

AUDIT REPORT

of

**DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS**

For the Period
April 1, 1992 through March 31, 1993

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

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815-758-1300

September 29, 1993

Board of Town Auditors
DeKalb Township
DeKalb, Illinois 60115

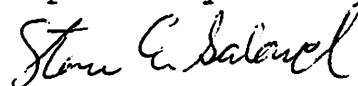
Trustees:

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, 1992, through March 31, 1993. 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, 1993 and the cash transactions of such funds for the period April 1, 1992, through March 31, 1993 on a basis consistent with that of the preceding year.

Respectfully submitted,



Steven E. Garland
Certified Public Accountant

SEG:bf

Exhibit 1

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
All Funds
Statement of Assets and Liabilities
Arising From Cash Transactions
As of March 31, 1993

	Town Fund	General Assistance Fund	Road and Bridge Fund	Permanent Road Fund	Special Bridge Fund	Building & Equipment Fund	Total All Funds
ASSETS							
Cash	\$ 11,351	\$ 7,710	\$ 4,264	\$ 29,716	\$ 0	\$ 4,836	\$ 57,877
Investments	170,687	177,419	215,111	534,982	311,759	41,559	1,451,517
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>\$ 182,062</u>	<u>\$ 185,129</u>	<u>\$ 219,375</u>	<u>\$ 565,195</u>	<u>\$ 311,759</u>	<u>\$ 46,395</u>	<u>\$ 1,509,915</u>
LIABILITIES AND FUND BALANCE							
Payroll Taxes Withheld	\$ 1,499	\$ 0	\$ 656	\$ 0	\$ 0	\$ 0	\$ 2,155
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>\$ 1,499</u>	<u>\$ 0</u>	<u>\$ 1,153</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,652</u>
Fund Balance April 1, 1992	\$ 116,917	\$ 194,500	\$ 177,777	\$ 847,513	\$ 311,886	\$ 19,317	\$ 1,667,910
Operating Receipts Over (Under) Operating Disbursements	<u>63,646</u>	<u>(9,371)</u>	<u>40,445</u>	<u>(282,318)</u>	<u>(127)</u>	<u>27,078</u>	<u>(160,647)</u>
Fund Balance March 31, 1993	<u>\$ 180,563</u>	<u>\$ 185,129</u>	<u>\$ 218,222</u>	<u>\$ 565,195</u>	<u>\$ 311,759</u>	<u>\$ 46,395</u>	<u>\$ 1,507,263</u>
Total Liabilities and Fund Balance	<u>\$ 182,062</u>	<u>\$ 185,129</u>	<u>\$ 219,375</u>	<u>\$ 565,195</u>	<u>\$ 311,759</u>	<u>\$ 46,395</u>	<u>\$ 1,509,915</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, 1992 through March 31, 1993

	<u>92-93 Appropriations</u>	<u>92-93 Actual</u>
<u>RECEIPTS</u>		
Taxes - 1991 and prior levies		\$ 400,910
Interest on Investments		6,637
Personal Property Replacement Tax		15,603
Miscellaneous		<u>622</u>
		<u>\$ 423,772</u>
<u>DISBURSEMENTS</u>		
Compensation of Town Officers:		
Highway Commissioner	\$ 30,000	\$ 30,000
Assessor	32,000	32,000
Deputy Assessors	36,000	27,100
Supervisor	31,000	31,000
Office	10,000	6,139
Town Clerk	1,800	1,800
Trustees	3,600	3,600
Town Building Expense:		
Utilities & Telephone	9,000	7,436
Insurance & Bond	8,500	5,994
Building Maintenance	1,000	624
Janitor	1,560	1,575
Town Officers' Expenses:		
Office Supplies	2,700	2,307
Office Equipment & Maintenance	1,300	592
Dues & Subscriptions	1,250	1,021
Equipment & Building	9,500	5,764
Training/Conventions	6,450	3,489
Printing, Publishing & Postage	1,200	843
Travel Expense	5,100	1,640
Other Expenses:		
Illinois Municipal Retirement Fund	16,000	13,527
Legal & Audit	5,500	2,025
Employees' Insurance	14,000	12,068
Unemployment Insurance	1,000	158
Miscellaneous	1,200	891
Operating Supplies	600	135
Contingencies	1,000	500
Social Security Tax	12,000	10,991
Agencies	55,000	55,000
DeKalb Co. Home	100,000	100,000
Dental	<u>3,026</u>	<u>1,907</u>
	<u>\$ 401,286</u>	<u>\$ 360,126</u>

