

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2016



OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	MD&A 1-6
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	3
Statement of Activities	4
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balance.....	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities in the Statement of Activities	8
Notes to Financial Statements	9-25
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	26
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	27
Schedule of Employer’s Proportionate Share of the Net Pension Liability.....	28
Notes to Required Supplementary Information	29

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS	
Combining Balance Sheet	30
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	31
OTHER SUPPLEMENTAL INFORMATION	
Detailed Schedule of Expenditures - Budget and Actual - General Fund	32-34

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Members of the Public Library Board
Oak Park Public Library
Oak Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Oak Park Public Library, Oak Park, Illinois (the Library), as of and for the year ended December 31, 2016 and the related notes to financial statements, which collectively comprise the Library'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 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 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. 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 Library'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 Library'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Oak Park Public Library, Oak Park, Illinois as of December 31, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 9, the Library adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68*, which established standards for recognizing employer pension contributions made after the measurement date of the net pension liability, due to a change in the recognition of the net pension liability. Our opinion is not modified with respect to this matter.

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Library's basic financial statements taken as whole. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
August 4, 2017

OAK PARK PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

As the Management of the Oak Park Public Library (the "Library"), we offer this Discussion and Analysis of the financial activities of the Library for the fiscal year ended December 31, 2016. This is designed to be read in conjunction with the information presented in the Annual Financial Report.

This Discussion and Analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Library's financial activities, (3) identify changes in the Library's financial position (its ability to address the next and subsequent year's challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

General Background

It is the *Vision* of the Oak Park Public Library to empower every voice in our community, and it is the *Mission* of the Library to share the information, services, and opportunities that fulfill Oak Park's aspirations. The Library has identified the community's aspirations as literacy, education, diversity, inclusion, equity, health, safety and affordability. Informed by these community aspirations, the Library's three strategic priorities are engagement, learning, and stewardship.

Using the Financial Section of this Annual Report

The focus of the financial statements is (1) on the Library as a whole in the first section detailing Governmental Activities, and (2) on the major funds of the Library. The two perspectives, taken together, are intended to enable the reader to address relevant questions, broaden a basis for comparison, and enhance the Library's accountability.

Government Activities Financial Statements

The Government Activities Financial Statements are designed to provide readers with a broad overview of the Library's finances.

The focus of the Statement of Net Position presents information on the total of all of the Library's assets and deferred outflows and the total of all the Library's liabilities and deferred inflows, with the difference reported as net position. All of the Library's deferred outflows of resources are pension related items. Deferred inflows of resources are pension related items and deferred property taxes. This statement combines and consolidates governmental fund's current financial resources (short term spendable resources such as cash) with capital assets

and long term obligations using the accrual method of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

Net Position

The following table reflects the condensed Statement of Net Position.

Statement of Net Position – Governmental Activities

	December 31, 2015	December 31, 2016
Current and Other Assets	\$16,628,685	\$16,222,774
Capital Assets	15,140,122	14,161,656
 Total Assets	 \$31,768,807	 \$30,384,430
Deferred Outflows of resources – IMRF	\$ 1,721,297	\$ 2,152,130
 Total Assets and deferred outflows	 \$33,490,104	 \$32,536,560
Current Liabilities	\$ 880,399	\$ 751,497
Long Term Liabilities	7,670,760	5,407,132
 Total Liabilities	 \$ 8,551,159	 \$ 6,158,629
Deferred Inflows of resources	\$ 9,798,230	\$ 8,792,380
 Total Liabilities and Deferred inflows	 \$18,349,389	 \$14,951,009
 Net Position		
Net Investment in Capital Assets	\$ 9,487,980	\$10,730,505
Unrestricted	5,652,735	6,855,046
 Total Net Position	 \$15,140,715	 \$17,585,551

The Library's combined net Position increased by \$2,444,836 primarily due to the repayment of debt associated with bonds issued by the Village of Oak Park for the building of the Main Library. For more detailed information, see the Statement of Net Position on page 3.

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

The Governmental Activities Financial Statements describe functions of the Library that are principally supported by property taxes. The governmental activities of the Library reflect the Library's basic services including materials collections, readers' and users' services, programming, interlibrary loan, and outreach services.

