



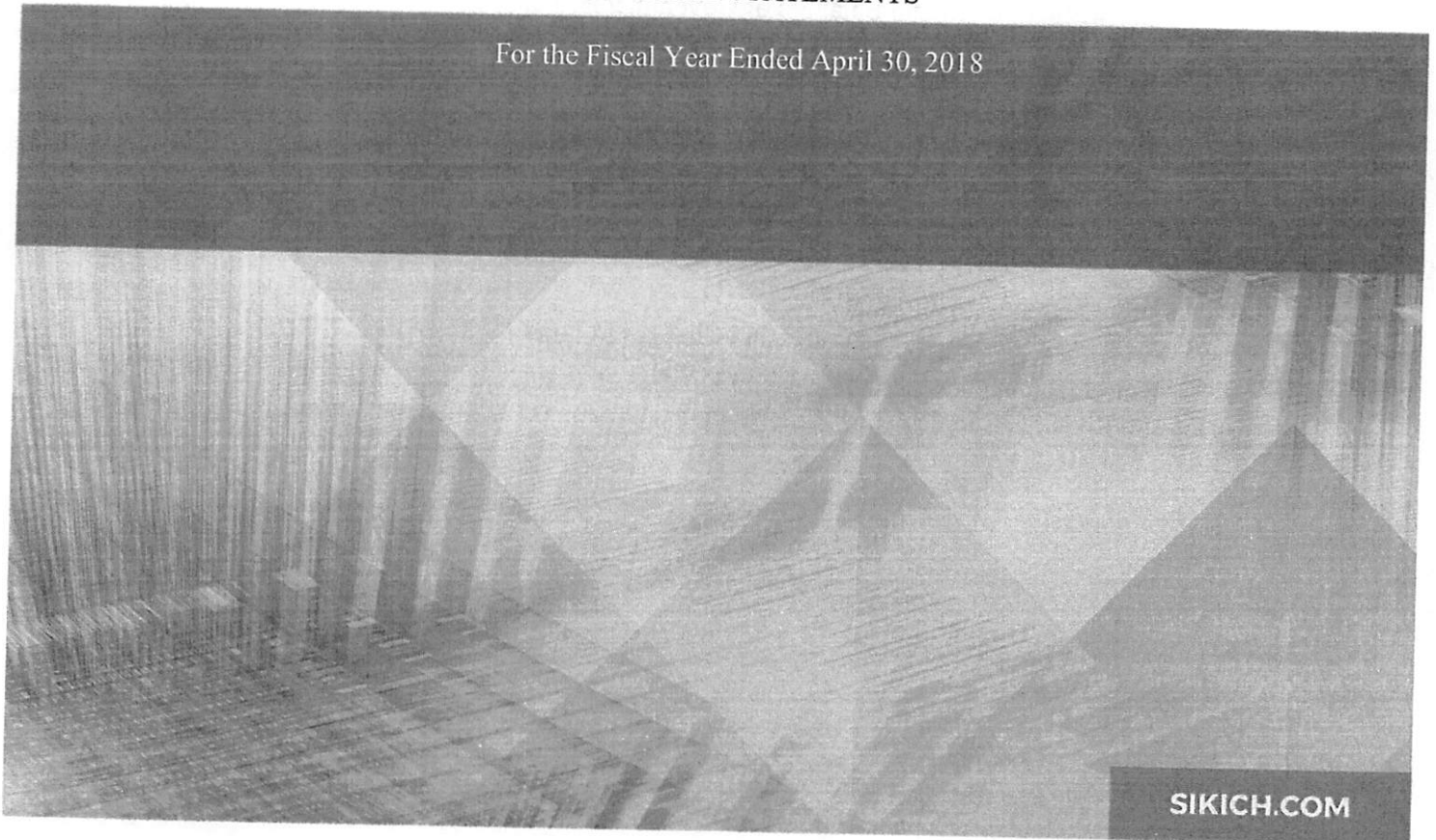
CITY OF PEKIN, ILLINOIS

LIBRARY FUND

(A Special Revenue Fund of the City of Pekin, Illinois)

FINANCIAL STATEMENTS

For the Fiscal Year Ended April 30, 2018



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**CITY OF PEKIN, ILLINOIS
LIBRARY FUND
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Council
City of Pekin, Illinois

We have audited the accompanying financial statements of the Pekin Public Library Fund (Library Fund), a Special Revenue Fund of the City of Pekin , Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Library Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principals generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Library Fund as of April 30, 2018, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restatement

