

AUDIT REPORT

Of

**DEKALB TOWNSHIP
DEKALB COUNTY, ILLINOIS**

**For the Period
April 1, 2000 through March 31, 2001**

STEVEN E. GARLAND

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

(815) 758-0101

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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

Certified Public Accountant
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, 2001, 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, 2001, 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

July 19, 2001

DEKALB TOWNSHIP, ILLINOIS
All Fund Types and Account Group
Combined Balance Sheet
Arising from Cash Receipts and Disbursements

For the Year Ended March 31, 2001

<u>ASSETS</u>	<u>Total (Memorandum Only)</u>	<u>General</u>	<u>Special Revenue</u>
Cash	\$ 1,672,371	\$ 455,162	\$ 1,217,209
Investments	<u>0</u>	<u>0</u>	<u>0</u>
Total cash and Investments	<u>\$ 1,672,371</u>	<u>\$ 455,162</u>	<u>\$ 1,217,209</u>
TOTAL ASSETS	<u>\$ 1,672,371</u>	<u>\$ 455,162</u>	<u>\$ 1,217,209</u>
 <u>LIABILITIES</u>			
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 <u>TOWNSHIP EQUITY</u>			
Fund Balance	<u>\$ 1,672,371</u>	<u>\$ 455,162</u>	<u>\$ 1,217,209</u>
TOTAL TOWNSHIP EQUITY	<u>\$ 1,672,371</u>	<u>\$ 455,162</u>	<u>\$ 1,217,209</u>
TOTAL LIABILITIES AND TOWNSHIP EQUITY	<u>\$ 1,672,371</u>	<u>\$ 455,162</u>	<u>\$ 1,217,209</u>

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, 2001

	<u>Total (Memorandum Only)</u>	<u>General</u>	<u>Special Revenue</u>
REVENUE			
Replacement Tax	\$ 84,076	\$ 28,145	=\$ 55,931
Property Tax	1,374,115	529,465	844,650
Share Income & SSI/State	6,718	6,718	0
Interest Income	147,903	59,876	88,027
Other Revenue	<u>67,678</u>	<u>7,562</u>	<u>60,116</u>
TOTAL REVENUE	<u>\$ 1,680,490</u>	<u>\$ 631,766</u>	<u>\$ 1,048,724</u>
EXPENDITURES			
Operations	<u>2,008,748</u>	<u>\$ 669,334</u>	<u>1,339,414</u>
TOTAL EXPENDITURES	<u>\$ 2,008,748</u>	<u>\$ 669,334</u>	<u>\$ 1,339,414</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES/SOURCES	\$ (328,258)	\$ (37,568)	\$ (290,690)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 10,000	\$ 10,000	\$ 0
Operating transfers out	<u>10,000</u>	<u>10,000</u>	<u>0</u>
NET OTHER FINANCING SOURCES (USE)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USE	\$ (328,258)	\$ (37,568)	\$ (290,690)
TOWNSHIP EQUITY			
Balance, beginning of year	<u>2,000,629</u>	<u>492,730</u>	<u>1,507,899</u>
TOTAL TOWNSHIP EQUITY	<u><u>\$ 1,672,371</u></u>	<u><u>\$ 455,162</u></u>	<u><u>\$ 1,217,209</u></u>

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, 2001

	Total (Memorandum Only)		General		Special Revenue	
	Estimated Revenue and Appropriations	Actual	Estimated Revenue and Appropriations	Actual	Estimated Revenue and Appropriations	Actual
REVENUES COLLECTED						
Replacement Tax	\$ 75,980	\$ 84,076	\$ 26,000	\$ 28,145	\$ 49,980	\$ 55,931
Property Tax	1,306,761	1,374,115	526,019	529,465	780,742	844,650
Share Income & SSI/State	1,000	6,718	1,000	6,718	0	0
Interest Income	97,593	147,903	27,200	59,876	70,393	88,027
Other Income	2,513	67,678	2,000	7,562	513	60,116
TOTAL REVENUE COLLECTED	\$ 1,483,847	\$ 1,680,490	\$ 582,219	\$ 631,766	\$ 901,628	\$ 1,048,724
EXPENDITURES PAID						
Operations	2,458,239	2,008,748	724,400	\$ 669,334	1,733,839	1,339,414
TOTAL EXPENDITURES PAID	\$ 2,458,239	\$ 2,008,748	\$ 724,400	\$ 669,334	\$ 1,733,839	\$ 1,339,414
OPERATING TRANSFER	0	0	0	0	0	0
BUDGETARY-BASIS EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES	\$ (974,392)	\$ (328,258)	\$ (142,181)	\$ (37,568)	\$ (832,211)	\$ (290,690)

The accompanying notes are an integral part of these statements.

