

**LA GRANGE PARK  
PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

For the Year Ended  
June 30, 2016



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
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**LA GRANGE PARK, ILLINOIS**  
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Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
La Grange Park Public Library District  
La Grange Park, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the La Grange Park Public Library District, La Grange Park, Illinois (the District), as of and for the year ended June 30, 2016, and the related notes to financial statements which collectively comprise the District'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 District'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 District'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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the La Grange Park Public Library District, La Grange Park, Illinois as of June 30, 2016, and the respective changes in financial position for the year then ended in conformity 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 Management's Discussion and Analysis and other required supplementary information 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 financial statements that collectively comprise the District's basic financial statements as a 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 of the District.

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 basic 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  
November 22, 2016

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# LA GRANGE PARK PUBLIC LIBRARY DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

---

As the management of the La Grange Park Public Library District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's Financial Statements (beginning on page 3).

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

### USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

The District's financial statements present two kinds of statements, each with a different snapshot of the District's finances. The focus of the financial statements is on both the District as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the District's accountability.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The focus of the Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and the 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 District is improving or deteriorating.

The Statement of Activities presents information showing how the District'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 government-wide financial statements (see pages 3-4) describe functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District reflect the District's basic services, including materials collections, reference and readers' services, programming, interlibrary loan and outreach services.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Fund Financial Statements**

Traditional users of governmental financial statements will find the Fund Financial Statements to be more 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are in one category: governmental funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Special Reserve Funds, all of which are considered to be "major" funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided elsewhere in this report to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 5-8 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 through 25 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information reflecting the District's progress in funding its expenditures and changes in fund balances. Required supplementary information can be found on pages 26 through 29 of this report.

(See independent auditor's report)



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 30 through 36 of this report.

**Financial Analysis of the District as a Whole**

In accordance with GASB Statement No. 34, the District has presented comparative information.

**GOVERNMENT-WIDE STATEMENTS**

**Net Position**

The following table reflects the condensed Statement of Net Position as of June 30, 2015 and 2016.

**Table 1  
Statement of Net Position**

|  | 2015                | 2016                |
|--|---------------------|---------------------|
| <b><u>Governmental Activities</u></b>                      |                     |                     |
| Current and Other Assets                                   | \$ 3,393,222        | \$ 3,182,762        |
| Capital Assets (Net of Accumulated Depreciation)           | 2,870,288           | 2,723,763           |
| Deferred Outflows of Resources                             | 285,632             | 368,700             |
| <b>Total Assets and Deferred Outflows of Resources</b>     | <b>6,156,292</b>    | <b>6,275,225</b>    |
| Current Liabilities  | 93,939              | 203,528             |
| Non-Current Liabilities                                    | 1,776,856           | 1,666,597           |
| Deferred Inflow of Resources                               | 1,709,181           | 1,760,469           |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <b>3,579,976</b>    | <b>3,630,594</b>    |
| Net Position:  |                     |                     |
| Net Investment in Capital Assets                           | 1,695,954           | 1,667,689           |
| Restricted   | 208,063             | 177,580             |
| Unrestricted   | 672,299             | 799,362             |
| <b>Total Net Position</b>                                  | <b>\$ 2,576,316</b> | <b>\$ 2,644,631</b> |

The District's combined net position increased from \$2,576,316 to \$2,644,631 during fiscal year 2016. The primary reason for this increase was due to cost saving measures undertaken by the District as part of a long term plan for future capital projects.

For more detailed information, see the Statement of Net Position on page 3.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**GOVERNMENT-WIDE STATEMENTS (Continued)**

**Activities**

The following table summarizes the revenue and expenses of the District's activities for fiscal year 2015 and 2016:

**Table 2  
Changes in Net Position**

**Governmental Activities**

|  | 2015                | 2016                |
|--|---------------------|---------------------|
| <b>Revenues</b>  |                     |                     |
| Program Revenues                                       |                     |                     |
| Charges for Services                                   | \$ 25,229           | \$ 21,717           |
| Operating Grants                                       | 49,852              | 9,941               |
| Capital Grant  | -                   | -                   |
| General Revenues (all funds)                           |                     |                     |
| Property Taxes   | 1,680,068           | 1,683,080           |
| Replacement Taxes                                      | 8,171               | 7,522               |
| Investment Income                                      | 5,429               | 5,396               |
| Gifts and Donations                                    | 16,606              | 12,000              |
| Miscellaneous  | 22,677              | 86,620              |
| <b>Total Revenues</b>                                  | <b>1,808,032</b>    | <b>1,826,276</b>    |
| <b>Expenses</b>  |                     |                     |
| General Government                                     | 1,641,262           | 1,721,546           |
| Interest   | 48,752              | 36,415              |
| <b>Total Expenses</b>                                  | <b>1,690,014</b>    | <b>1,757,961</b>    |
| <b>Changes in Net Position</b>                         | <b>118,018</b>      | <b>68,315</b>       |
| <b>Total Net Position, Beginning of Year</b>           | <b>2,721,882</b>    | <b>2,576,316</b>    |
| <b>Prior Period Adjustment</b>                         | <b>(263,584)</b>    | <b>-</b>            |
| <b>Total Net Position, Beginning of Year, Restated</b> | <b>2,458,298</b>    | <b>2,576,316</b>    |
| <b>Total Net Position, End of Year</b>                 | <b>\$ 2,576,316</b> | <b>\$ 2,644,631</b> |