The financial statements of the Library Fund as of and for the year ended April 30, 2017, were audited by other auditors whose report dated November 7, 2017, expressed an unmodified opinion on those financial statements. As discussed in Note 7 to the financial statements, the Library Fund has restated its fiscal year 2017 financial statements during the current year to properly report certain balances in accordance with accounting principles generally accepted in the United States of America. The other auditors reported on the financial statements before the restatement. As part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements of the Library Fund other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Library Fund and do not purport and do not, present fairly the financial position of the City of Pekin, Illinois as of April 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
January 27, 2020

BASIC FINANCIAL STATEMENTS

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

STATEMENT OF NET POSITION

April 30, 2018

ASSETS	
Cash and cash equivalents	\$ 385,563
Investments	399,923
Receivables	
Property Taxes	1,106,463
Grants	27,362
Due from primary government	20,184
Capital Assets	
Capital assets not being depreciated	164,640
Capital assets being depreciated, net	<u>7,995,754</u>
Total assets	<u>10,099,889</u>
LIABILITIES	
Current liabilities	
Accounts payable	7,292
Accrued wages	15,163
Due to primary government	<u>2,265</u>
Total liabilities	<u>24,720</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>1,106,463</u>
NET POSITION	
Net Investment in Capital Assets	8,160,394
Restricted	<u>808,312</u>
TOTAL NET POSITION	<u><u>\$ 8,968,706</u></u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**BALANCE SHEET
GOVERNMENTAL FUND**

April 30, 2018

	General Fund
ASSETS	
Cash and cash equivalents	\$ 385,563
Investments	399,923
Receivables:	
Property taxes	1,106,463
Grants	27,362
Due from primary government	20,184
	<hr/>
Total Assets	\$ 1,939,495
	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts payable	7,292
Accrued wages	15,163
Due to primary government	2,265
	<hr/>
Total liabilities	24,720
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	1,106,463
	<hr/>
Total deferred inflows of resources	1,106,463
	<hr/>
FUND BALANCES	
Restricted	808,312
	<hr/>
Total fund balances	808,312
	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,939,495
	<hr/> <hr/>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 808,312
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>8,160,394</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 8,968,706</u></u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND**

For the Year Ended April 30, 2018

	General Fund
REVENUES	
Property taxes	\$ 1,075,054
Replacement taxes	93,206
Charges for services, fines, and fees	56,577
Village of South Pekin revenue	11,985
State grants	44,456
Gifts and memorials	14,999
Investment earnings	5,344
Other	2,992
Total revenues	<u>1,304,613</u>
EXPENDITURES	
Current	
Culture and recreation	1,294,030
Total Expenditures	<u>1,294,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	<u>10,583</u>
OTHER FINANCING SOURCES (USES)	
Transfer out	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	<u>(4,417)</u>
FUND BALANCE, MAY 1	785,304
PRIOR PERIOD ADJUSTMENT	<u>27,425</u>
FUND BALANCE - MAY 1 -RESTATED	<u>812,729</u>
FUND BALANCE, APRIL 30	<u>\$ 808,312</u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,417)
---	-------------------

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlay as expenditures;
however, they are capitalized and depreciated in the
statement of activities:

Capital outlay	85,500
Depreciation	<u>(304,313)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (223,230)</u>

See accompanying notes to financial statements.

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library Fund, a special revenue fund of the City of Pekin, Illinois (City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units hereinafter referred to as generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the Library Fund's accounting policies are described below.

A. Reporting Entity

The Library Fund is a fund of the City and is classified as a Special Revenue Fund. It is included in the governmental activities in the Statement of Net Position and Statement of Activities of the City's financial statements. These financial statements present only the Library Fund and are not intended to present fairly the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America.

Operations of the Pekin Public Library (the "Library") are governed by nine officials, appointed by the Mayor and the City of Pekin with approval of the City Council, designated as the Board of Trustees. Because it is not a legally separate entity, the Library is reported as a fund of the City. This report represents the financial activity of the Library for the year ended April 30, 2018.

B. Government-wide and Fund Financial Statements

The Library's basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information about the Library as a whole. The Library has one major governmental fund – the General Fund. Governmental activities are generally supported by taxes, intergovernmental revenues and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants that purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Fund financial statements of the reporting entity are for the General Fund, which is considered to be a separate accounting entity. This fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The General Fund is organized into one major category: library services.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. In determining when to recognize intergovernmental revenue (grants and shared revenue), the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, monies are virtually unrestricted as to the purpose of expenditure and are nearly irrevocable; therefore, these amounts are recognized as revenue at the time of their receipt or earlier if they meet the criteria of availability. In the other, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenue is recognized based upon the expenditures recorded.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay current liabilities. The Library considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues susceptible to accrual include property taxes, interest revenue, and charges for services. Fines are not susceptible to accrual because generally they are measurable until received.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