DEKALB TOWNSHIP, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2001

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, 2001

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, 2001

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.

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 publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, and 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 2000 was 8.41 % 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 remaining amortization period at December 31, 2000 was 32 years.

For December 31, 2000, the DeKalb Township's annual pension cost of \$21,773. was equal to the DeKalb Township's required and actual contributions. The required contributions were determined as part of the December 31, 1998 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 1998 actuarial valuation were based on the 1993-1995 experience study. However, the 2000 actuarial valuation information shown on page 2 is based on the assumptions based on the 1996-1998 experience study.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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

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)
12/31/00	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%

*Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2000 were changed due to the 1996-1998 Experience Study.

The principal changes were:

- More members are expected to take refunds early in their career.
- For both Regular and SLEP members, more normal and early retirements are expected to occur.
- Expected salary increases due to longevity for employees with less than 6 years of service were increased.

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, 2001

	Total (Memorandum Only)	Town	General Assistance	Cemetery
ASSETS				
Cash	\$455,162	\$ 260,482	\$ 116,175	\$ 78,505
Investments	<u>0</u>	<u>0</u>	<u>0</u> =	<u>0</u>
TOTAL ASSETS	<u>\$455,162</u>	<u>\$ 260,482</u>	<u>\$ 116,175</u>	<u>\$ 78,505</u>
LIABILITIES				
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOWNSHIP EQUITY				
Fund Balance	<u>\$455,162</u>	<u>\$ 260,482</u>	<u>\$ 116,175</u>	<u>\$ 78,505</u>
TOTAL LIABILITIES AND TOWNSHIP EQUITY	<u>\$455,162</u>	<u>\$ 260,482</u>	<u>\$ 116,175</u>	<u>\$ 78,505</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, 2001

	Total (Memorandum Only)	Town	General Assistance	Cemetery
REVENUE				
Replacement Tax	\$ 28,145	\$ 28,145	\$ 0	\$ 0
Property Tax	529,465	480,330	46,178	2,957
Interest Income	59,876	17,954	6,922	35,000
Share Income & SSI/State	6,718	0	= 6,718	0
Other	7,562	3,533	579	3,450
TOTAL REVENUE	\$631,766	\$529,962	\$ 60,397	\$ 41,407
EXPENDITURES				
Operations	\$669,334	\$572,661	\$ 47,186	\$ 49,487
TOTAL EXPENDITURES	\$669,334	\$572,661	\$ 47,186	\$ 49,487
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (37,568)	\$ (42,699)	\$ 13,211	\$ (8,080)
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.	\$ (37,568)	\$ (52,699)	\$ 13,211	\$ 1,920
FUND BALANCE				
Balance, beginning of year	492,730	313,181	102,964	76,585
Balance, end of year	<u>\$455,162</u>	<u>\$260,482</u>	<u>\$ 116,175</u>	<u>\$ 78,505</u>

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, 2001

TOWN FUND - REVENUE

	<u>Estimated</u>	<u>Cash Basis</u>
Replacement Tax	\$ 26,000	\$ 28,145
Property Tax	480,019	480,330
Interest Income	19,000	17,954
Other	<u>1,000</u>	<u>3,533</u>
 TOTAL REVENUE	 <u>\$ 526,019</u>	 <u>\$529,962</u>
 EXPENDITURES		
Administration	\$275,550	\$224,435
Assessor	91,350	67,982
Social Services	80,000	80,000
County Home	200,000	200,244
Contingencies	<u>1,000</u>	<u>0</u>
 TOTAL EXPENDITURES	 <u>\$647,900</u>	 <u>\$572,661</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, 2001

	<u>Cash Basis Appropriations</u>	<u>Actual</u>
Administration		
Personnel Services		
Salaries	\$ 155,000	\$ 141,649
Insurance	19,000	16,690
Retirement	32,000	21,560
	<u>\$ 206,000</u>	<u>\$ 179,899</u>
Total Personnel Services		
Contractual Services		=
Legal	\$ 1,000	\$ 531
Other Professional	2,500	1,300
Postage	1,500	978
Telephone	7,000	5,985
Publishing & Printing	400	300
Subscriptions	200	0
Dues	1,100	805
Travel	6,500	5,002
Training	3,350	2,157
Utilities	6,000	4,064
Insurance	10,000	8,638
NAT	2,000	1,729
Maintenance	2,000	1,900
	<u>\$ 43,550</u>	<u>\$ 33,389</u>
Total Contractual Services		
Commodities		
Office Supplies	\$ 2,000	\$ 1,209
Operating Supplies	4,000	2,134
	<u>\$ 6,000</u>	<u>\$ 3,343</u>
Total Commodities		
Other Expenditures		
Equipment Lease	\$ 5,000	\$ 1,832
Miscellaneous	4,000	3,150
	<u>\$ 9,000</u>	<u>\$ 4,982</u>
Total Other		
Capital Expenditures	\$ 11,000	\$ 2,822
TOTAL	<u>\$ 275,550</u>	<u>\$ 224,435</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, 2001