Statement of Activities - Governmental Activities

	December 31, 2015	December 31, 2016
REVENUES		
Program Revenues		
Charges for Services	\$ 223,485	\$ 225,287
Operating Grants/Contr.	50,090	251,766
General Revenues		
Property Taxes	10,293,335	10,100,593
Replacement Taxes	138,124	137,951
Investment Income	23,285	10,025
Miscellaneous	53,721	113,944
TOTAL REVENUES	10,782,400	10,839,566
EXPENSES		
Culture and Recreation	9,036,339	8,298,802
Interest	175,109	250,394
TOTAL EXPENSES	9,211,448	8,549,196
Change in Net Position	\$ 1,570,952	\$ 2,290,370

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements to be familiar. The focus of the presentation is on major funds rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Balance Sheet shows two categories of funds for the Library: General and Nonmajor funds. The Nonmajor funds category is comprised of two funds: Library Art Fund and Maze Project Fund.

The General Fund is used to account for essentially the same functions as governmental activities in the Governmental Activities Financial Statements. However, Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Library's near-term financing requirements.

Because the focus of Governmental Funds is narrower than Government Activities Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between Governmental funds and Governmental Activities.

The Library adopts an annual budget for its general (operating) fund as well as a capital budget. A Schedule of Revenues, Expenditures and Changes in Fund Balance has been provided to demonstrate compliance with the budget. A Balance Sheet combining the Library Art Fund and Library Maze Project into Nonmajor Governmental Funds as well as a Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Nonmajor Governmental Funds are also presented.

Notes to the Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the governmental and fund financial statements.

Financial Analysis of the Library as a Whole

In accordance with GASB Statement No. 34, the Library is not required to restate prior periods for the purposes of providing comparative information. However, in this Management's Discussion and Analysis letter we choose to present the current year with prior year information for comparison purposes.

During the budgeting process, management and the Board of Library Trustees review the current and prior year and project into future years in order to develop an annual budget.

The Oak Park Public Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of December 31, 2016, the governmental funds (as presented on the balance sheet on page 5) had a combined fund balance of \$6,788,915. This reflects an increase of \$712,511 over the prior year which is attributable to being underspent in the payroll and benefits area of the budget as well as capital expenditures.

Capital Assets

The following reflects the Library's capital asset balances as of December 31, 2016:

	2015	2016
Capital Assets Not Depreciated - Land	\$ 753,500	\$ 753,500
Capital Assets Being Depreciated		
Art and Historic Collections	\$ 226,030	\$ 226,030
Buildings and Improvements	26,563,823	26,563,823
Machinery and Equipment	2,114,628	2,114,628
Total Capital Assets Being Depreciated	\$28,904,481	\$28,904,481
Less Accumulated Depreciation		
Art and Historic Collections	\$ 224,331	\$ 225,181
Buildings and Improvements	12,508,299	13,370,429
Machinery and Equipment	1,785,229	1,900,715
Total Accumulated Depreciation	\$14,517,859	\$15,496,325
Net Capital Assets	\$15,140,122	\$14,161,656

See Note 4 for further information regarding capital assets.

Long-Term Debt

The Library has two general categories of long term obligations: (a) Funds due to the Village of Oak Park to pay General Obligation Bonds which were sold to fund the building of the Main Library and the renovation of the Maze Branch Library, and (b) Staff benefits for compensated absences and pension liability.

Changes in Long-Term Debt:

	December 31, 2015	December 31, 2016
Due to Village of Oak Park	\$5,654,050	\$3,398,650
Less Discount on Bonds	(1,908)	-
Compensated Absences	64,225	54,089
Net Pension Liability	1,954,393	1,954,393
Total Long-Term Liabilities	\$7,670,760	\$5,407,132

The Library has been paying down its debt to the Village of Oak Park, and this portion of long-term debt will be paid in full during 2020.