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**2015-2016 FINANCIAL OVERVIEW  
LA GRANGE PARK PUBLIC LIBRARY DISTRICT**

**INCOME SOURCES**

|                     |           |
|---------------------|-----------|
| Property taxes      | 92.1%     |
| Replacement taxes   | 0.4%      |
| Grants              | 0.5%      |
| Fines and fees      | 1.2%      |
| Investment income   | 0.4%      |
| Gifts and donations | 0.6%      |
| Miscellaneous       | 4.8%      |
| Total Income: \$    | 1,826,276 |

**MAJOR EXPENSES BY CATEGORY**

|                                    |           |
|------------------------------------|-----------|
| Library materials                  | 8.1%      |
| Operating                          | 13.8%     |
| Personnel                          | 60.5%     |
| Building and equipment maintenance | 5.5%      |
| Capital outlay                     | 10.0%     |
| Debt service                       | 2.1%      |
| Total Expenses: \$                 | 1,757,961 |

There are seven basic impacts on revenues and expenses as reflected below:

**Normal Impacts**

**Revenues**

**Effect of Tax Cap.**

The District annually files a tax levy request with the Office of the Cook County Clerk. The levy represents the amount of revenue the District requests to collect from the property tax. The Clerk's Office takes the District's request and calculates the tax rate based on state law. Under current law, the Property Tax Extension Limitation Law ("Tax Cap"), the District, as well as other taxing bodies which have statutory ceilings, has its levy adjusted using a formula that includes using the CPI and the District's EAV. This calculation has annually restricted the District from receiving the full amount of its levy.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Normal Impacts (Continued)**

**Revenues (Continued)**

**Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring).** Certain recurring revenues (interest income, state per capita grant, etc.) may experience significant changes periodically, while non-recurring or one-time grants are less predictable and often distort their impact on year-to-year comparisons.

**Market impacts on investment income.** The District's investment portfolio is managed using a similar average maturity to most other governments. Market conditions may cause investment income to fluctuate. Most funds are invested in Money Market Funds invested in U.S. Government Obligations, and short-term Certificates of Deposit (FDIC Insured), which offer competitive returns, liquidity and safety, requisites of the District's investment policy.

**Expenses**

**Introduction of new programs:** Within functional expense categories, individual programs may be added or deleted in order to meet the changing needs of the District.

**Changes in authorized personnel:** Changes in service demand may cause the District Board to increase or decrease staffing levels. Personnel costs represent the District's most significant operating cost.

**Salary increases (annual adjustments and merit):** The ability to attract and retain quality personnel requires the District to strive to have competitive salary ranges and pay practices.

**Inflation:** While overall inflation has been reasonably modest, some of the District's functions and services may experience unusual commodity specific increases.

**Current Year Impacts**

**Revenues**

For the fiscal year ended June 30, 2016 revenues totaled \$1,826,276. Property taxes, the District's largest single revenue source, amounted to \$ 1,683,080 or 92.1% of total revenue.

Charges for services, which include fines, photocopies, and charges for lost materials, represent only slightly more than 1.2% of total income.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Current Year Impacts (Continued)**

**Revenues (Continued)**

The Per Capita Grant was deferred in the current fiscal year. The grant recognized was for \$9,941 and was received in 2015. This grant was utilized for online resources. Additionally, the District received \$12,000 in gifts and memorials, including donations from the Friends of the Library. The amounts include items that are for current items and for long term projects.

**Expenses**

The District's expenses were \$1,757,961 in 2016. The expenditure figure includes 60.5% for Personnel Services, 2.1% for Interest on outstanding GO debt, 8.1% for Materials and Electronic resources. Utilities, Supplies, and Building and Equipment Maintenance (5.5%) also represent notable amounts of the District's expenditures.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of June 30, 2016, the governmental funds (as presented on the balance sheet on page 5) had a combined fund balance of \$1,376,019 representing an increase of \$175,732. This increase was due to cost saving measures implemented by staff to plan for long term capital projects.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)**

