

AUDIT REPORT

of

**DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS**

For the Period
April 1, 1993 through March 31, 1994

STEVEN E. GARLAND

Certified Public Accountant
901 N. First St. Suite 3
DeKalb, IL 60115

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS

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815-758-1300

September 29, 1994

Board of Town Auditors
DeKalb Township
DeKalb, Illinois 60115

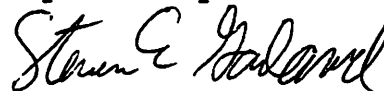
Trustees:

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, 1993, through March 31, 1994. 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

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
All Funds
Statement of Assets and Liabilities
Arising From Cash Transactions
As of March 31, 1994

	<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	\$ 79,581	\$ 4,415	\$ 2,797	\$ 178,292	\$ 0	\$ 2,470	\$ 267,555
Investments	183,173	163,454	269,581	340,878	322,952	53,804	1,333,842
Pre-Paid Expense	0	0	0	0	0	0	0
Interfund Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 262,754</u>	<u>\$ 167,869</u>	<u>\$ 272,378</u>	<u>\$ 519,170</u>	<u>\$ 322,952</u>	<u>\$ 56,274</u>	<u>\$ 1,601,397</u>
LIABILITIES AND FUND BALANCE							
Payroll Taxes Withheld	\$ 1,651	\$ 0	\$ 680	\$ 0	\$ 0	\$ 0	\$ 2,331
Interfund Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,651</u>	<u>\$ 0</u>	<u>\$ 680</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,331</u>
Fund Balance April 1, 1993	\$ 180,563	\$ 185,129	\$ 218,222	\$ 565,195	\$ 311,759	\$ 46,395	\$ 1,507,263
Operating Receipts Over (Under) Operating Disbursements	<u>80,540</u>	<u>(17,260)</u>	<u>53,476</u>	<u>(46,025)</u>	<u>11,193</u>	<u>9,879</u>	<u>91,803</u>
Fund Balance March 31, 1994	<u>\$ 261,103</u>	<u>\$ 167,869</u>	<u>\$ 271,698</u>	<u>\$ 519,170</u>	<u>\$ 322,952</u>	<u>\$ 56,274</u>	<u>\$ 1,599,066</u>
Total Liabilities and Fund Balance	<u>\$ 262,754</u>	<u>\$ 167,869</u>	<u>\$ 272,378</u>	<u>\$ 519,170</u>	<u>\$ 322,952</u>	<u>\$ 56,274</u>	<u>\$ 1,601,397</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Appropriations</u>	<u>93-94</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1992 and prior levies		\$ 422,373
Interest on Investments		7,430
Personal Property Replacement Tax		17,592
Miscellaneous		<u>1,095</u>
		<u>\$ 448,490</u>
<u>DISBURSEMENTS</u>		
Compensation of Town Officers:		
Highway Commissioner	\$ 32,000	\$ 32,000
Assessor	33,000	33,000
Deputy Assessors	37,500	27,356
Supervisor	32,000	33,000
Office	12,600	10,000
Town Clerk	1,800	1,800
Trustees	3,600	3,600
Town Building Expense:		
Utilities & Telephone	10,000	7,915
Insurance & Bond	8,700	8,401
Building Maintenance	1,000	200
Janitor	2,000	1,610
Town Officers' Expenses:		
Office Supplies	3,500	1,034
Office Equipment & Maintenance	1,300	3,423
Dues & Subscriptions	1,500	860
Equipment & Building	10,000	186
Training/Conventions	7,500	4,340
Printing, Publishing & Postage	1,750	653
Travel Expense	4,500	1,999
Other Expenses:		
IL Municipal Retirement Fund	16,000	13,795
Legal & Audit	6,000	1,363
Employees' Insurance	14,000	13,092
Unemployment Insurance	1,000	143
Miscellaneous	1,200	1,214
Operating Supplies	1,450	1,635
Contingencies	1,000	0
Social Security Tax	12,500	10,542
Agencies	55,000	55,000
DeKalb Co. Home	100,000	100,000
Dental	<u>3,000</u>	<u>539</u>
	<u>\$ 415,400</u>	<u>\$ 367,950</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Actual</u>
Operating Receipts Over (Under) Operating Disbursements	\$ 80,540
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE	
