscellaneous	1,000	75
Legal	10,000	---
Contengencies	11,000	---
Personal Allowance	<u>2,000</u>	<u>436</u>
	<u>\$ 248,500</u>	<u>\$ 136,606</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 50,896
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>333,332</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u><u>\$ 384,228</u></u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Road and Bridge Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1986 and Prior Levies		\$ 86,874
Personal Property Replacement Tax		31,145
Interest on Investments		24,978
Miscellaneous		<u>3,708</u>
		<u>\$ 146,705</u>
 <u>DISBURSEMENTS</u>		
Gross Labor	\$ 38,000	\$ 36,087
Building Division	66,000	114,608
New Equipment	50,000	3,839
Municipal Share of Levy	64,000	---
Insurance & Bond	13,575	19,244
Garage Utilities	4,000	2,385
Legal & Audit	5,800	2,345
Unemployment Compensation Ins.	1,200	663
Ill. Municipal Retirement Fund	3,100	3,002
Employee Insurance	1,440	4,053
Distribution of P.P.R. Tax	11,000	14,705
Miscellaneous	4,000	508
Printing & Publishing	200	397
Supplies & Materials	6,000	3,060
Equipment Repairs	25,000	6,219
Dues	100	70
Office Supplies	300	252
Contingencies	14,825	---
Social Security	<u>2,800</u>	<u>2,530</u>
	<u>\$ 311,340</u>	<u>\$ 213,967</u>
Operating Receipts Over (Under)		
Operating Disbursements		\$ (67,262)
 OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE		
Net Increase (Decrease) in Payroll Taxes Withheld		<u>601</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (66,661)
"CASH PLUS INVESTMENTS" Balance, beginning		<u>393,086</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u><u>\$ 326,425</u></u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
Special Gravel Fund
Statement of Cash Receipts and Disbursements
April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1986 and Prior Levies		\$ 298,933
Interest on Investments		16,452
Miscellaneous		<u>365</u>
		<u>\$ 315,750</u>
 <u>DISBURSEMENTS</u>		
Contract Labor	\$ 80,000	\$ 20,811
Right-of-way	20,000	---
Road Maintenance	80,000	19,757
Engineering Services	20,000	17,652
Lease Purchase Payment	30,000	28,796
Equipment Fuel	8,000	5,931
Road Improvements	250,000	114,633
Contingencies	25,000	195
Road Lighting	3,000	2,295
Equipment Rental	<u>5,000</u>	<u>---</u>
	<u>\$ 521,000</u>	<u>\$ 210,070</u>
Increase (Decrease) in "Cash Plus Investments" Balance during the year		\$ 105,680
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>257,154</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u><u>\$ 362,834</u></u>

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DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Special Bridge Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1987 through March 31, 1988

	<u>87-88 Appropriations</u>	<u>87-88 Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ <u>15,367</u>
<u>DISBURSEMENTS</u>		
Capital Outlay	\$ <u>7,000</u>	\$ <u>2,277</u>
Increase (Decrease) in "Cash Plus Investments" Balance during year		\$ 13,090
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>221,008</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 234,098</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Building & Equipment Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ <u>1,446</u>
<u>DISBURSEMENTS</u>		
Building	\$ <u>28,241</u>	\$ <u>---</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 1,446
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>26,842</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 28,288</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Revenue Sharing Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1987 through March 31, 1988

	<u>87-88</u> <u>Appropriations</u>	<u>87-88</u> <u>Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ 185
		<u>\$ 185</u>
<u>DISBURSEMENTS</u>		
DeKalb County Animal Welfare	\$ 556	\$ 425
Family Service Agency	2,900	2,908
Safe Passage	<u>2,900</u>	<u>2,908</u>
	<u>\$ 6,356</u>	<u>\$ 6,241</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (6,056)
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>6,056</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u><u>\$ -0-</u></u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

Note 1. Summary of Significant Accounting Policies

The Township has chosen to report on the cash basis of accounting. Accordingly, revenue is recognized when cash is received and expenditures when checks are written. Only assets representing a right to receive cash arising from a previous payment of cash are recorded as assets of a fund. In the same manner, only liabilities resulting from previous cash transactions are recorded as liabilities of a fund.

Purchase of property and equipment are recorded as expenditures of the various funds when paid. The cost thereof is also recorded on the cash basis in the General Fixed Assets Group of Accounts which is used to maintain accounting control over all property and equipment under the Township's jurisdiction.