E. Capital Assets

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The Library records all capital items, which are individually greater than \$5,000, with a useful life of greater than one year, as capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Building and improvements	50 years
Furniture	20 years
Books	10 years

F. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fund Balance/Net Position

In the government-wide financial statements, equity is classified as net position and is displayed in three components: 1) net investment in capital assets which consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets; 2) restricted net position which consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation; and 3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” It is the Library’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental fund equity is classified as fund balance. In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal action of the Board of Trustees, which is considered the highest level of decision making authority. Assigned fund balance represents amounts constrained by the Library’s intent to use them for a specific purpose but are neither restricted nor committed. Any residual fund balance is reported as unassigned. The Library’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

H. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS**

2. CASH AND INVESTMENTS

The Library follows the investment policy of the City. The City is allowed to make deposits public funds in accounts authorized by the Public Funds Deposit Act (30 ILCS 225).

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits that are in the possession of an outside party. The City's investment policy requires that deposits with financial institutions be collateralized at 100 percent of the value of the deposit in excess of federal depository insurance coverage, with collateral held by the City or third party safekeeping institution, evidenced by a written safekeeping agreement.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions to be conducted on a delivery versus payment (DVP) basis, whereby the securities are deposited with the third-party custodian prior to the release of funds.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City minimizes interest rate risk by limiting the City's portfolio to investments that have an average maturity of five years or less. In addition, the City's portfolio is to be managed to enable to City to have sufficient cash flow to meet normal operating requirements.

Credit risk is the risk that an entity in which an investment is held will not be able to honor the commitment to repay debt that is held as an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not address credit risk, except that commercial paper must be rated within two highest classifications by two standards rating services.

Concentration of credit risk is the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. In accordance with the Authority's investment policy, the City minimizes concentration of credit risk by diversifying to avoid unreasonable risks regarding specific security types and/or concentrations in individual institutions. In addition, the amount of deposits at any institution may not exceed 75% of the capital stock and surplus of the institution.

The City categorizes its fair value measurements within the fair value established by generally accepted accounting principles. The hierarchy of inputs are used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs. As of April 30, 2018, the Library's investments consisted of non-negotiable certificate of deposits not subject to fair value measurement.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

3. PROPERTY TAXES

The annual tax levy ordinance for 2016 tax received during fiscal year 2018 was passed December 2016. The first installment of property taxes is due to the County Collector on July 1 and the second installment is due to the County Collector on September 1. Significant amounts of property taxes for 2016 were distributed in July, September and November of 2017 and are recorded as revenue in fiscal year 2018.

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. Although the tax attached as a lien on property as of January 1, 2018, the tax will not be levied until December 2018, and, accordingly, is not measurable at April 30, 2018.

4. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2018 is as follows:

	Balance * April 30, 2017	Additions	Disposals	Balance April 30, 2018
Capital assets not being depreciated:				
Land	\$ 164,640	\$ -	\$ -	\$ 164,640
Capital assets being depreciated:				
Buildings	9,103,172	-	-	9,103,172
Furniture and equipment	668,672	-	-	668,672
Books	2,443,410	85,500	-	2,528,910
Total	<u>12,215,254</u>	<u>85,500</u>	<u>-</u>	<u>12,300,754</u>
Less accumulated depreciation:				
Buildings	1,809,509	182,063	-	1,991,572
Furniture and equipment	225,750	31,458	-	257,208
Books	1,965,428	90,792	-	2,056,220
Total	<u>4,000,687</u>	<u>304,313</u>	<u>-</u>	<u>4,305,000</u>
Total capital assets being depreciated, net	<u>8,214,567</u>	<u>(218,813)</u>	<u>-</u>	<u>7,995,754</u>
Capital assets, net	<u>\$ 8,379,207</u>	<u>\$ (218,813)</u>	<u>\$ -</u>	<u>8,160,394</u>

*restated

\$304,313 of depreciation expense was charged to the culture and recreation function in the statement of activities.