Net Increase (Decrease) in Payroll Taxes Withheld	<u>176</u>
Increase (Decrease) in "Cash Plus Investments" balance during the year	\$ 80,716
"CASH PLUS INVESTMENTS" Balance, Beginning	<u>182,038</u>
"CASH PLUS INVESTMENTS" Balance, Ending	<u>\$ 262,754</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Appropriations</u>	<u>93-94</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1992 and prior levis		\$ 10,120
Miscellaneous		35
Interest on Investments		<u>6,191</u>
		<u>\$ 16,346</u>
 <u>DISBURSEMENTS</u>		
Gross Labor	\$ 10,000	\$ 7,270
Medical Care	40,000	12,611
Flat Grant	75,000	7,716
Postage	500	174
Training/Travel	800	218
Legal & Audit	10,500	1,004
Miscellaneous & Office	11,450	1,380
Social Security	850	556
IMRF	1,000	727
Contingencies	<u>50,000</u>	<u>1,950</u>
	<u>\$ 200,100</u>	<u>\$ 33,606</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ (17,260)
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>185,129</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 167,869</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Appropriations</u>	<u>93-94</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1992 and prior levies		\$ 121,153
Personal Property Replacement Tax		34,960
Interest on Investments		7,283
Miscellaneous		<u>1,433</u>
		<u>\$ 164,829</u>
<u>DISBURSEMENTS</u>		
Gross Labor	\$ 52,500	\$ 50,242
New Equipment	65,000	85
Insurance	18,000	9,489
Garage Utilities & Telephone	4,000	3,039
Legal & Audit	2,000	1,204
Unemployment Compensation Ins.	1,000	110
IL Municipal Retirement Fund	5,200	4,967
Employee Insurance	5,000	5,384
Distribution of P.P.R. Tax	16,000	16,506
Miscellaneous	2,000	1,560
Printing & Publishing	400	480
Shop Supplies & Equipment	5,000	2,365
Repairs & Maintenance	21,200	11,287
Dues	100	45
Office Supplies & Postage	550	386
Contingencies	10,128	0
Social Security	4,000	3,883
Training	<u>600</u>	<u>321</u>
	<u>\$ 212,678</u>	<u>\$ 111,353</u>
Operating Receipts Over (Under)		
Operating Disbursements		\$ 53,476
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE		
Net Increase (Decrease) in Payroll Taxes Withheld		\$ 24
Net Increase (Decrease) in Interfund Payable		<u>(497)</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 53,003
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>219,375</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 272,378</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Appropriations</u>	<u>93-94</u> <u>Actual</u>
<u>RECEIPTS</u>		
Taxes - 1992 and prior levies		\$ 455,805
Interest on Investments		16,203
Miscellaneous		<u>2,196</u>
		<u>\$ 474,204</u>
<u>DISBURSEMENTS</u>		
City of DeKalb - Projects	\$ 647,699	\$ 428,738
Crackfilling	70,000	47,273
Road	150,000	12,424
Contract Labor	25,000	4,400
Right-of-way	20,000	0
Road Maintenance	50,000	17,885
Engineering Services	20,000	0
Miscellaneous	1,000	220
Equipment Fuel	12,000	8,999
Contingencies	20,000	0
Road Lighting	4,000	3,155
Equipment Rental	<u>5,000</u>	<u>135</u>
	<u>\$ 1,024,699</u>	<u>\$ 520,229</u>
Operating Receipts Over (Under) Operating Disbursements		\$(46,025)
OTHER INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE		
NET INCREASE (DECREASE) IN INTERFUND LOANS		
		<u>\$ 497</u>
INCREASE (DECREASE) IN "CASH PLUS INVESTMENTS" BALANCE DURING THE YEAR		
		\$ (45,528)
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>564,698</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 519,170</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, 1993 through March 31, 1994

