

AUDIT REPORT

of

**DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS**

For the Period
April 1, 1991 through March 31, 1992

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

CONTENTS

March 31, 1992

	<u>Page</u>
Auditor's Opinion	2
All Funds - Exhibit 1 Statement of Assets and Liabilities Arising from Cash Transactions	3
Town Fund - Exhibit 2 Statement of Cash Receipts and Disbursements	4-5
General Assistance Fund - Exhibit 3 Statement of Cash Receipts and Disbursements	6
Road and Bridge Fund - Exhibit 4 Statement of Cash Receipts and Disbursements	7
Permanent Road Fund - Exhibit 5 Statement of Cash Receipts and Disbursements	8
Special Bridge Fund - Exhibit 6 Statement of Cash Receipts and Disbursements	9
Building & Equipment Fund - Exhibit 7 Statement of Cash Receipts and Disbursements	10
Notes to Statements	11-15

STEVEN E. GARLAND

Certified Public Accountant
155 North Third Suite #504
DeKalb, Illinois 60115

815-758-1300

November 24, 1992

Board of Town Auditors
DeKalb Township
DeKalb, Illinois 60115

Trustees:

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, 1991, through March 31, 1992. 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, 1992 and the cash transactions of such funds for the period April 1, 1991, through March 31, 1992 on a basis consistent with that of the preceding year.

Respectfully submitted,



Steven E. Garland
Certified Public Accountant

SEG:al

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
All Funds
Statement of Assets and Liabilities
Arising From Cash Transactions
As of March 31, 1992

	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Permanent Road Fund</u>	<u>Special Bridge Fund</u>	<u>Building & Equipment Fund</u>	<u>Total All Funds</u>
ASSETS							
Cash	\$ 5,584	\$ 7,902	\$ 3,675	\$ 90,781	\$ 411	\$ 3,527	\$ 111,880
Investments	113,132	186,598	175,193	756,235	311,475	15,790	1,558,423
Pre-Paid Expense	24	0	0	0	0	0	24
Interfund Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>497</u>	<u>0</u>	<u>0</u>	<u>497</u>
Total Assets	<u>\$ 118,740</u>	<u>\$ 194,500</u>	<u>\$ 178,868</u>	<u>\$ 847,513</u>	<u>\$ 311,886</u>	<u>\$ 19,317</u>	<u>\$ 1,670,824</u>
LIABILITIES AND FUND BALANCE							
Payroll Taxes Withheld	\$ 1,823	\$ 0	\$ 594	\$ 0	\$ 0	\$ 0	\$ 2,417
Interfund Payable	<u>0</u>	<u>0</u>	<u>497</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>497</u>
Total Liabilities and Fund Balance	<u>\$ 1,823</u>	<u>\$ 0</u>	<u>\$ 1,091</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,914</u>
Fund Balance April 1, 1991	\$ 123,849	\$ 236,614	\$ 136,268	\$ 758,128	\$ 292,695	\$ 24,290	\$ 1,571,844
Operating Receipts Over (Under) Operating Disbursements	<u>(6,932)</u>	<u>(42,114)</u>	<u>41,509</u>	<u>89,385</u>	<u>19,191</u>	<u>(4,973)</u>	<u>96,066</u>
Fund Balance March 31, 1992	<u>\$ 116,917</u>	<u>\$ 194,500</u>	<u>\$ 177,777</u>	<u>\$ 847,513</u>	<u>\$ 311,886</u>	<u>\$ 19,317</u>	<u>\$ 1,667,910</u>
Total Liabilities and Fund Balance	<u>\$ 118,740</u>	<u>\$ 194,500</u>	<u>\$ 178,868</u>	<u>\$ 847,513</u>	<u>\$ 311,886</u>	<u>\$ 19,317</u>	<u>\$ 1,670,824</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, 1991 through March 31, 1992