	Cash Basis Appropriations	Actual
Assessor		
Personnel Services		
Salaries	\$ 43,500	\$ 41,600
Insurance	10,500	11,117
Retirement	9,000	6,817
	<u>63,000</u>	<u>59,534</u>
Total Personnel Services	\$ 63,000	\$ 59,534
Contractual Services		
Legal	\$ 2,000	\$ 0
Postage	300	7
Telephone	1,500	1,107
Dues	550	585
Travel	4,300	1,656
Training	2,000	2,440
Appraisal Fee's	3,000	
Maintenance	1,000	80
	<u>14,650</u>	<u>5,875</u>
Total Contractual Services	\$ 14,650	\$ 5,875
Commodities		
Office Supplies	\$ 1,500	\$ 246
Operating Supplies	2,000	1,443
	<u>3,500</u>	<u>1,689</u>
Total Commodities	\$ 3,500	\$ 1,689
Other Expenditures		
Miscellaneous	\$ 700	\$ 700
Capital Expenditures	\$ 9,500	\$ 184
TOTAL	<u>\$ 91,350</u>	<u>\$ 67,982</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, 2001

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		-
Property Tax	\$ 46,000	\$ 46,178
Interest Income	5,700	6,922
Miscellaneous Income	500	579
SSI/ST of Il. Interim	<u>2,500</u>	<u>6,718</u>
TOTAL REVENUE	<u>\$ 54,700</u>	<u>\$ 60,397</u>
EXPENDITURES		
Administration	\$ 40,300	\$ 26,743
Home Relief	60,500	20,443
Contingencies	<u>12,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 112,800</u>	<u>\$ 47,186</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, 2001

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		-
Property Tax	\$ 0	\$ 0
Interest Income	2,500	2,957
Miscellaneous Income	10,000	35,000
Lots	<u>1,000</u>	<u>3,450</u>
TOTAL REVENUE	<u>\$ 13,500</u>	<u>\$ 41,407</u>
EXPENDITURES		
Administration	\$ 0	\$ 0
Contractual	14,600	12,418
Commodities	1,400	1,209
Capital Outlay	0	35,860
Other Expenditures	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 16,000</u>	<u>\$ 49,487</u>

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, 2001

	Total (Memorandum Only)	Road & Bridge	Permanent Road	Building & Equipment	Special Bridge
ASSETS					
Cash	\$ 1,217,209	\$ 554,571	\$ 240,195	\$ 92,897	\$329,546
Investments	0	0	0	0	0
TOTAL ASSETS	\$ 1,217,209	\$ 554,571	\$ 240,195	\$ 92,897	\$329,546
LIABILITIES					
TOTAL LIABILITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOWNSHIP EQUITY					
Fund Balance	\$ 1,217,209	\$ 554,571	\$ 240,195	\$ 92,897	\$329,546
TOTAL LIABILITIES AND TOWNSHIP EQUITY	\$ 1,217,209	\$ 554,571	\$ 240,195	\$ 92,897	\$329,546

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, 2001

	<u>Total (Memorandum Only)</u>	<u>Road & Bridge</u>	<u>Permanent Road</u>	<u>Building & Equipment</u>	<u>Special Bridge</u>
<u>REVENUE</u>					
Replacement Tax	\$ 55,931	\$ 55,931	\$ 0	\$ 0	\$ 0
Property Tax	844,650	125,192	689,360	30,098	0
Interest Income	88,027	23,774	37,181	3,610	23,462
Other	60,116	51,716	6,400	2,000	0
TOTAL REVENUE	\$ 1,048,724	\$256,613	\$ 732,941	\$ 35,708	\$ 23,462
<u>EXPENDITURES</u>					
Operations	\$ 1,339,414	\$193,545	\$ 1,134,157	\$ 25	\$ 11,687
TOTAL EXPENDITURES	\$ 1,339,414	\$193,545	\$ 1,134,157	\$ 25	\$ 11,687
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (290,690)	\$ 63,068	\$ (401,216)	\$ 35,683	\$ 11,775
Operating Transfers	0	0	0	0	0
<u>FUND BALANCE</u>					
Balance, beginning of year	1,507,899	491,503	641,411	57,214	317,771
Balance, end of year	\$ 1,217,209	\$554,571	\$ 240,195	\$ 92,897	\$329,546

