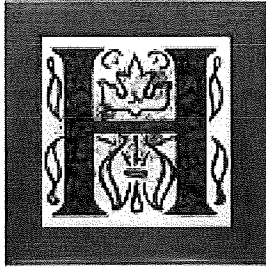


**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
MARSEILLES, ILLINOIS
FINANCIAL STATEMENTS
April 30, 2019**

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
April 30, 2019
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HOPKINS & ASSOCIATES
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Marseilles Public Library
Marseilles, Illinois

We have audited the accompanying financial statements of the Marseilles Public Library (a nonprofit organization) which comprise the statement of financial position as of April 30, 2019, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles 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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 purposes 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 Marseilles Public Library as of April 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hopkins & Assoc.

Granville, Illinois
August 5, 2019

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
April 30, 2019**

ASSETS	<u>2019</u>
<u>Current Assets</u>	
Cash in Bank (Note 2)	\$ 47,002
Petty Cash (Note 2)	250
Investment - State of Illinois Public Treasurer's Investment Pool (Note 2)	31,200
Investment - Certificate of Deposit (Note 2)	<u>68,895</u>
Total Current Assets	<u>\$ 147,347</u>
<u>Other Assets</u>	
Investments - Certificates of Deposit (Note 2)	<u>\$ 115,582</u>
Total Assets	<u><u>\$ 262,929</u></u>
LIABILITIES AND FUND BALANCE	
<u>Current Liabilities</u>	
Payroll Taxes Payable	<u>\$ 1,100</u>
<u>Fund Balance</u>	
Restricted (Note 6)	\$ 154,477
Unrestricted	<u>107,352</u>
Total Fund Balance	<u>\$ 261,829</u>
Total Liabilities and Fund Balance	<u><u>\$ 262,929</u></u>

See accompanying notes to basic financial statements.

CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS, OTHER FINANCING
SOURCES (USES), AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended April 30, 2019

	<u>1st & Final</u> <u>Budgeted</u> <u>Revenues &</u> <u>Expenditures</u>	<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Over/Under</u> <u>Budget</u> <u>Budgetary</u> <u>Basis</u>
<u>CASH RECEIPTS</u>			
Property Taxes	\$ 82,000	\$ 80,784	\$ (1,216)
Interest	1,500	3,125	1,625
Replacement Taxes	9,000	8,525	(475)
Grant From State of Illinois	6,350	6,368	18
Fees, Fines, Lost and Damaged Books	3,050	3,741	691
Gifts, Memorials, Fund Raisers, Other	3,100	1,450	(1,650)
Township Contract	5,000	-	(5,000)
Other	-	5,519	5,519
Total Cash Receipts	<u>\$ 110,000</u>	<u>\$ 109,512</u>	<u>\$ (488)</u>
<u>CASH DISBURSEMENTS</u>			
Salaries	\$ 65,000	70,272	\$ (5,272)
Books	14,100	14,779	(679)
Periodicals	750	576	174
Newspapers	200	187	13
CD's, Videos	200	62	138
Telephone	2,500	2,910	(410)
Utilities	3,750	3,881	(131)
Water	250	279	(29)
Supplies	2,500	2,845	(345)
Insurance Bond	150	-	150
Dues - Illinois Library Association	100	-	100
Maintenance and Repair - Building	8,000	8,509	(509)
Maintenance and Repair - Equipment	6,000	8,538	(2,538)
Computer/Hardware, Other Equipment	2,000	1,632	368
Educational Programs	1,500	1,411	89
Payroll Taxes	5,000	7,160	(2,160)
Miscellaneous Expense	3,000	9,859	(6,859)
Total Cash Disbursements	<u>\$ 115,000</u>	<u>\$ 132,900</u>	<u>\$ (17,900)</u>
Other Sources (Uses)			
Transfer from City of Marseilles	\$ 5,000	\$ 5,733	\$ 733
Total Other Sources (Uses)	<u>\$ 5,000</u>	<u>\$ 5,733</u>	<u>\$ 733</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ (17,655)</u>	<u>\$ (17,655)</u>
Fund Balance, Beginning of Year		<u>279,484</u>	
Fund Balance, End of Year		<u>\$ 261,829</u>	

See accompanying notes to basic financial statements.

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2019**

Note 1 - Summary of Significant Accounting Policies

A. General

The financial statements of the Library consist only of the funds of the Library. The Library is a component unit of the City of Marseilles and has no oversight responsibility for any other governmental entity. Oversight responsibility is determined upon budget adoption, taxing authority, funding and appointment to the respective governing board.

B. Budget and Budgetary Accounting

The Library's budget is prepared on the cash basis which is the same basis that is used in financial reporting. This is an acceptable method in accordance with the Illinois Compiled Statutes. The budget, which was not amended, was passed in December of 2018.

Total expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. Actual Library cash disbursements did exceed budgeted amounts in the current year, which is a violation of state statutes.

C. Basis of Accounting

The financial statements of the Marseilles Public Library are prepared on the cash basis whereby revenues are recorded when cash is received and expenditures are recorded when cash is disbursed.