	<u>91-92</u> <u>Appropriations</u>	<u>91-92</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1990 and prior levies		\$ 389,531
Interest on Investments		9,722
Personal Property Replacement Tax		14,824
Miscellaneous		<u>623</u>
		<u>\$ 414,700</u>
 <u>DISBURSEMENTS</u>		
Compensation of Town Officers:		
Highway Commissioner	\$ 30,000	\$ 30,000
Assessor	32,000	31,250
Deputy Assessors	36,000	30,966
Supervisor	31,000	30,100
Office	10,000	11,134
Town Clerk	1,800	1,800
Trustees	3,600	3,600
Town Building Expense:		
Utilities	7,500	7,299
Insurance & Bond	7,000	10,545
Building Maintenance	1,000	390
Janitor	1,500	1,315
Town Officers' Expenses:		
Office Supplies	3,700	1,944
Office Equipment & Maintenance	5,300	7,008
Dues & Subscriptions	1,250	1,340
Equipment & Building	3,000	330
Training/Conventions	5,750	6,025
Printing, Publishing & Postage	1,000	896
Travel Expense	5,100	2,161
Other Expenses:		
Illinois Municipal Retirement Fund	15,000	14,177
Legal & Audit	11,500	1,774
Employees' Insurance	16,000	11,615
Unemployment Insurance	1,000	165
Miscellaneous	1,200	976
Operating Supplies	800	337
Contingencies	5,000	0
Social Security Tax	12,000	10,809
Agencies	55,000	55,000
DeKalb Co. Home	94,600	147,983
Dental	<u>1,760</u>	<u>693</u>
	<u>\$ 400,360</u>	<u>\$ 421,632</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, 1991 through March 31, 1992

	<u>91-92</u> <u>Actual</u>
Operating Receipts Over (Under) Operating Disbursements	\$ (6,932)
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE	
Net Increase (Decrease) in Payroll Taxes Withheld	226
Net (Increase) Decrease in Prepaid Expenses	<u>512</u>
Increase (Decrease) in "Cash Plus Investments" balance during the year	\$ (6,194)
"CASH PLUS INVESTMENTS" Balance, Beginning	<u>124,910</u>
"CASH PLUS INVESTMENTS" Balance, Ending	<u>\$ 118,716</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, 1991 through March 31, 1992

	<u>91-92</u> <u>Appropriations</u>	<u>91-92</u> <u>Actual</u>
<u>RECEIPTS</u>		
Miscellaneous		\$ 699
Interest on Investments		<u>14,079</u>
		<u>\$ 14,778</u>
 <u>DISBURSEMENTS</u>		
DeKalb County Home	\$ 46,500	\$ 46,228
Medical Care	30,000	48
Flat Grant	25,000	9,689
Personal Expense - Drugs	2,000	171
Funeral & Burial	5,000	0
Legal	10,000	0
Miscellaneous	1,000	586
Contingencies	<u>100,000</u>	<u>170</u>
	<u>\$ 219,500</u>	<u>\$ 56,892</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (42,114)
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>236,614</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u>\$ 194,500</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, 1991 through March 31, 1992

	<u>91-92</u> <u>Appropriations</u>	<u>91-92</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1990 and prior levies		\$ 114,544
Personal Property Replacement Tax		29,459
Interest on Investments		8,592
Miscellaneous		<u>576</u>
		<u>\$ 153,171</u>
<u>DISBURSEMENTS</u>		
Gross Labor	\$ 52,500	\$ 45,930
New Equipment	50,000	0
Insurance	18,000	14,340
Garage Utilities	4,300	2,370
Legal & Audit	2,000	1,000
Unemployment Compensation Ins.	1,000	109
IL Municipal Retirement Fund	5,000	4,938
Employee Insurance	4,800	4,128
Distribution of P.P.R. Tax	16,000	13,909
Miscellaneous	2,000	1,606
Printing & Publishing	450	343
Shop Supplies & Equipment	4,500	5,265
Repairs & Maintenance	21,000	11,619
Dues	60	20
Office Supplies & Postage	500	519
Contingencies	9,000	1,783
Social Security	3,600	3,443
Training	<u>600</u>	<u>340</u>
	<u>\$ 195,310</u>	<u>\$ 111,662</u>
Operating Receipts Over (Under) Operating Disbursements		\$ 41,509
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE		
Net Increase (Decrease) in Payroll Taxes Withheld		\$ (97)
Net Increase (Decrease) in Interfund Payable		<u>0</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 41,412
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>137,456</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 178,868</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Permanent Road Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1991 through March 31, 1992