See Note 5 for further information regarding long-term debt.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens with a general overview of the Library's finances and to demonstrate accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to James Madigan, Deputy Director, Oak Park Public Library, 834 Lake Street, Oak Park, IL, 60301.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities
ASSETS	
Cash and investments	\$ 7,449,186
Receivables, net of allowance	
Property taxes	8,748,687
Prepaid items	24,901
Capital assets	
Capital assets not being depreciated	753,500
Capital assets being depreciated, net of accumulated depreciation	<u>13,408,156</u>
 Total assets	 <u>30,384,430</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	<u>2,152,130</u>
 Total deferred outflows of resources	 <u>2,152,130</u>
 Total assets and deferred outflows of resources	 <u>32,536,560</u>
LIABILITIES	
Accounts payable	47,114
Accrued payroll	66,569
Accrued interest payable	22,658
Other liabilities	17,930
Due to Village	597,226
Noncurrent liabilities	
Due within one year	830,294
Due in more than one year	<u>4,576,838</u>
 Total liabilities	 <u>6,158,629</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	87,360
Deferred property taxes	<u>8,705,020</u>
 Total deferred inflows of resources	 <u>8,792,380</u>
 Total liabilities and deferred inflows of resources	 <u>14,951,009</u>
NET POSITION	
Net investment in capital assets	10,730,505
Unrestricted	<u>6,855,046</u>
 TOTAL NET POSITION	 <u><u>\$ 17,585,551</u></u>

See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 9,036,339	\$ 223,485	\$ 50,090	\$ -	\$ (8,762,764)
Interest	175,109	-	-	-	(175,109)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,211,448	\$ 223,485	\$ 50,090	\$ -	(8,937,873)
			General Revenues		
			Taxes		
			Property		10,293,335
			Replacement		138,124
			Investment income		23,285
			Miscellaneous		53,721
			Total		10,508,465
			CHANGE IN NET POSITION		1,570,592
			NET POSITION, JANUARY 1		15,140,715
			Change in accounting principle		874,244
			NET POSITION, JANUARY 1, RESTATED		16,014,959
			NET POSITION, DECEMBER 31		\$ 17,585,551

See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2016

	General	Total Nonmajor Funds	Total
ASSETS			
Cash and investments	\$ 7,333,866	\$ 115,320	\$ 7,449,186
Receivables			
Property tax	8,748,687	-	8,748,687
Prepaid items	24,901	-	24,901
TOTAL ASSETS	\$ 16,107,454	\$ 115,320	\$ 16,222,774
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 47,114	\$ -	\$ 47,114
Accrued payroll	66,569	-	66,569
Due to Village	597,226	-	597,226
Other liabilities	17,930	-	17,930
Total liabilities	728,839	-	728,839
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	8,705,020	-	8,705,020
Total deferred inflows of resources	8,705,020	-	8,705,020
Total liabilities and deferred inflows of resources	9,433,859	-	9,433,859
FUND BALANCES			
Nonspendable			
Prepaid items	24,901	-	24,901
Assigned			
Art fund	-	48,230	48,230
Maze project	-	67,090	67,090
Unassigned	6,648,694	-	6,648,694
Total fund balances	6,673,595	115,320	6,788,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,107,454	\$ 115,320	\$ 16,222,774

See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

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

December 31, 2016

FUND BALANCE OF GOVERNMENTAL FUNDS	\$ 6,788,915
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	14,161,656
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows of resources on the statement of net position	2,152,130
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(22,658)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred inflows of resources on the statement of net position	(87,360)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences	(54,089)
Due to the Village	(3,398,650)
Net pension liability	<u>(1,954,393)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 17,585,551</u></u>

See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

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

For the Year Ended December 31, 2016

	<u>General</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
REVENUES			
Taxes			
Property	\$ 10,293,335	\$ -	\$ 10,293,335
Replacement	138,124	-	138,124
Intergovernmental			
Grants	50,090	-	50,090
Charges for services	85,301	-	85,301
Fees, fines and penalties	138,184	-	138,184
Investment income	23,109	176	23,285
Miscellaneous			
Other	50,133	-	50,133
Gifts	3,288	300	3,588
	<hr/>		
Total revenues	10,781,564	476	10,782,040
	<hr/>		
EXPENDITURES			
Current			
Culture and recreation	7,392,719	6,827	7,399,546
Capital outlay	225,052	-	225,052
Debt service			
Principal retirement	2,255,400	-	2,255,400
Interest and fiscal charges	189,531	-	189,531
	<hr/>		
Total expenditures	10,062,702	6,827	10,069,529
	<hr/>		
NET CHANGE IN FUND BALANCES	718,862	(6,351)	712,511
	<hr/>		
FUND BALANCES, JANUARY 1	5,954,733	121,671	6,076,404
	<hr/>		
FUND BALANCES, DECEMBER 31	\$ 6,673,595	\$ 115,320	\$ 6,788,915
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See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