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, 2001

	Cash Basis	
	Estimated Revenue & Appropriations	Actual
REVENUE		-
Replacement Tax	\$ 49,980	\$ 55,931
Property Tax	121,264	125,192
Interest Income	24,260	23,774
Miscellaneous	513	51,716
TOTAL REVENUE	<u>\$196,017</u>	<u>\$256,613</u>
EXPENDITURES		
Salaries	\$ 74,000	\$ 74,658
Retirement	14,200	13,449
Insurance	9,800	10,217
Contractual	23,800	18,846
Commodities	36,400	25,227
Capital Outlay	82,000	23,566
Contingency	12,830	96
Personal Property	27,000	26,408
Miscellaneous	2,000	1,078
TOTAL EXPENDITURES	<u>\$282,030</u>	<u>\$193,545</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, 2001

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		
Property Tax	\$ 630,377	\$ 689,360
Interest Income	32,022	37,181
Miscellaneous	<u>0</u>	<u>6,400</u>
TOTAL REVENUE	<u>\$ 662,399</u>	<u>\$ 732,941</u>
EXPENDITURES		
Contractual	\$ 1,251,001	\$ 1,119,877
Commodities	32,000	10,783
Other	1,000	3,497
Contingency	<u>20,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>\$ 1,304,001</u>	<u>\$ 1,134,157</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, 2001

	Cash Basis	
	Estimated Revenue & Appropriations	Actual
REVENUE		
Property Tax	\$ 29,101	\$ 30,098
Interest Income	1,698	3,610
Miscellaneous	<u>0</u>	<u>2,000</u>
TOTAL REVENUE	<u>\$ 30,799</u>	<u>\$ 35,708</u>
EXPENDITURES		
Capital Outlay	<u>\$ 87,808</u>	<u>\$ 25</u>
TOTAL EXPENDITURES	<u>\$ 87,808</u>	<u>\$ 25</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, 2001

Cash Basis

	<u>Estimated Revenue & Appropriations</u>	<u>Actual</u>
REVENUE		-
Property Tax	\$ 0	\$ 0
Interest Income	14,111	23,462
Miscellaneous	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$ 14,111</u>	<u>\$ 23,462</u>
EXPENDITURES		
Contractual Services	<u>\$ 60,000</u>	<u>\$ 0</u>
Capital Outlay	<u>\$118,300</u>	<u>\$ 11,687</u>
TOTAL EXPENDITURES	<u>\$178,300</u>	<u>\$ 11,687</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, 2001

Tax levy Year	2000	1999	1998
ASSESSED VALUATION	\$ 435,802,172	\$ 412,342,589	\$ 387,448,690

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	0.1148	32.17%	0.1165	32.55%	0.1231	34.16%
General Assistance	0.0122	3.42%	0.0112	3.13%	0.0062	1.72%
Road & Bridge	0.0559	15.66%	0.0559	15.62%	0.0564	15.65%
Building & Equipment	0.0070	1.96%	0.0073	2.04%	0.0077	2.14%
Permanent Road	0.1670	46.79%	0.1670	46.66%	0.1670	46.34%
Totals	0.3569	100.00%	0.3579	100.00%	0.3604	100.00%

PROPERTY TAX EXTENSIONS

FUNDS

Town Fund	\$ 500,301	\$ 480,379	\$ 476,949
General Assistance	53,168	46,182	24,022
Road & Bridge	243,613	230,500	218,521
Building & Equipment	30,506	30,101	29,834
Permanent Road	727,790	688,612	647,039
Totals	\$ 1,555,378	\$ 1,475,774	\$ 1,396,365

The accompanying notes are an integral part of this statement.

DEKALB TOWNSHIP, ILLINOIS
STATEMENT OF DEBT LIMIT MARGIN
For the Year Ended March 31, 2001

ASSESSED VALUATION - 2000 Tax levy	<u>\$ 435,802,172</u>
DEBT LIMITATION (8.625% of \$435,802,172)	\$ 37,587,937
General Bonded Debt	<u> = 0</u>
LEGAL DEBT MARGIN	<u>\$ 37,587,937</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, 2001, and have issued my report thereon dated July 19, 2001. 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.

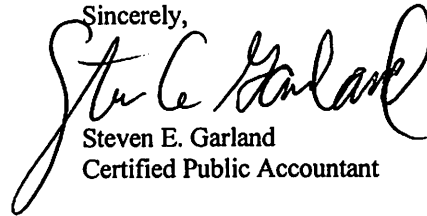
Fixed Asset Controls

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 July 19, 2001, on the financial statements for the year ended March 31, 2001. 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.

July 19, 2001

Sincerely,

Steven E. Garland
Certified Public Accountant