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

5. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City belongs to the Illinois Municipal League Risk Management Fund, a public entity risk pool for general liability and workers compensation. Beginning in October 2017, the City began self-insurance for its employee health insurance. The City reports claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Library participates in the City's self-funded health insurance plan and pays a monthly premium for health insurance costs.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. EXPENDITURES FROM SPECIAL ACCOUNTS

During the year the following expenditures were charged to line items that were budgeted as purchased from Gifts and Endowments:

Books, cassettes and CD's	\$ 1,909
Program costs	5,668
Furniture and fixtures	5,364
Supplies	1,033
Computer costs	1,702
Other	791
Repairs and maintenance	3,073
Total	<u>\$ 19,540</u>

During the year the following expenditures were charged to line items that were budgeted as purchased from Grant expenditures:

Electronic resources	\$ 21,922
Program costs	14,022
Supplies	1,250
Computer costs	378
Travel	3,613
Total	<u>\$ 41,185</u>

CITY OF PEKIN, ILLINOIS
LIBRARY FUND
NOTES TO FINANCIAL STATEMENTS

7. PRIOR PERIOD ADJUSTMENTS

During the fiscal year, the Library Fund recorded prior period adjustments in the government-wide financial statements to recognize the effect of recording the following:

- To correct the effect of replacement taxes recorded in the incorrect period
- To restate the beginning balance of accumulated depreciation account for incorrect recording of depreciation in prior periods

Net position, May 1, 2017 (as previously reported)	\$ 9,564,738
Restatement: Replacement tax	27,425
Restatement: Depreciation	<u>(400,227)</u>
Net position, May 1, 2017 (as restated)	<u>\$ 9,191,936</u>

During the fiscal year, the Library Fund recorded a prior period adjustment in the governmental fund financial statements to recognize the effect of recording the following:

- To correct the effect of replacement taxes recorded in the incorrect period

Net position, May 1, 2017 (as previously reported)	\$ 785,304
Restatement: Replacement tax	<u>27,425</u>
Net position, May 1, 2017 (as restated)	<u>\$ 812,729</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

For the Year Ended April 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Property Taxes	\$ 1,076,490	\$ 1,075,054	\$ (1,436)
Replacement taxes	106,000	93,206	(12,794)
Charges for services, fines, and fees	47,700	56,577	8,877
Village of South Pekin revenue	11,885	11,985	100
State grants	29,481	44,456	14,975
Gifts and memorials	12,000	14,999	2,999
Investment earnings	4,450	5,344	894
Other	4,000	2,992	(1,008)
Total revenues	<u>1,292,006</u>	<u>1,304,613</u>	<u>12,607</u>
EXPENDITURES			
Library services:			
Salaries	622,000	611,892	(10,108)
Payroll taxes	112,925	110,094	(2,831)
Group health insurance	120,000	119,765	(235)
Worker's compensation insurance	3,500	3,657	157
Books, periodicals, cassettes, etc.	139,275	163,801	24,526
Circulation system	24,500	23,870	(630)
ISP costs	3,100	3,072	(28)
Equipment rental, supplies, postage	39,800	36,045	(3,755)
Program costs	25,030	47,073	22,043
Repairs and maintenance	51,160	61,581	10,421
Utilities	48,500	45,546	(2,954)
Telephone	3,100	3,063	(37)
Insurance	15,000	14,671	(329)
Dues and subscriptions	1,800	1,772	(28)
Travel and conferences	3,700	6,912	3,212
Outside services	500	540	40
Computer costs	6,500	10,020	3,520
Equipment purchases	4,000	8,804	4,804
Capital development	550	6,762	6,212
Miscellaneous	12,000	15,090	3,090
Grant expenditures	27,166	-	(27,166)
Purchases from gifts and endowments	12,900	-	(12,900)
Total expenditures	<u>1,277,006</u>	<u>1,294,030</u>	<u>17,024</u>

(Continued)

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

For the Year Ended April 30, 2018

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	\$ 15,000	\$ 10,583	\$ (4,417)
OTHER FINANCING SOURCES (USES) Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(4,417)</u>	<u>\$ (4,417)</u>
FUND BALANCE - MAY 1, 2017		785,304	
PRIOR PERIOD ADJUSTMENT		<u>27,425</u>	
FUND BALANCE - MAY - RESTATED		<u>812,729</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 808,312</u>	
		(Concluded)	

CITY OF PEKIN, ILLINOIS

LIBRARY FUND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2018

Budget

In 1996 the City Council adopted procedures established by law which replaced the former appropriation ordinances process. The budget is required to be adopted before the beginning of the fiscal year to which it applies. The City of Pekin's annual budget and appropriation ordinances cover all funds of the City, including the Library, and is prepared on the modified accrual basis. Therefore, the statement of revenues and expenditures-budget and actual has been prepared on a basis consistent with and comparable to the legally adopted budget. Unexpended budget items lapse each year.

The budget may be changed in almost any manner and without public hearings at any time during the year pursuant to a two-thirds vote of the Council members. Further, they may delegate the power, by the same vote, to make changes within an appropriation to a budget officer.