**Table 3  
General Fund Budgetary Highlights  
For the Fiscal Year Ended June 30, 2016**

|   | <u>Budget</u>    | <u>Actual</u>     |
|---|------------------|-------------------|
| <b>Revenues</b>                             |                  |                   |
| Property Taxes                              | \$ 1,588,702     | \$ 1,533,152      |
| State Replacement Taxes                     | 7,000            | 7,522             |
| Investment Income                           | 5,000            | 5,044             |
| Grants                                      | 13,500           | 9,941             |
| Gifts                                       | 10,000           | 12,000            |
| Fines, Fees and Other                       | 27,300           | 108,337           |
|   | <hr/>            |                   |
| Total Revenues                              | 1,651,502        | 1,675,996         |
|   | <hr/>            |                   |
| <b>Expenditures</b>                         |                  |                   |
| General Government                          | 1,448,387        | 1,297,833         |
| Capital Outlay                              | 25,000           | 28,912            |
| Debt Service                                | 157,000          | 154,975           |
|   | <hr/>            |                   |
| Total Expenditures                          | 1,630,387        | 1,481,720         |
|   | <hr/>            |                   |
| <b>Excess of Revenues over Expenditures</b> | <b>21,115</b>    | <b>194,276</b>    |
|   | <hr/>            |                   |
| <b>Other Financing Sources (Uses)</b>       |                  |                   |
| Transfers In                                | -                | 39,327            |
| Transfers (Out)                             |                  | (5,644)           |
|   | <hr/>            |                   |
| Total Other Financing Sources (Uses)        | -                | 33,683            |
|   | <hr/>            |                   |
| <b>Net Change in Fund Balance</b>           | <b>\$ 21,115</b> | <b>\$ 227,959</b> |
|   | <hr/>            |                   |

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Capital Assets**

The following schedule reflects the District's capital asset balances as of June 30, 2016:

**Table 4  
Capital Assets  
As of June 30, 2016**

|  |                     |
|--|---------------------|
| <b>Governmental Activities</b>                     |                     |
| Capital Assets Not Being Depreciated               |                     |
| Land   | \$ 436,500          |
|  | <hr/>               |
| Total Capital Assets Not Being Depreciated         | 436,500             |
|  | <hr/>               |
| Capital Assets Being Depreciated                   |                     |
| Buildings and Improvements                         | 4,244,581           |
| Furniture and Equipment                            | 463,135             |
| Software   | 21,500              |
|  | <hr/>               |
| Total Capital Assets Being Depreciated             | 4,729,216           |
|  | <hr/>               |
| Less accumulated depreciation                      | 2,441,953           |
|  | <hr/>               |
| Total Capital Assets Being Depreciated, Net        | 2,287,263           |
|  | <hr/>               |
| <b>Governmental Activities Capital Assets, Net</b> | <b>\$ 2,723,763</b> |
|  | <hr/> <hr/>         |

At year end, the District's investment in capital assets (net accumulated depreciation) for its governmental-type activities was \$2,723,763. See Note 4 for further information regarding capital assets.

**Long-Term Debt**

The District has debt certificates outstanding totaling \$1,070,000 as of June 30, 2016. The District paid \$120,000 towards outstanding debt during the year. See Note 6 for more information regarding long-term debt.

**Economic Factors**

The District is subject to the property tax caps in accordance with state statutes. With these tax caps in place, the District is limited to the amount of increase they are able to obtain with its tax levy. In addition, the District is subject to tax rate objections and property assessment objections. These objections can erode the collections of the District with no recourse for collections.

(See independent auditor's report)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The State of Illinois is currently without a budget and as such, the future of the Per Capita Grant is in question for future years as well as the future of the property tax increases. These two items are monitored by the district and future budgets will be adjusted.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, La Grange Park Public Library District, 555 N. La Grange Road, La Grange Park, Illinois 60526.

(See independent auditor's report)



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2016

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS</b>                                       |                                    |
| Cash and investments                                | \$ 2,364,513                       |
| Receivables   |                                    |
| Property taxes                                      | 818,249                            |
| Capital assets not being depreciated                | 436,500                            |
| Capital assets (net of accumulated depreciation)    | 2,287,263                          |
| Total assets  | 5,906,525                          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                                    |
| Pension items - IMRF                                | 294,954                            |
| Unamortized loss on refunding                       | 73,746                             |
| Total deferred outflows of resources                | 368,700                            |
| Total assets and deferred outflows of resources     | 6,275,225                          |
| <b>LIABILITIES</b>                                  |                                    |
| Accounts payable                                    | 35,438                             |
| Accrued payroll                                     | 31,170                             |
| Unearned grant revenue                              | 10,467                             |
| Accrued interest payable                            | 2,735                              |
| Long-term liabilities                               |                                    |
| Due within one year                                 | 123,718                            |
| Due in more than one year                           | 1,666,597                          |
| Total liabilities                                   | 1,870,125                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |
| Deferred revenue - property taxes                   | 1,729,668                          |
| Pension items - IMRF                                | 30,801                             |
| Total deferred inflows of resources                 | 1,760,469                          |
| Total liabilities and deferred inflows of resources | 3,630,594                          |
| <b>NET POSITION</b>                                 |                                    |
| Net investment in capital assets                    | 1,667,689                          |
| Restricted for expendable                           |                                    |
| Social Security                                     | 35,133                             |
| Building maintenance                                | 142,447                            |
| Unrestricted  | 799,362                            |
| <b>TOTAL NET POSITION</b>                           | <b>\$ 2,644,631</b>                |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