D. Basic Financial Statements—Fund Financial Statements

The financial transactions of the Library are reported in individual funds in the fund financial statements. The Library has only one general fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures or expenses.

1. Governmental Funds:

The focus of the governmental funds' measurement is on determination of financial position and changes in financial position rather than on net income. The following is a description of governmental fund type applicable to the Library:

- a. General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The Library requires no funds to be accounted for in another fund, so the general fund accounts for all financial resources.

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2019**

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Fixed Assets

Expenditures for equipment and other fixed assets are not capitalized but are expensed in the period purchased. The Library does not maintain a separate general fixed asset group to account for these purchases.

Note 2 - Cash and Investments

The Library is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30ILCS 235).

The primary checking account is maintained at Marseilles Bank of Marseilles, Illinois and a money market account is held in Illinois Funds at U.S. Bank in Springfield, Illinois. All CDs are held at Marseilles Bank of Marseilles, Illinois. The balances at April 30, 2019 are as follows:

<u>Checking or Savings Fund</u>	<u>Bank Balance</u>	<u>Book Balance</u>
Money Market - Illinois Funds	\$ 31,200	\$ 31,200
Checking - Marseilles Bank	50,639	47,002
Petty Cash	-	250
Total Cash	<u>\$ 81,839</u>	<u>\$ 78,452</u>
<u>CDs</u>	<u>Bank Balance</u>	<u>Book Balance</u>
CD #1	\$ 30,000	\$ 30,000
CD #2	38,895	38,895
CD #3	14,582	14,582
CD #4	45,000	45,000
CD #5	55,000	55,000
CD #6	1,000	1,000
Total CDs	<u>\$ 184,477</u>	<u>\$ 184,477</u>

All checking and investments are fully insured by the F.D.I.C to \$250,000 per bank. All deposits are classified as category 1 investments, except for the balance in the Illinois Funds account, which is considered unclassified as it is a pooled investment account.

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2019**

Note 3 - Risk Management

The Library faces several types of risk. The following is a discussion of the nature of the risks, the significance to the Library, and the policies in place to reduce the risk:

1. Custodial credit risk for deposits is the risk that in the event of bank failure, the deposits may be in peril. The Library's policy is to either keep deposit amounts below F.D.I.C. insurance levels at a specific institution or to require the institution pledge securities to insure the deposits in excess of F.D.I.C. levels. The results are disclosed in Note 2. This risk is minimal.
2. Interest rate risk is the risk that interest rate changes may adversely affect the fair value of investments and debt. Since the Library's investments are all cash or cash equivalents, the risk to investments is minimal. The Library has no long-term debt, so there is no risk associated with debt. This interest rate risk is moderate.
3. Concentration of credit risk is the risk of loss attributed to the magnitude of the Library's financial involvement with a single entity. The Library is highly dependent on the City of Marseilles' disbursement of property taxes. The chance of a significant change in property tax collection from year to year is low. This risk is low.

Note 4 - Retirement Fund Commitments

Municipal Retirement Fund:

The Library is a participating member of the Illinois Municipal Retirement Fund which covers all of its employees who:

- (a) Were hired prior to August 2, 1989 and occupy a job normally requiring 600 hours or more per year, or were hired after August 2, 1989 and occupy a job normally requiring 1,000 hours or more per year;
- (b) Are paid on a regular payroll from Library funds.
- (c) Are not covered by another state created retirement system for the same service.

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered as "non-participating employees" and are covered under Social Security.

Please refer to the general purpose financial statements of the City of Marseilles for information from the Illinois Municipal Retirement Fund as of December 31, 2018, for the City as a whole. Individual amounts for Library employees are unavailable.

Trend information as a required disclosure is also unavailable for Library employees only.

**CITY OF MARSEILLES
MARSEILLES PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2019**

Note 4 - Retirement Fund Commitments (Continued)

The annual City of Marseilles contribution rate, currently determined by the Illinois Municipal Retirement Fund, provides for funding of prior service costs, including interest, as determined actuarially, over a future period. Information concerning the amount, if any, of excess of the actuarially computed value of vested benefits over the total available in the pension fund is not available for Library employees only. The City of Marseilles financial statements, of which the Marseilles Public Library is a component unit, details required information under GASB #68.

Note 5 - Property Taxes

The following are the tax rates applicable to the various levies per \$100.00 of assessed valuation:

2018 Levy	2017 Levy	2016 Levy	Valuation
0.16697	0.168	0.15	\$ 50,912,081

Note 6 - Restricted Fund Balance

The Library holds in trust a \$1,000 Certificate of Deposit received as a memorial to Harriet Olsen Pusey. The principal of the trust is to be held intact and the income is to be used exclusively to purchase new books for the Library.

The Library also holds in trust Certificates of Deposits of \$115,582 received as a memorial to Mary Lund. The principal of the trust is to be held intact and the income is to be used exclusively to purchase new books and publications for the Library.

The Library also holds a Certificate of Deposit of \$38,895 that has been restricted to make improvements to the designated history room in the Library.