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

For the Year Ended December 31, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 712,511
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(978,466)
The change in deferred outflows of resources for IMRF is reported only in the statement of activities	916,912
The change in net pension liability is shown as an expense on the statement of activities	(1,339,534)
Payments made to the Village to pay for the principal and interest due on the bonds issued by the Village on behalf of the Library are reported as an expenditure in the governmental funds, but not on the statement of activities	2,255,400
The change in deferred outflows of resources for IMRF is reported only in the statement of activities	(20,789)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	10,136
Accrued interest payable	16,330
The amortization of costs included in the liability to the Village are deferred and amortized over the life of the liability on the statement of activities	<u>(1,908)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,570,592</u></u>

See accompanying notes to financial statements.

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Oak Park Public Library, Oak Park, Illinois (the Library) 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 and financial reporting principles. The more significant of the Library's accounting policies are described below.

a. Reporting Entity

The Library is a library corporation governed by an elected seven-member Board of Trustees. As required by GAAP, these financial statements present the Library and any existing component units. Currently, the Library does not have any component units and based on criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the Library has been determined not to be a component unit of the Village of Oak Park, Illinois (the Village).

b. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified as governmental funds.

The General Fund, a governmental fund, is used to account for all of the Library's general activities not accounted for in another fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of activities and the statement of net position) report information on all of the activities of the Library. Governmental activities normally are supported by taxes and intergovernmental revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are 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 who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Library reports the following major governmental fund:

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library, except those accounted for in another fund.

d. Basis of Accounting

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. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (60 days for property taxes) to pay liabilities of the current period.

The Library recognizes property taxes when they become both measurable and available in the year intended to finance. A one month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes and investment income. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting (Continued)

The Library reports unearned revenue and deferred/unavailable revenue on its financial statements. Unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Deferred/unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable revenue are removed from the financial statements and revenue is recognized.

e. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. 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.

f. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

g. Capital Assets

Capital assets, which include land, buildings and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and building improvements	5-50
Machinery and equipment	5-20
Artwork	10

h. Compensated Absences

Vested or accumulated vacation and sick leave, including related Social Security and Medicare, that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to active employees.

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column.

j. Deferred Outflows/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 (expense/expenditure) until then. In addition to liabilities, the statement of financial 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity/Net Position

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. None of the restricted fund balance result from enabling legislation adopted by the Library. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Library Board of Trustees. Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The Library Board of Trustees has delegated the authority to assign fund balance to the Executive Director. Any residual fund balance of the General Fund or deficit fund balances in other funds are 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. Additionally, if different levels of unrestricted funds are available for spending, the Library considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the Library's restricted net positions are restricted as a result of enabling legislation adopted by the Library. Net investment in capital assets is the book value of the Library's capital assets, net of any debt outstanding that was issued to construct or acquire the capital assets.

l. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

a. Deposits with Financial Institutions

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for. The pool had a Standard and Poor's AAAM rating as December 31, 2016. The relationship between the Library and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

1) Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library's investment policy allows for deposits in FDIC insured financial institutions that are not collateralized provided that the deposits do not exceed 15% of the unimpaired capital of the financial institution.

2) Investments

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio so that securities mature concurrent with cash needs. The investment policy limits the maximum maturity length of investments to five years from date of purchase, unless specific authority is given to exceed. Investments in reserve funds other funds may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the Library to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions (Continued)

2) Investments (Continued)

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Illinois Funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. Illinois Funds are not subject to custodial credit risk.

At December 31, 2016, the Library had greater than 5% of its overall portfolio invested in Illinois Funds and certificates of deposit. The investment policy does not include any limitations on individual investment types.