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				Operating Receipts Over (Under)	
				Operating Disbursements	
		\$ 63,646		OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE	
				Net Increase (Decrease) in Payroll Taxes Withheld	
		(324)		Increase (Decrease) in "Cash Plus Investments" balance during the year	
		\$ 63,322		"CASH PLUS INVESTMENTS" Balance, Beginning	
		118,716		"CASH PLUS INVESTMENTS" Balance, Ending	
		<u>\$ 182,038</u>			

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
Town Fund
Statement of Cash Receipts and Disbursements
April 1, 1992 through March 31, 1993

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 General Assistance Fund
 Statement of Cash Receipts and Disbursements
 April 1, 1992 through March 31, 1993

	<u>91-92 Appropriations</u>	<u>91-92 Actual</u>
<u>RECEIPTS</u>		
Taxes - 1991 and prior levies		\$ 8,182
Interest on Investments		<u>8,583</u>
		<u>\$ 16,765</u>
 <u>DISBURSEMENTS</u>		
Gross Labor	\$ 10,000	\$ 9,916
Medical Care	37,000	370
Flat Grant	75,000	9,645
Postage	200	200
Training/Travel	800	85
Legal	10,000	1,071
Miscellaneous	1,000	753
Contingencies	<u>50,000</u>	<u>4,096</u>
	<u>\$ 184,000</u>	<u>\$ 26,136</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (9,371)
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>194,500</u>
"CASH PLUS INVESTMENTS' BALANCE, ENDING		<u>\$ 185,129</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>92-93</u> <u>Appropriations</u>	<u>92-93</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1991 and prior levies		\$ 118,853
Personal Property Replacement Tax		31,007
Interest on Investments		6,361
Miscellaneous		<u>1,060</u>
		<u>\$ 157,281</u>
<u>DISBURSEMENTS</u>		
Gross Labor	\$ 52,500	\$ 50,306
New Equipment	65,000	3,679
Insurance	18,000	14,270
Garage Utilities & Telephone	4,000	2,614
Legal & Audit	2,000	2,173
Unemployment Compensation Ins.	1,000	119
IL Municipal Retirement Fund	5,200	5,163
Employee Insurance	4,800	4,656
Distribution of P.P.R. Tax	16,000	14,640
Miscellaneous	2,000	1,180
Printing & Publishing	450	206
Shop Supplies & Equipment	5,000	3,646
Repairs & Maintenance	21,000	9,344
Dues	60	95
Office Supplies & Postage	500	501
Contingencies	10,095	0
Social Security	3,800	3,904
Training	<u>600</u>	<u>340</u>
	<u>\$ 212,005</u>	<u>\$ 116,836</u>
Operating Receipts Over (Under) Operating Disbursements		\$ 40,445
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE		
Net Increase (Decrease) in Payroll Taxes Withheld		\$ 62
Net Increase (Decrease) in Interfund Payable		<u>0</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 40,507
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>178,868</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 219,375</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, 1992 through March 31, 1993

	<u>92-93</u> <u>Appropriations</u>	<u>92-93</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1991 and prior levies		\$ 224,972
Interest on Investments		41,182
Miscellaneous		<u>635</u>
		<u>\$ 266,789</u>
 <u>DISBURSEMENTS</u>		
City of DeKalb - Projects	\$ 353,310	\$ 97,952
Crackfilling	30,000	0
Road	150,000	6,025
Shop Lot	20,000	17,952
Contract Labor	25,000	4,264
Right-of-way	20,000	20,000
Road Maintenance	50,000	28,127
Engineering Services	22,000	17,164
Miscellaneous	1,000	910
Equipment Fuel	12,000	9,516
Road Improvements	375,000	344,327
Contingencies	20,000	0
Road Lighting	4,000	2,811
Equipment Rental	<u>5,000</u>	<u>59</u>
	<u>\$ 1,087,310</u>	<u>\$ 549,107</u>
Operating Receipts Over (Under)		
Operating Disbursements		\$(282,318)
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>847,016</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 564,698</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, 1992 through March 31, 1993

	<u>92-93 Appropriations</u>	<u>92-93 Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ <u>16,353</u>
<u>DISBURSEMENTS</u>		
Capital Outlay	\$ <u>12,000</u>	\$ <u>16,480</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (127)
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>311,886</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u>\$ 311,759</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, 1992 through March 31, 1993