	<u>93-94</u> <u>Appropriations</u>	<u>93-94</u> <u>Actual</u>
<u>RECEIPTS</u>		
Interest on Investments		\$ <u>11,193</u>
<u>DISBURSEMENTS</u>		
Capital Outlay	\$ <u>20,000</u>	\$ <u>0</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 11,193
"CASH PLUS INVESTMENTS" BALANCE, BEGINNING		<u>311,759</u>
"CASH PLUS INVESTMENTS" BALANCE, ENDING		<u>\$ 322,952</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, 1993 through March 31, 1994

	<u>93-94 Appropriations</u>	<u>93-94 Actual</u>
<u>RECEIPTS</u>		
Taxes - 1992 and prior levies		\$ 80,769
Interest on Investments		<u>1,106</u>
		<u>\$ 81,875</u>
 <u>DISBURSEMENTS</u>		
Equipment	\$ 127,596	\$ 71,996
Building	<u>0</u>	<u>0</u>
	<u>\$ 127,596</u>	<u>\$ 71,996</u>
Increase (Decrease) in "Cash Plus Investments" balance during year		\$ 9,879
"CASH PLUS INVESTMENTS" Balance, Beginning		<u>46,395</u>
"CASH PLUS INVESTMENTS" Balance, Ending		<u>\$ 56,274</u>

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, DEKALB COUNTY, ILLINOIS
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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

1992 Assessed Valuation	<u>\$</u>	272,840,052
1992 Extension	\$	990,220
Mobile Home Tax		1,753
Hi-Rise Tax		1,203
Back Tax		<u>2,442</u>
	<u>\$</u>	<u>995,618</u>
Road Fund City Distribution	\$	97,436
Pending Exemptions		(330)
Tax Appeal Board		<u>(2,505)</u>
	<u>\$</u>	<u>94,601</u>
Total Taxes Received by Township	<u>\$</u>	<u>1,090,219</u>
Town Fund	\$	422,372
Road and Bridge Fund		121,153
Permanent Road		455,805
Building & Equipment		80,769
General Assistance		<u>10,120</u>
	<u>\$</u>	<u>1,090,219</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 \$2,605 local governments and school districts in Illinois. The EMPLOYER'S total payroll for the year ended December 31, 1993 was \$199,128.

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Note 3. Defined Benefit Pension Plan (Continued)

Of this amount \$186,789 payroll earnings were reported to and 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.

(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 4.25% a year compounded annually, attributable to inflation

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Note 3. Defined Benefit Pension Plan (Continued)

(C) Funding Status and Progress (Continued)

(c) Additional projected salary increases ranging from 0.6% to 6.8% per year, depending on age and service, and

(d) Postretirement benefit increases of 3% annually.

Total unfunded pension benefit obligation applicable to the EMPLOYER'S employees was \$18,717 at December 31, 1993, determined as follows:

Pension benefit obligation:

Terminated employees not yet receiving benefits	\$ 1,036
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Current employees -

Accumulated employee contributions including allocated investment earnings	75,032
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Employer-financed vested	118,071
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Employer-financed nonvested	<u>37,784</u>
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Total pension benefit obligation	\$ 231,923
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Net assets available for benefits at cost (market value is \$238,307)	<u>213,206</u>
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Unfunded pension benefit obligation	<u>\$ 18,717</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 39 year period.

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

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

The contributions by the EMPLOYER to IMRF for 1993 of \$26,449 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of December 31, 1991. The contribution consisted of:

- (a) \$21,555 normal cost (11.54 percent of 1993 covered payroll)
- (b) \$3,007 amortization of the unfunded actuarial accrued liability (1.61 percent of 1993 covered payroll)
- (c) \$728 death and disability cost (.39 percent of 1993 covered payroll)
- (d) \$1,158 cost of supplemental retirement benefit (0.62 percent of 1993 covered payroll).

The employer contributed \$18,043 (09.66 percent of 1993 covered payroll); employees contributed \$8,405 (4.5 percent of 1993 covered payroll)

The new actuarial assumptions based on the 1990-1992 experience study were adopted in 1993. The changes will be incorporated into the 1995 contribution rates. The net effect of changes adopted in 1993 is estimated to increase the obligation by \$5,628.

(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 1991, 1992, and 1993, respectively, available assets were sufficient to fund 80.46, 87.64 and 91.93 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 17.68, 13.06, and 10.02 percent of the annual payroll for the participation members covered by IMRF for 1991, 1992, and 1993, 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 1991, 1992 and 1993, the employer's contribution to IMRF, all made in accordance with actuarially determined requirements, were 10.49, 11.12 and 9.66 percent respectively of annual covered payroll.

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Note 3. Defined Benefit Pension Plan (Continued)

(E) Trend Information (Continued)

* Digest of Changes:

Actuarial assumptions were modified based on the 1990-1992 experience study.

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) <u>Unfunded Pensn Oblig (1)-(2)</u>	(4) <u>Annual Covered Payroll</u>	Unfunded as Perct of Pyrl <u>(3)/(4)</u>
1993	231,923	213,206	91.93	18,717	186,789	10.02
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.