3. RECEIVABLES - TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2017, and are payable in two installments, on or about June 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. As the 2016 tax levy is intended to fund expenditures for the 2017 fiscal year, these taxes are unavailable/deferred as of December 31, 2016.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 753,500	\$ -	\$ -	\$ 753,500
Total capital assets not being depreciated	<u>753,500</u>	<u>-</u>	<u>-</u>	<u>753,500</u>
Capital assets being depreciated				
Art and historic collections	226,030	-	-	226,030
Buildings	24,045,242	-	-	24,045,242
Building improvements	2,518,581	-	-	2,518,581
Machinery and equipment	2,114,628	-	-	2,114,628
Total capital assets being depreciated	<u>28,904,481</u>	<u>-</u>	<u>-</u>	<u>28,904,481</u>
Less accumulated depreciation for				
Art and historic collections	224,331	850	-	225,181
Buildings	10,489,208	798,445	-	11,287,653
Building improvements	2,019,091	63,685	-	2,082,776
Machinery and equipment	1,785,229	115,486	-	1,900,715
Total accumulated depreciation	<u>14,517,859</u>	<u>978,466</u>	<u>-</u>	<u>15,496,325</u>
Total capital assets being depreciated, net	<u>14,386,622</u>	<u>(978,466)</u>	<u>-</u>	<u>13,408,156</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 15,140,122</u>	<u>\$ (978,466)</u>	<u>\$ -</u>	<u>\$ 14,161,656</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	<u>\$ 978,466</u>

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities for the year ended December 31, 2016:

	Balances January 1, As Restated	Additions	Retirements	Balances December 31	Current Portion
Due to Village	\$ 5,654,050	\$ -	\$ 2,255,400	\$ 3,398,650	\$ 803,250
Discount on bonds	(1,908)	-	(1,908)	-	-
Compensated absences	64,225	-	10,136	54,089	27,044
Net pension liability	614,859	1,339,534	-	1,954,393	-
TOTAL LONG-TERM LIABILITIES	\$ 6,331,226	\$ 1,339,534	\$ 2,263,628	\$ 5,407,132	\$ 830,294

b. Governmental Activities

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Payments due to the Village currently outstanding are as follows:

	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$7,300,000 General Obligation Corporate Purpose Refunding Bonds Series 2007A dated November 19, 2007, due in annual installments of \$45,000 to \$965,000, plus interest at 4% through November 1, 2020	Library Operating	\$ 4,174,050	\$ -	\$ 775,400	\$ 3,398,650	\$ 803,250
\$10,330,000 General Obligation Corporate Purpose Refunding Bonds Series 2010A dated October 27, 2010, due in annual installments of \$1,480,000 to \$1,910,000, plus interest at 3.40% to 3.95% through April 1, 2016	Library Operating	1,480,000	-	1,480,000	-	-
		\$ 5,654,050	\$ -	\$ 2,255,400	\$ 3,398,650	\$ 803,250

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

The Library reimbursement to the Village for village bonds requirements to maturity are as follows:

Year Ending December 31,	Village Bonds	
	Principal	Interest
2017	\$ 803,250	\$ 136,247
2018	831,100	104,047
2019	868,200	70,729
2020	896,100	35,923
TOTAL	\$ 3,398,650	\$ 346,946

d. Due to the Village

On November 19, 2007, the Village issued \$7,300,000 in General Obligation Bonds, Series 2007A, of which \$6,793,750 was for the Library. On October 4, 2010, the Village issued \$10,330,000 in General Obligation Refunding Bonds, Series 2010A, of which \$10,330,000 was for the Library. These bonds are in the Village's name and are a liability of the Village. As funds are needed for the renovation project, money is transferred from the Village to the Library. The Library receives property tax collections to pay for the bond principal and interest and then remits the funds to the Village as the principal and interest payments become due.

The amount due to the Village as of December 31, 2016 reflects total principal due adjusted for the net unamortized discount.

The Library will be levying the required amount annually and remitting the funds to the Village for principal and interest payments as follows:

Fiscal Year	2007A Principal	2007A Interest	Total
2017	\$ 803,250	\$ 136,247	\$ 939,497
2018	831,100	104,047	935,147
2019	868,200	70,729	938,929
2020	896,100	35,923	932,023
TOTAL	\$ 3,398,650	\$ 346,946	\$ 3,745,596

6. 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past four fiscal years.