| FUNCTIONS/PROGRAMS<br>PRIMARY GOVERNMENT | Program Revenues    |                         |  |  | Net (Expense)<br>Revenue and<br>Change in Net<br>Position |
|--|---------------------|-------------------------|--|--|---|
|  | Expenses            | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |   |
| Governmental Activities                  |                     |                         |  |  |   |
| General government                       | \$ 1,721,546        | \$ 21,717               | \$ 9,941                                 | \$ -                                   | \$ (1,689,888)  |
| Interest                                 | 36,415              | -                       | -  | -                                      | (36,415)  |
| Total governmental activities            | 1,757,961           | 21,717                  | 9,941                                    | -                                      | (1,726,303)   |
| <b>TOTAL PRIMARY GOVERNMENT</b>          | <b>\$ 1,757,961</b> | <b>\$ 21,717</b>        | <b>\$ 9,941</b>                          | <b>\$ -</b>                            | <b>(1,726,303)</b>  |
|  |                     |                         | General Revenues                         |  |   |
|  |                     |                         | Taxes                                    |  |   |
|  |                     |                         | Property                                 |  | 1,683,080   |
|  |                     |                         | Replacement                              |  | 7,522   |
|  |                     |                         | Investment income                        |  | 5,396   |
|  |                     |                         | Miscellaneous                            |  | 86,620  |
|  |                     |                         | Gifts                                    |  | 12,000  |
|  |                     |                         | Total                                    |  | 1,794,618   |
|  |                     |                         | CHANGE IN NET POSITION                   |  | 68,315  |
|  |                     |                         | NET POSITION, JULY 1                     |  | 2,576,316   |
|  |                     |                         | <b>NET POSITION, JUNE 30</b>             |  | <b>\$ 2,644,631</b>                                       |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2016

|   | General             | Debt<br>Service | Special<br>Reserve | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|-----------------|--------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>   |                     |                 |                    |                                   |                                |
| Cash and investments  | \$ 1,928,789        | \$ -            | \$ 178,344         | \$ 257,380                        | \$ 2,364,513                   |
| Receivables   |                     |                 |                    |                                   |                                |
| Property taxes  | 746,606             | -               | -                  | 71,643                            | 818,249                        |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,675,395</b> | <b>\$ -</b>     | <b>\$ 178,344</b>  | <b>\$ 329,023</b>                 | <b>\$ 3,182,762</b>            |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                     |                 |                    |                                   |                                |
| <b>LIABILITIES</b>  |                     |                 |                    |                                   |                                |
| Accounts payable  | \$ 35,438           | \$ -            | \$ -               | \$ -                              | \$ 35,438                      |
| Accrued payroll   | 31,170              | -               | -                  | -                                 | 31,170                         |
| Unearned grant revenue  | 10,467              | -               | -                  | -                                 | 10,467                         |
| Total liabilities   | 77,075              | -               | -                  | -                                 | 77,075                         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                 |                    |                                   |                                |
| Unavailable revenue - property taxes  | 1,578,225           | -               | -                  | 151,443                           | 1,729,668                      |
| Total deferred inflows of resources   | 1,578,225           | -               | -                  | 151,443                           | 1,729,668                      |
| Total liabilities and deferred inflows of resources                           | 1,655,300           | -               | -                  | 151,443                           | 1,806,743                      |
| <b>FUND BALANCES</b>  |                     |                 |                    |                                   |                                |
| Restricted  |                     |                 |                    |                                   |                                |
| Social Security   | -                   | -               | -                  | 35,133                            | 35,133                         |
| Building maintenance  | -                   | -               | -                  | 142,447                           | 142,447                        |
| Committed   |                     |                 |                    |                                   |                                |
| Special reserve   | -                   | -               | 178,344            | -                                 | 178,344                        |
| Unassigned  | 1,020,095           | -               | -                  | -                                 | 1,020,095                      |
| Total fund balances   | 1,020,095           | -               | 178,344            | 177,580                           | 1,376,019                      |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 2,675,395</b> | <b>\$ -</b>     | <b>\$ 178,344</b>  | <b>\$ 329,023</b>                 | <b>\$ 3,182,762</b>            |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE, ILLINOIS**

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

June 30, 2016

---

|   |                            |
|---|----------------------------|
| <b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>  | \$ 1,376,019               |
| 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   | 2,723,763                  |
| The unamortized loss on refunding is reported as a deferred outflow of resources on the statement of net position   | 73,746                     |
| Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds   | (3,718)                    |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds  | (1,070,000)                |
| Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position   | (656,777)                  |
| Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position | 264,153                    |
| Unamortized premium is not reported in governmental funds   | (59,820)                   |
| Accrued interest on long-term debt is reported as a liability on the statement of net position  | <u>(2,735)</u>             |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <u><u>\$ 2,644,631</u></u> |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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