	<u>92-93 Appropriations</u>	<u>92-93 Actual</u>
 <u>RECEIPTS</u>		
Taxes - 1991 and prior levies		\$ 80,650
Interest on Investments		1,800
Miscellaneous - Sale of Truck		<u>6,000</u>
		<u>\$ 88,450</u>
 <u>DISBURSEMENTS</u>		
Equipment	\$ 101,320	\$ 61,288
Building	<u>0</u>	<u>84</u>
	<u>\$ 101,320</u>	<u>\$ 61,372</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 27,078
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>19,317</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u>\$ 46,395</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
 AUDIT REPORT
 March 31, 1993

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

1991 Assessed Valuation	\$ <u>249,805,838</u>
1991 Extension	\$ 740,526
Mobile Home Tax	1,316
Hi-Rise Tax	927
Back Tax	<u>489</u>
	<u>\$ 743,258</u>
Road Fund City Distribution	\$ 96,787
Pending Exemptions	(3,636)
Tax Appeal Board	<u>(2,842)</u>
	<u>\$ 90,309</u>
Total Taxes Received by Township	<u>\$ 833,567</u>
Town Fund	\$ 400,910
Road and Bridge Fund	118,853
Permanent Road	224,972
Building & Equipment	80,650
General Assistance	<u>8,182</u>
	<u>\$ 833,567</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 \$2,594 local governments and school districts in Illinois. The EMPLOYER'S total payroll for the year ended December 31, 1992 was \$193,436. Of this amount \$186,377 payroll earnings were reported to and covered by the IMRF system.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
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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 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, 1992. 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
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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 \$24,337 at December 31, 1992, determined as follows:

Pension benefit obligation:

Terminated employees not yet receiving benefits	\$ 963
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Current employees -

Accumulated employee contributions including allocated investment earnings	61,980
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Employer-financed vested	90,964
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Employer-financed nonvested	<u>43,009</u>
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Total pension benefit obligation	\$ 196,916 .
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Net assets available for benefits at cost (market value is \$185,899)	<u>172,579</u>
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Unfunded pension benefit obligation	<u>\$ 24,337</u>
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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.

(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, 1993

Note 3. Defined Benefit Pension Plan (Continued)

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

The contributions by the EMPLOYER to IMRF for 1992 of \$29,112 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1990. The contribution consisted of:

- (a) \$23,744 normal cost (12.74 percent of 1992 covered payroll)
- (b) \$4,547 amortization of the unfunded actuarial accrued liability (2.44 percent of 1992 covered payroll)
- (c) \$820 death and disability cost (.44 percent of 1992 covered payroll)

The employer contributed \$20,725 (11.12 percent of 1992 covered payroll); employees contributed \$8,387 (4.5 percent of 1992 covered payroll)

The assumptions used to calculate the 1992 rates were the same as the assumptions used to calculate the 1992 pension benefit obligation, except for the interest rate assumption. The increase in interest assumption from 7.00% to 7.50%, adopted in 1991, is estimated to decrease contributions by 1% of payroll. This change is incorporated into the 1993 contribution rates.

(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 1990, 1991, and 1992, respectively, available assets were sufficient to fund 61.85, 80.46 and 87.64 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 36.07, 17.68, and 13.06 percent of the annual payroll for the participation members covered by IMRF for 1990, 1991, and 1992, 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 1990, 1991 and 1992, the employer's contribution to IMRF, all made in accordance with actuarially determined requirements, were 11.46, 10.49 and 11.12 percent respectively of annual covered payroll.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
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Note 3. Defined Benefit Pension Plan (Continued)

(E) Trend Information (Continued)

* Digest of Changes:

The changes discussed below were adopted on December 31, 1990 and have been incorporated in the 1992 and 1993 employer contribution rates.

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%.

The Senate Bill 1470 (PA 87-850) was passed in 1992 which gives retirees and surviving spouses a supplemental benefit payment payable beginning in July 1993. The funding for the benefit payment will be provided by employers paying an additional 0.62% of covered payroll. This change was adopted on December 31, 1992 and was incorporated in the 1993 employer rate.

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 Payroll	Unfunded as Perct of Prrll <u>(3)/(4)</u>
1992	196,916	172,579	87.54	24,337	186,377	13.06
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.