7. EMPLOYEE RETIREMENT SYSTEM

The Library contributes, through the Village, to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. However, the Library's participation in IMRF is equivalent to a cost sharing multiple-employer pension plan since only one actuarial valuation is performed for both the Village and the Library combined. All disclosures for an agent plan can be found in the Village's comprehensive annual financial report.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Library is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2015 and 2016 was 14.17% and 14.05% for IMRF, respectively.

Membership

At December 31, 2015, the IMRF membership consisted of:

Inactive plan members currently receiving benefits	406
Inactive plan members entitled to but not yet receiving benefits	267
Active plan members	<u>231</u>
 TOTAL	 <u>904</u>

The data included in the table above includes membership of both the Village and the Library.

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Discount rate	7.49%
Asset valuation method	Market value

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.49%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.49% used to determine the total pension liability.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 102,713,459	\$ 100,040,158	\$ 2,673,301
Changes for the year			
Service cost	1,564,589	-	1,564,589
Interest	7,544,503	-	7,544,503
Difference between expected and actual experience	(380,519)	-	(380,519)
Changes in assumptions	115,400	-	115,400
Employer contributions	-	2,036,764	(2,036,764)
Employee contributions	-	666,382	(666,382)
Net investment income	-	492,447	(492,447)
Benefit payments and refunds	(5,804,750)	(5,804,750)	-
Other (net transfer)	-	(175,681)	175,681
Net changes	3,039,223	(2,784,838)	5,824,061
BALANCES AT DECEMBER 31, 2015	\$ 105,752,682	\$ 97,255,320	\$ 8,497,362

The table presented above includes amounts for both the Village and the Library. The Village's collective share of the net pension liability at January 1, 2016, the employer contributions, and the net pension liability at December 31, 2016 was \$2,058,442, \$1,568,308 and \$6,542,969, respectively. The Library's collective share of the net pension liability at January 1, 2016, the employer contributions and the net pension liability at December 31, 2016 was \$614,859, \$468,456 and \$1,954,393, respectively. Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2015, the Library recognized pension expense of \$443,411 for IMRF.

At December 31, 2015, the Village and Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 379,825
Changes in assumption	1,179,513	-
Contributions after measurement date	430,833	-
Net difference between projected and actual earnings on pension plan investments	6,304,388	-
TOTAL	<u>\$ 7,914,734</u>	<u>\$ 379,825</u>

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's collective share of the deferred outflows of resources at December 31, 2016 was \$5,470,139. The Library's collective share of the deferred outflows of resources at December 31, 2016 was \$1,633,937. The Library's contributions after the measurement date of \$430,833 will be recognized in pension expense in December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense by the Library as follows:

<u>Year Ending December 31,</u>	
2017	\$ 579,472
2018	359,907
2019	377,725
2020	<u>316,833</u>
TOTAL	<u>\$ 1,633,937</u>

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability for both the Village and Library calculated using the discount rate of 7.49% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net pension liability (asset) - Village	\$ 16,183,487	\$ 6,542,969	\$ (1,364,311)
Net pension liability (asset) - Library	4,834,028	1,954,393	(407,522)
 NET PENSION LIABILITY (ASSET)-TOTAL	 \$ 21,017,515	 \$ 8,497,362	 \$ (1,771,833)

8. OTHER POSTEMPLOYMENT BENEFITS

The Library allows employees, who retire through the Library's pension plan disclosed in Note 7, the option to continue in the Library's health insurance plan as required by Illinois Compiled Statutes (ILCS), but the retiree pays the full premium for the health insurance. This has created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. However, no former employees have chosen to stay in the Library's insurance plan. In addition, the Library has no explicit subsidy as defined in GASB S-45. Therefore, the Library has not recorded any postemployment benefit liability as of December 31, 2016.

9. CHANGE IN ACCOUNTING PRINCIPLE

In 2015, the Library adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The new standard requires the Library to recognize a liability in its government-wide financial statements for the net pension liability associated with its pension plan.