For the Year Ended June 30, 2016

|  | <b>General</b>      | <b>Debt<br/>Service</b> | <b>Special<br/>Reserve</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---------------------|-------------------------|----------------------------|--|---|
| <b>REVENUES</b>  |                     |                         |                            |  |   |
| Property taxes   | \$ 1,533,152        | \$ -                    | \$ -                       | \$ 149,928                                 | \$ 1,683,080                            |
| State replacement taxes                                      | 7,522               | -                       | -                          | -  | 7,522                                   |
| Charges for services   | 420                 | -                       | -                          | -  | 420                                     |
| Investment income  | 5,044               | -                       | -                          | 352  | 5,396                                   |
| Grants   | 9,941               | -                       | -                          | -  | 9,941                                   |
| Gifts  | 12,000              | -                       | -                          | -  | 12,000                                  |
| Fines, fees and other  | 107,917             | -                       | -                          | -  | 107,917                                 |
| <b>Total revenues</b>  | <b>1,675,996</b>    | <b>-</b>                | <b>-</b>                   | <b>150,280</b>                             | <b>1,826,276</b>                        |
| <b>EXPENDITURES</b>  |                     |                         |                            |  |   |
| Current  |                     |                         |                            |  |   |
| General government   | 1,297,833           | -                       | -                          | 147,080                                    | 1,444,913                               |
| Capital outlay   | 28,912              | -                       | 21,744                     | -  | 50,656                                  |
| Debt service   |                     |                         |                            |  |   |
| Principal  | 120,000             | -                       | -                          | -  | 120,000                                 |
| Interest   | 34,975              | -                       | -                          | -  | 34,975                                  |
| <b>Total expenditures</b>                                    | <b>1,481,720</b>    | <b>-</b>                | <b>21,744</b>              | <b>147,080</b>                             | <b>1,650,544</b>                        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>194,276</b>      | <b>-</b>                | <b>(21,744)</b>            | <b>3,200</b>                               | <b>175,732</b>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                         |                            |  |   |
| Transfers in   | 39,327              | -                       | -                          | 5,644                                      | 44,971                                  |
| Transfers (out)  | (5,644)             | (39,327)                | -                          | -  | (44,971)                                |
| <b>Total other financing sources (uses)</b>                  | <b>33,683</b>       | <b>(39,327)</b>         | <b>-</b>                   | <b>5,644</b>                               | <b>-</b>                                |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>227,959</b>      | <b>(39,327)</b>         | <b>(21,744)</b>            | <b>8,844</b>                               | <b>175,732</b>                          |
| <b>FUND BALANCES, JULY 1</b>                                 | <b>792,136</b>      | <b>39,327</b>           | <b>200,088</b>             | <b>168,736</b>                             | <b>1,200,287</b>                        |
| <b>FUND BALANCES, JUNE 30</b>                                | <b>\$ 1,020,095</b> | <b>\$ -</b>             | <b>\$ 178,344</b>          | <b>\$ 177,580</b>                          | <b>\$ 1,376,019</b>                     |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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 June 30, 2016

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|  |                         |
|--|-------------------------|
| <b>NET CHANGE IN FUND BALANCES -</b>   |                         |
| <b>TOTAL GOVERNMENTAL FUNDS</b>  | \$ 175,732              |
| 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 on the statement of activities   | 10,651                  |
| The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of activities | 120,000                 |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds                        |                         |
| Depreciation   | (157,176)               |
| Accrued interest   | 300                     |
| Compensated absences   | 14,642                  |
| The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities   | (155,579)               |
| The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities  | 61,485                  |
| Amortization is recorded as interest expense on the statement of activities  |                         |
| Unamortized premium  | 7,478                   |
| Unamortized loss on refunding  | (9,218)                 |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>   | <u><u>\$ 68,315</u></u> |

See accompanying notes to financial statements.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the La Grange Park Public Library District, La Grange Park, Illinois (the District) 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 District's accounting policies are described below.

a. Reporting Entity

The District is a municipal corporation governed by an elected president and six-member board. These financial statements present the District's reporting entity as required by GAAP. The District is considered to be a primary government since its board is separately elected and the District is fiscally independent.

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the District is considered to be financially accountable for.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. The District reports only governmental funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds restricted, committed or assigned for acquisition or construction of general capital assets (capital projects fund) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. 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 on all of the activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

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 or segment and (2) grants and standard revenues 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.

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

The District reports the following major governmental funds:

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

The Debt Service Fund is used to account for the payment of principal and interest on the District's general obligation bonds. The District has elected to report this as a major fund.

The Special Reserve Fund is used to account for funds dedicated for future capital and other needs. The District has elected to report this as a major fund.

d. 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. 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.



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

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 liabilities of the current period. The District considers revenues to be available as they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the District before it has a legal claim to them, 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 District has a legal claim to the resources, the deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments with a maturity of one year or less when purchased are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Non-negotiable certificates of deposit, if any, are reported at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs 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 and Level 3 inputs are significant unobservable inputs. The District does not have any investments at fair value at June 30, 2016.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.”

g. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$2,500 (except for library materials) 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 estimated 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. Improvements are capitalized as applicable.

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

| Assets                              | Years |
|-------------------------------------|-------|
| Buildings and building improvements | 7-50  |
| Furniture and equipment             | 5-30  |
| Software                            | 5     |

h. Compensated Absences

In accordance with GASB Interpretation No. 6, *Accounting for Certain Liabilities*, only vested or accumulated vacation leave including related social security and Medicare that is committed to be liquidated at June 30, 2016, is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees. Sick leave does not vest upon termination or retirement and, therefore, no liability has been recorded for this.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount, as applicable. Bond issuance costs are reported as expenses in the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

j. Interfund Transactions

Interfund transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

k. Fund Balance/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. Committed fund balance is constrained by formal actions of the District's Board of Trustees, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Director; however, this has not been authorized through a formal policy. Any residual fund balance in the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Fund Balance/Net Position (Continued)

The District has not adopted a flow of funds policy; therefore, in accordance with GASB Statement No. 54, the default flow of funds has been applied which 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 District considers committed funds to be expended first followed by assigned funds and then unassigned funds.