	<u>91-92</u> <u>Appropriations</u>	<u>91-92</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1990 and prior levies		\$ 377,996
Interest on Investments		47,343
Miscellaneous		<u>497</u>
		<u>\$ 425,836</u>
 <u>DISBURSEMENTS</u>		
Webster	\$ 50,000	\$ 32,212
Bethany Road	22,000	24,830
Dresser & Twombly	150,000	0
Gurler & First St.	100,000	0
Contract Labor	25,000	1,750
Right -of-way	20,000	0
Road Maintenance	50,000	37,903
Engineering Services	20,000	16,999
Miscellaneous	1,000	0
Equipment Fuel	12,000	8,074
Road Improvements	200,000	206,007
Contingencies	20,000	0
Road Lighting	4,000	2,083
Equipment Rental	5,000	0
Peace Road	70,000	253
Taylor St. Extension	150,000	0
Salt Bin	<u>25,000</u>	<u>6,340</u>
	<u>\$ 924,000</u>	<u>\$ 336,451</u>
Operating Receipts Over (Under)		
Operating Disbursements		89,385
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>757,631</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u><u>\$ 847,016</u></u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 Special Bridge Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1991 through March 31, 1992

	<u>91-92 Appropriations</u>	<u>91-92 Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ <u>19,191</u>
<u>DISBURSEMENTS</u>		
Capital Outlay	\$ <u>12,000</u>	\$ <u>0</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 19,191
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>292,695</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u>\$ 311,886</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, 1991 through March 31, 1992

	<u>91-92 Appropriations</u>	<u>91-92 Actual</u>
<u>RECEIPTS</u>		
Taxes - 1990 and Prior Levies		\$ 80,181
Interest on Investments		<u>2,022</u>
		<u>\$ 82,203</u>
 <u>DISBURSEMENTS</u>		
Equipment	\$ 18,600	\$ 69,312
Building	<u>60,000</u>	<u>17,864</u>
	<u>\$ 78,600</u>	<u>\$ 87,176</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (4,973)
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>24,290</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u><u>\$ 19,317</u></u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 AUDIT REPORT
 March 31, 1992

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

1990 Assessed Valuation	\$ <u>228,578,690</u>
1990 Extension	\$ 875,712
Mobile Home Tax	1,389
Hi-Rise Tax	1,153
Back Tax	<u>131</u>
	\$ <u>878,385</u>
Road Fund City Distribution	\$ 90,538
Pending Exemptions	(6,218)
Tax Appeal Board	<u>(453)</u>
	\$ <u>83,867</u>
Total Taxes Received by Township	\$ <u>962,252</u>
Town Fund	\$ 389,531
Road and Bridge Fund	114,544
Permanent Road	377,996
Building & Equipment	<u>80,181</u>
	\$ <u>962,252</u>

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 \$2,575 local governments and school districts in Illinois. The EMPLOYER'S total payroll for the year ended December 31, 1991 was \$186,980. Of this amount \$179,167 payroll earnings were reported to and covered by the IMRF system.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1992

Note 3. Defined Benefit Pension Plan (Continued)

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 $1 \frac{2}{3}$ 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.

(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, 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 prorated on service 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, 1991. Significant actuarial assumptions used in the valuation include:

- (a) A rate of return on the investment of present and future assets of 7.5% 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, 1992

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 \$31,674 at December 31, 1991, determined as follows:

Pension benefit obligation:

Terminated employees not yet receiving benefits	\$ 897
---	--------

Current employees -

Accumulated employee contributions including allocated investment earnings	50,880
--	--------

Employer-financed vested	77,799
--------------------------	--------

Employer-financed nonvested	<u>32,538</u>
-----------------------------	---------------

Total pension benefit obligation	\$ 162,114
----------------------------------	------------

Net assets available for benefits at cost (market value is \$149,840)	<u>130,440</u>
---	----------------

Unfunded pension benefit obligation	<u>\$ 31,674</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.