In 2016, the Library made a determination to report information from the December 31, 2015 actuarial valuation for IMRF in order to continue its dedication to timely financial reporting. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities, deferred outflows and deferred inflows from December 31, 2014.

OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

Additionally, due to the requirements set forth in GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, the Library reported contributions made subsequent to the measurement date as deferred outflows. These amounts are part of the restatement disclosed in the following table.

Activity	Net Position		
	January 1, 2015, as Previously Reported	Adjustment	December 31, 2015, as Restated
NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 15,140,715	\$ -	\$ 15,140,715
IMRF deferred outflows	-	(486,079)	-
IMRF net pension liability	-	1,339,534	-
IMRF deferred inflows	-	<u>20,789</u>	-
		<u>\$ 874,244</u>	
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 15,140,715</u>	<u>\$ 874,244</u>	<u>\$ 16,014,959</u>

REQUIRED SUPPLEMENTARY INFORMATION

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

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

December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 7,266,132	\$ 7,266,132	\$ 10,293,335
Replacement	142,000	142,000	138,124
Intergovernmental			
Grants	-	-	50,090
Charges for services	88,000	88,000	85,301
Fees, fines and penalties	170,000	170,000	138,184
Investment income	14,000	14,000	23,109
Miscellaneous			
Other	45,500	45,500	50,133
Gifts	-	-	3,288
	<hr/>		
Total revenues	7,725,632	7,725,632	10,781,564
<hr/>			
EXPENDITURES			
Current			
Culture and recreation	7,586,897	7,586,897	7,392,719
Capital outlay	280,000	280,000	225,052
Debt service			
Principal retirement	-	-	2,255,400
Interest and fiscal charges	-	-	189,531
	<hr/>		
Total expenditures	7,866,897	7,866,897	10,062,702
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (141,265)</u>	<u>\$ (141,265)</u>	718,862
FUND BALANCE, JANUARY 1			<u>5,954,733</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 6,673,595</u></u>

(See independent auditor's report.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016
Actuarially determined contribution	\$ 468,456	\$ 430,833
Contributions in relation to the actuarially determined contribution	<u>468,456</u>	<u>430,833</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 3,305,969	\$ 3,066,642
Contributions as a percentage of covered-employee payroll	14.17%	14.05%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015
Employer's proportion of net pension liability	23.00%	23.00%
Employer's proportionate share of net pension liability	\$ 614,859	\$ 1,954,393
Employer's covered-employee payroll	3,305,969	3,066,642
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	18.60%	63.73%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	91.96%

There was a change with respect to the actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, turnover rates and retirement rates.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

LEGAL COMPLIANCE AND ACCOUNTABILITY

a. Budgets

The budget is adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted at the fund level for the General Fund. All annual appropriations lapse at fiscal year end.

The Library Board of Trustees has the authority to approve the budget for the General Fund. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.

Expenditures may not legally exceed budget at the fund level.

Budget amounts are as originally adopted or as amended by the Library Board of Trustees.

The General Fund's actual expenditures exceeded the budgeted expenditures by \$2,195,805, which is attributed to the debt service expenditures.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2016

	Library Art Fund	Library Maze Project	Total
ASSETS			
Cash and investments	\$ 48,230	\$ 67,090	\$ 115,320
TOTAL ASSETS	\$ 48,230	\$ 67,090	\$ 115,320
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	-	-	-
FUND BALANCES			
Assigned	48,230	67,090	115,320
Total fund balances	48,230	67,090	115,320
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,230	\$ 67,090	\$ 115,320

(See independent auditor's report.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	Library Art Fund	Library Maze Project	Total
REVENUES			
Investment income	\$ 176	\$ -	\$ 176
Miscellaneous	300	-	300
Total revenues	476	-	476
EXPENDITURES			
Framing and installation	6,827	-	6,827
Total expenditures	6,827	-	6,827
NET CHANGE IN FUND BALANCES			
	(6,351)	-	(6,351)
FUND BALANCES, JANUARY 1			
	54,581	67,090	121,671
FUND BALANCES, DECEMBER 31			
	\$ 48,230	\$ 67,090	\$ 115,320