Note 2. Assessed Valuation, Extension and Taxes Received

1985 Assessed Valuation	<u>\$ 175,355,054</u>
1985 Extension	\$ 616,920
Mobil Home Tax	882
Hi-Rise Tax	979
Back Tax	<u>13,827</u>
	<u>\$ 632,608</u>
Road Fund City Distribution	\$ 68,445
Pending Exemptions	(2,732)
Tax Appeal Board	(3,699)
Back Tax Collected	<u>6,017</u>
	<u>\$ 68,031</u>
Total Taxes Received by Township	<u>\$ 700,639</u>
Town Fund	\$ 143,919
Road and Bridge Fund	86,874
Special Gravel Fund	298,933
General Assistance Fund	<u>170,913</u>
	<u>\$ 700,639</u>

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

NOTES TO STATEMENTS
(Continued)

Note 3. Defined Benefit Pension Plan

- (A) The EMPLOYER contributes to the Illinois Municipal Retirement Fund("IMRF") an agent-multiple-employer public employee retirement system that acts as a common investment and administrative agent for 2,377 local governments and school districts in Illinois. The EMPLOYER'S total payroll for the year ended December 31, 1987 was \$164,529.99. Of this amount, \$158,742.00 in payroll earnings were reported to an covered by the IMRF system.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3 percent of their final rate of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Participating members are required to contribute 4.5 percent of their annual salary to IMRF. The EMPLOYER is required to contribute the remaining amounts necessary to fund the System, using the actuarial basis specified by statute.

- (B) Related Party Transactions

There were no securities of the EMPLOYER and related parties included in the System's assets.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

NOTES TO STATEMENTS
(Continued)

Note 3. Defined Benefit Pension Plan (Continued)

(C) Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of IMRF on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to IMRF.

The pension benefit obligation was computed as part of an actuarial valuation performed as of December 31, 1987. Significant actuarial assumptions used in the valuation include:

- (a) A rate of return on the investment of present and future assets of 7% a year compounded annually
- (b) Projected salary increases of 3.75% a year compounded annually, attributable to inflation
- (c) Additional projected salary increases of 1% a year, attributable to seniority/merit, and
- (d) Postretirement benefit increases of 3% annually.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

NOTES TO STATEMENTS
(Continued)

Note 3. Defined Benefit Pension Plan (Continued)

(C) Funding Status and Progress (Continued)

Total unfunded pension benefit obligation applicable to the EMPLOYER'S employees was \$83,047.00 at December 31, 1987, determined as follows:

Pension benefit obligation:

Terminated employees not yet receiving benefits	\$ 683
Current employees -	
Accumulated employee contributions including allocated investment earnings	50,320
Employer-financed vested	160,195
Employer-financed nonvested	<u>16,837</u>
Total pension benefit obligation	\$ 228,035
Net assets available for benefits at cost (market value is \$139,783)	<u>144,988</u>
Unfunded pension benefit obligation	<u>\$ 83,047</u>

The pension benefit obligation applicable to retirees and beneficiaries currently receiving benefits is not included in the above schedule due to the fact that this obligation was transferred from the EMPLOYER to IMRF as a whole when the annuity became payable.

Current-year changes in the actuarial assumptions, benefit provisions, and methodology are reflected in the December 31, 1987 pension benefit obligation shown above. This amount has been calculated by the IMRF Actuary using the measure described above. The dollar effect of these changes on the pension benefit obligation was not economically determinable on an individual employer basis by IMRF. Since the December 31, 1987 valuation was the first time this measure was used, comparison with a previous year's pension benefit obligation is not available.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

NOTES TO STATEMENTS
(Continued)

Note 3. Defined Benefit Pension Plan (Continued)

(D) Actuarially Determined Contribution Requirements
and Contribution Made

The IMRF funding policy provides for actuarially determined monthly contributions at rates that, for individual employees, accumulate assets gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the EMPLOYER'S employee group as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the entry age normal actuarial funding method. IMRF used the level percentage of payroll method to amortize the unfunded liability over an open-ended 40 year period.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described in C above.

The contributions by the EMPLOYER to IMRF for 1987 of \$12,239 were charged to the EMPLOYER'S account and were based on a contribution rate that was calculated in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1985. The contribution consisted of:

- (a) \$4,143 normal cost (2.61 percent of 1987 covered payroll)
- (b) \$6,746 amortization of the unfunded actuarial accrued liability (4.25 percent of 1987 covered payroll)
- (c) \$1,349 death and disability cost (.85 percent of 1987 covered payroll)

The employer contributed \$12,239 (7.71 percent of 1987 covered payroll); employees contributed \$7,143 (4.5 percent of 1987 covered payroll).

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1988

NOTES TO STATEMENTS
(Continued)

Note 3. Defined Benefit Pension Plan (Continued)

(D) Actuarially Determined Contribution Requirements
and Contribution Made (Continued)

Current-year changes in the actuarial assumptions, benefit provisions, and methodology, explained below, will be incorporated in the 1989 employer contribution rate. These changes are estimated to increase the 1989 rate by approximately 1.72 percent of payroll over the 1988 rate. Separate dollar effects of each change were not economically determinable on an individual employer basis by IMRF.

(E) Other Information

For the year ended 1987, available assets were sufficient to fund 63.58 percent of the pension benefit obligation. Unfunded pension benefit obligation represented 52.31 percent of the annual payroll for participating members covered by IMRF for 1987. Snowing unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the year ended 1987 the contributions to IMRF, all made in accordance with actuarially determined requirements, were 7.71 percent of annual covered payroll.