The various special revenue funds supported by property taxes are restricted due to the restricted revenue streams of the fund balance. Other funds are restricted due to the nature of the contributions to the fund.

The District has established fund balance reserve policies for all of its funds. The District maintains no less than three months of operating expenditures to be included in fund balance for fiscal sustainability. Amounts over three months in the General Fund may be transferred to the Special Reserve Fund.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position or fund balances are restricted as a result of enabling legislation adopted by the District. Net investment in capital assets is the book value of capital assets less outstanding principal balances of debt that was issued to construct the capital assets.

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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.

m. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS**

The District's investment policy authorizes the District 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 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, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

a. Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the District's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of the uninsured deposits with the collateral held by a third party acting as the agent of the District. As of June 30, 2016, the District had no uncollateralized deposits.

b. Investments

As of June 30, 2016, the District has no debt securities.

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by diversifying its investment portfolio to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The District's investment policy does not specifically limit the maximum maturity length of investments.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments (Continued)

The District 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 guaranteed by the United States Government and Illinois Funds. However, the District's investment policy does not specifically limit the District to these types of investments. Illinois Funds is 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 District 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 District'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 District's agent separate from where the investment was purchased. Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has too high a percentage of their investments invested in one type of investment. The District's investment policy does not require diversification of investment to avoid unreasonable risk.

**3. RECEIVABLES - TAXES**

Property taxes for 2015 attach as an enforceable lien on January 1, 2015 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 February 1, 2016 and August 1, 2016 and are payable in two installments, on or about March 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. The 2015 tax levy collections are intended to finance the 2017 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable or deferred revenue. The 2016 tax levy has not been recorded as a receivable at June 30, 2016, as the tax attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at June 30, 2016.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

|   | Beginning<br>Balances | Increases           | Decreases   | Ending<br>Balances  |
|---|-----------------------|---------------------|-------------|---------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                       |                     |             |                     |
| Capital assets not being depreciated        |                       |                     |             |                     |
| Land  | \$ 436,500            | \$ -                | \$ -        | \$ 436,500          |
| Total capital assets not being depreciated  | 436,500               | -                   | -           | 436,500             |
| Capital assets being depreciated            |                       |                     |             |                     |
| Buildings and improvements                  | 4,244,581             | -                   | -           | 4,244,581           |
| Furniture and equipment                     | 452,484               | 10,651              | -           | 463,135             |
| Software                                    | 21,500                | -                   | -           | 21,500              |
| Total capital assets being depreciated      | 4,718,565             | 10,651              | -           | 4,729,216           |
| Less accumulated depreciation for           |                       |                     |             |                     |
| Building and improvements                   | 1,975,632             | 126,667             | -           | 2,102,299           |
| Furniture and equipment                     | 298,395               | 26,209              | -           | 324,604             |
| Software                                    | 10,750                | 4,300               | -           | 15,050              |
| Total accumulated depreciation              | 2,284,777             | 157,176             | -           | 2,441,953           |
| Total capital assets being depreciated, net | 2,433,788             | (146,525)           | -           | 2,287,263           |
| <b>GOVERNMENTAL ACTIVITIES</b>              |                       |                     |             |                     |
| <b>CAPITAL ASSETS, NET</b>                  | <b>\$ 2,870,288</b>   | <b>\$ (146,525)</b> | <b>\$ -</b> | <b>\$ 2,723,763</b> |

Depreciation expense was charged to functions of the primary government as follows:

|   |                   |
|---|-------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                              |                   |
| General government  | \$ 157,176        |
| <b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b> | <b>\$ 157,176</b> |

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**5. RISK MANAGEMENT**

The District 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 three fiscal years.

**6. LONG-TERM DEBT**

a. Changes in Long-Term Liabilities

In August 2012, \$1,330,000 General Obligation Limited Tax Debt Certificates, Series 2012A, were issued by the District to refund \$1,250,000 of the Series 2004 General Obligation Debt Certificates. These debt certificates are dated August 29, 2012 bearing interest at 3.00% to 3.25% and maturing in the amounts of \$10,000 to \$150,000 through December 1, 2023. These debt certificates are paid by the General Fund.