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES			
Culture and recreation			
Personal services			
Full-time salaries	\$ 3,949,849	\$ 3,949,849	\$ 3,793,874
Fringe benefits			
Health insurance	719,000	719,000	598,436
Pension contribution	767,953	767,953	710,615
Total personal services	5,436,802	5,436,802	5,102,925
Materials and supplies			
Fuels and lubricants	2,500	2,500	650
Landscaping supplies	11,000	11,000	9,565
Cleaning and housekeeping	20,000	20,000	19,006
Office supplies	102,000	102,000	91,697
Hospitality	5,000	5,000	5,365
Dole program supplies	-	-	4,069
Building materials and supplies	10,000	10,000	8,324
Equipment parts	15,000	15,000	17,488
Books	400,000	400,000	388,375
Digital books	185,000	185,000	202,060
Digital media	110,000	110,000	121,868
Customer service programming	-	-	5,010
Signage	500	500	449
Audio-visuals	195,000	195,000	173,994
Digital services	-	-	1,875
Total materials and supplies	1,056,000	1,056,000	1,049,795
Contractual services			
Payroll processing fees	29,270	29,270	28,557
Director Development	3,500	3,500	3,500
Other printing/copying	9,000	9,000	22,754
Marketing support	35,000	35,000	20,675
Security guards	-	-	28,543
Custodial services	168,200	168,200	176,044
Dues	16,000	16,000	13,473
Conferences and training	60,000	60,000	58,033
Tuition reimbursement	8,000	8,000	9,000
Consultant fees	12,000	12,000	7,336

(This schedule is continued on the following pages.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Culture and recreation (Continued)			
Contractual services (Continued)			
Cataloging	\$ 1,500	\$ 1,500	\$ 642
Website development	18,000	18,000	7,261
Schools out support	10,000	10,000	11,211
Special collections	-	-	2,120
Coffeehouse support	6,000	6,000	8,886
Illinois payments support	4,000	4,000	4,712
Merchant account services	6,000	6,000	6,256
Collection fees support	4,000	4,000	2,927
Automation support services	55,000	55,000	62,207
Programming support services	10,000	10,000	27,692
Interventionist program	15,600	15,600	12,935
Postage and delivery	10,000	10,000	8,945
Insurance	57,000	57,000	100,531
Telephone/communications	80,000	80,000	75,723
Water	15,000	15,000	17,681
Sewer/garbage	15,000	15,000	13,919
Natural gas and electric	45,000	45,000	19,349
Rentals - equipment and furnishings	25,000	25,000	20,456
Travel and mileage reimbursement	20,000	20,000	11,160
Office and library machines	31,450	31,450	16,395
Repair and maintenance	130,000	130,000	145,719
Facilities study/analysis	-	-	30,422
Collaboration early childhood education	1,200	1,200	1,200
SWAN	70,000	70,000	64,085
Archival collection	5,000	5,000	5,029
Subscriptions and services	16,120	16,120	2,741
Audit	6,000	6,000	8,176
Pass through expenditures	-	-	9,191
Streaming content	13,255	13,255	13,422
Parking lot	15,000	15,000	29,885
Board development	3,000	3,000	3,951
Software platform	65,000	65,000	70,430
Grant expenses	-	-	56,825
Total contractual services	1,094,095	1,094,095	1,239,999
Total culture and recreation	7,586,897	7,586,897	7,392,719

(This schedule is continued on the following page.)

**OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS**

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Capital outlay			
Building improvements	\$ 138,000	\$ 138,000	\$ 111,267
Equipment	85,000	85,000	51,340
Furnishings	40,000	40,000	46,250
Self-check expansion	17,000	17,000	16,195
Total capital outlay	<u>280,000</u>	<u>280,000</u>	<u>225,052</u>
Debt service			
Principal	-	-	2,255,400
Interest	-	-	189,531
Total debt service	<u>-</u>	<u>-</u>	<u>2,444,931</u>
TOTAL EXPENDITURES	<u><u>\$ 7,866,897</u></u>	<u><u>\$ 7,866,897</u></u>	<u><u>\$ 10,062,702</u></u>

(See independent auditor's report.)