New actuarial assumptions based on the 1987-1989 experience study are reflected in the pension benefit obligation shown above. The new assumptions are described in the Digest of Changes. The dollar effect of these changes on the pension benefit obligation was not economically determinable by IMRF.

(D) Actuarially Determined Contribution Requirements and Contribution Made

The IMRF funding policy provides for actuarially determined monthly contributions at rates that will accumulate sufficient assets to pay benefits when due without having to be increased for future generations of taxpayers. 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 a 40 year period.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
AUDIT REPORT
March 31, 1992

Note 3. Defined Benefit Pension Plan (Continued)

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

The contributions by the EMPLOYER to IMRF for 1991 of \$18,794 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, 1989. The contribution consisted of:

- (a) \$12,434 normal cost (6.94 percent of 1991 covered payroll)
- (b) \$5,482 amortization of the unfunded actuarial accrued liability (3.06 percent of 1991 covered payroll)
- (c) \$877 death and disability cost (.49 percent of 1991 covered payroll)

The employer contributed \$18,794 (10.49 percent of 1991 covered payroll); employees contributed \$8,062 (4.5 percent of 1991 covered payroll)

The assumptions used to calculate the 1991 rates are different from the assumptions used to calculate the 1991 pension benefit obligation shown above in Section C. The new actuarial assumptions adopted in 1990 and explained below, have been incorporated into the 1992 and 1993 contribution rates. The net effect of these changes adopted in 1990 is estimated to increase contributions by 1% or less of payroll. The increase in interest assumption to 7.50% adopted in 1991, is estimated to decrease contributions by 1% of payroll, this change will be incorporated into the 1993 contribution rates. Separate dollar effects of each change were not economically determinable by IMRF.

(E) Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information may be found on page 15. For the three years ended 1989, 1990, and 1991, respectively, available assets were sufficient to fund 61.79, 61.85 and 80.46 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 29.22, 36.07, and 17.68 percent of the annual payroll for the participation members covered by IMRF for 1989, 1990, and 1991, respectively. Showing 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 three years ended 1989, 1990 and 1991,

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 AUDIT REPORT
 March 31, 1992

Note 3. Defined Benefit Pension Plan (Continued)

(E) Trend Information (Continued)

employer's contribution to IMRF, all made in accordance with actuarially determined requirements, were 8.39, 11.46, and 10.49 percent respectively of annual covered payroll.

* Digest of Changes:

The changes discussed below have been incorporated in the 1992 and 1993 employer contribution rates and in the December 31, 1991 pension benefit obligation. The previous assumptions were used to calculate the 1991 employer contribution rate.

The following changes in actuarial assumptions were based upon the 1987-89 experience study: (1) The salary increase assumption for long service employees was increased from 0.1% to 0.5%. (2) The mortality assumption for females was changed from the 1983 Group Annuity Table to 95% of the 1983 individual Annuity Table. The mortality assumption for males was changed from 93.5% of the 1971 Group Annuity Table to 95% of the 1983 Group annuity Table. (3) Retirement rates at most younger ages have been increased to reflect actual experience. (4) Termination rates have been decreased to reflect actual experience. (5) Disability rates have been decreased to reflect actual experience. (6) Payroll rate growth assumption for inflation has been increased from 3.50% to 4.25%.

ANALYSIS OF FUNDING PROGRESS

<u>Year</u>	(1) <u>Pension Benefit Obligation</u>	(2) <u>Assets at Cost</u>	Percent Funded <u>(2)/(1)</u>	(3) Unfunded Pensn Oblig <u>(1)-(2)</u>	(4) Annual Covered <u>Payroll</u>	Unfunded as Perct of Prrll <u>(3)/(4)</u>
1991	162,114	130,440	80.46	31,674	179,167	17.68
1990	154,758	95,712	61.85	59,046	163,710	36.07
1989	117,917	72,865	61.79	45,052	154,201	29.22
1988	185,001	103,884	56.15	81,117	149,639	54.21
1987	228,035	144,988	63.58	83,047	158,742	52.32

Note: The trend information is provided starting in 1987 specified by GSAB 5.