|  | Balances<br>July 1  | Additions         | Reductions        | Balances<br>June 30 | Current<br>Portion | Long-Term<br>Portion |
|--|---------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>           |                     |                   |                   |                     |                    |                      |
| Debt Certificates                        |                     |                   |                   |                     |                    |                      |
| 2012A Debt Certificates                  | \$ 1,190,000        | \$ -              | \$ 120,000        | \$ 1,070,000        | \$ 120,000         | \$ 950,000           |
| Unamortized bond premium                 | 67,298              | -                 | 7,478             | 59,820              | -                  | 59,820               |
| Compensated absences payable             | 18,360              | -                 | 14,642            | 3,718               | 3,718              | -                    |
| IMRF net pension liability               | 501,198             | 155,579           | -                 | 656,777             | -                  | 656,777              |
| <b>TOTAL GOVERNMENTAL<br/>ACTIVITIES</b> | <b>\$ 1,776,856</b> | <b>\$ 155,579</b> | <b>\$ 142,120</b> | <b>\$ 1,790,315</b> | <b>\$ 123,718</b>  | <b>\$ 1,666,597</b>  |

b. Debt Service Requirements to Maturity

The annual debt service requirements to amortize the governmental activities outstanding debt as of June 30, 2016 are as follows:

| Year Ending<br>June 30,             | Debt Certificates   |                   |
|-------------------------------------|---------------------|-------------------|
|                                     | Principal           | Interest          |
| 2017                                | \$ 120,000          | \$ 31,025         |
| 2018                                | 125,000             | 27,350            |
| 2019                                | 125,000             | 23,600            |
| 2020                                | 130,000             | 19,775            |
| 2021                                | 140,000             | 15,725            |
| 2022                                | 140,000             | 11,525            |
| 2023                                | 140,000             | 7,149             |
| 2024                                | 150,000             | 2,437             |
| <b>TOTAL PRINCIPAL AND INTEREST</b> | <b>\$ 1,070,000</b> | <b>\$ 138,586</b> |



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. LONG-TERM DEBT (Continued)**

c. Legal Debt Margin

|   |                            |
|---|----------------------------|
| ASSESSED VALUATION - 2015                       | <u>\$ 308,453,194</u>      |
| Legal debt limit - 2.875% of assessed valuation | \$ 8,868,029               |
| Amount of debt applicable of debt limit         | <u>1,070,000</u>           |
| <b>LEGAL DEBT MARGIN</b>                        | <u><b>\$ 7,798,029</b></u> |

Chapter 50, Section 405/1 of the Illinois Compiled Statutes provides: “no township, school district, or other municipal corporation having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for the state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying such governmental unit’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

The limitations prescribed shall not apply to any indebtedness of any library district incurred for acquiring or improving sites; constructing, extending or improving and equipping sites for public library purposes; or for the establishment, support and maintenance of a public library, under the provisions of the “Illinois Public Library District Act.”

**7. CONTINGENT LIABILITIES**

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. INDIVIDUAL FUND DISCLOSURES**

Interfund transfers during the year ended June 30, 2016 consisted of the following:

| Fund                          | Transfers<br>In | Transfers<br>Out |
|-------------------------------|-----------------|------------------|
| General                       | \$ 39,327       | \$ 5,644         |
| Nonmajor Governmental         |                 |                  |
| Illinois Municipal Retirement | 5,644           | -                |
| Debt Service                  | -               | 39,327           |
| TOTAL                         | \$ 44,971       | \$ 44,971        |

The purpose of the interfund transfers is as follows:

- The \$5,644 transferred from the General Fund to the Illinois Municipal Retirement Fund to cover a fund deficit.
- The \$39,327 transferred from the Debt Service Fund to the General Fund was to close the Debt Service Fund.

**9. RETIREMENT FUND COMMITMENTS**

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org).

*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.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

|   |                      |
|---|----------------------|
| Inactive employees or their beneficiaries<br>currently receiving benefits | 10                   |
| Inactive employees entitled to but not yet receiving benefits             | 8                    |
| Active employees  | <u>14</u>            |
| <br>TOTAL   | <br><u><u>32</u></u> |

*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.

*Contributions*

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate was 12.97% of covered payroll for the calendar year ended December 31, 2015, and 14.61% for the calendar year ending December 31, 2016.

*Actuarial Assumptions*

The District'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.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

|                            |                   |
|----------------------------|-------------------|
| Actuarial valuation date   | December 31, 2015 |
| Actuarial cost method      | Entry-age normal  |
| Assumptions                |                   |
| Inflation                  | 2.75%             |
| Salary increases           | 3.75% to 14.50%   |
| Interest rate              | 7.50%             |
| Cost of living adjustments | 3.00%             |
| Asset valuation method     | Market value      |

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 total pension liability was 7.45%. 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% 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 7.45% used to determine the total pension liability.

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

|  | (a)<br>Total Pension<br>Liability | (b)<br>Plan Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>Liability |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| BALANCES AT JANUARY 1, 2015                          | \$ 2,897,821                      | \$ 2,396,623                          | \$ 501,198                            |
| Changes for the period                               |                                   |                                       |                                       |
| Service cost   | 62,697                            | -                                     | 62,697                                |
| Interest   | 216,979                           | -                                     | 216,979                               |
| Difference between expected and<br>actual experience | (40,557)                          | -                                     | (40,557)                              |
| Changes in assumptions                               | -                                 | -                                     | -                                     |
| Employer contributions                               | -                                 | 77,297                                | (77,297)                              |
| Employee contributions                               | -                                 | 26,818                                | (26,818)                              |
| Net investment income                                | -                                 | 12,059                                | (12,059)                              |
| Benefit payments and refunds                         | (84,912)                          | (84,912)                              | -                                     |
| Administrative expense                               | -                                 | -                                     | -                                     |
| Other (net transfer)                                 | -                                 | (32,634)                              | 32,634                                |
| Net changes  | 154,207                           | (1,372)                               | 155,579                               |
| BALANCES AT DECEMBER 31, 2015                        | \$ 3,052,028                      | \$ 2,395,251                          | \$ 656,777                            |

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

For the year ended June 30, 2016, the District recognized pension expense of \$184,284. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience                                   | \$ 13,872                            | \$ 30,801                           |
| Changes in assumption   | 78,965                               | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | 153,022                              | -                                   |
| Employer contributions after the measurement date                                   | 49,095                               | -                                   |
| TOTAL   | \$ 294,954                           | \$ 30,801                           |

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**9. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*  
(Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| <u>Year Ending</u><br><u>June 30,</u> |                   |
|---------------------------------------|-------------------|
| 2017                                  | \$ 127,338        |
| 2018                                  | 74,778            |
| 2019                                  | 30,090            |
| 2020                                  | 31,947            |
| 2021                                  | -                 |
| Thereafter                            | -                 |
|                                       | <hr/>             |
| TOTAL                                 | <u>\$ 264,153</u> |

*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 of the District calculated using the discount rate of 7.45% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.45%) or 1 percentage point higher (8.45%) than the current rate:

|                       | 1%<br>Decrease<br>(6.45%) | Current<br>Discount<br>Rate<br>(7.45%) | 1%<br>Increase<br>(8.45%) |
|-----------------------|---------------------------|--|---------------------------|
|                       | <hr/>                     |  |                           |
| Net pension liability | \$ 1,073,247              | \$ 656,777                             | \$ 310,837                |

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT**  
**LA GRANGE PARK, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. OTHER POSTEMPLOYMENT BENEFITS**

The District has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no former employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District has no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2016.

**REQUIRED SUPPLEMENTARY INFORMATION**



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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

For the Year Ended June 30, 2016

|  | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>       |
|--|----------------------|--------------------------------------|---------------------|
| <b>REVENUES</b>  |                      |                                      |                     |
| Property taxes   | \$ 1,588,702         | \$ 1,533,152                         |                     |
| State replacement taxes                                      | 7,000                | 7,522                                |                     |
| Charges for services   | -                    | 420                                  |                     |
| Investment income  | 5,000                | 5,044                                |                     |
| Grants   | 13,500               | 9,941                                |                     |
| Gifts  | 10,000               | 12,000                               |                     |
| Fines, fees and other  | 27,300               | 107,917                              |                     |
|  |                      | <u>1,651,502</u>                     | <u>1,675,996</u>    |
| Total revenues   |                      |                                      |                     |
| <b>EXPENDITURES</b>  |                      |                                      |                     |
| Current  |                      |                                      |                     |
| General government   |                      |                                      |                     |
| Library materials  | \$ 196,000           | 162,266                              | 141,683             |
| Operating  | 357,220              | 355,220                              | 243,111             |
| Personnel  | 831,601              | 831,601                              | 816,682             |
| Building and equipment maintenance                           | 99,300               | 99,300                               | 96,357              |
| Capital outlay   | 25,000               | 25,000                               | 28,912              |
| Debt service   |                      |                                      |                     |
| Principal  | 123,025              | 122,025                              | 120,000             |
| Interest and fiscal charges                                  | 34,975               | 34,975                               | 34,975              |
|  |                      | <u>1,667,121</u>                     | <u>1,481,720</u>    |
| Total expenditures   |                      |                                      |                     |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> |                      | <u>21,115</u>                        | <u>194,276</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                                      |                     |
| Transfers in   |                      | -                                    | 39,327              |
| Transfers (out)  |                      | -                                    | (5,644)             |
|  |                      | <u>-</u>                             | <u>33,683</u>       |
| Total other financing sources (uses)                         |                      |                                      |                     |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ 21,115</u>     |                                      | 227,959             |
| <b>FUND BALANCE, JULY 1</b>                                  |                      |                                      | <u>792,136</u>      |
| <b>FUND BALANCE, JUNE 30</b>                                 |                      |                                      | <u>\$ 1,020,095</u> |

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

June 30, 2016

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|   | <b>2015</b> | <b>2016</b> |
|---|-------------|-------------|
| Actuarially determined contribution                                     | \$ 81,626   | \$ 90,190   |
| Contributions in relation to the actuarially<br>determined contribution | 81,626      | 90,190      |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                                 | \$ -        | \$ -        |
| Covered-employee payroll  | \$ 617,112  | \$ 595,968  |
| Contributions as a percentage of<br>covered-employee payroll            | 13.2%       | 15.1%       |

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 entry-age normal; the amortization method was level percent of pay, 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.

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2016

|   | 2015*        | 2016*        |
|---|--------------|--------------|
| <b>TOTAL PENSION LIABILITY</b>  |              |              |
| Service cost  | \$ 71,713    | \$ 62,697    |
| Interest  | 188,838      | 216,979      |
| Changes of benefit terms  | -            | -            |
| Differences between expected and actual experience                              | 28,262       | (40,557)     |
| Changes of assumptions  | 160,877      | -            |
| Benefit payments, including refunds of member contributions                     | (79,372)     | (84,912)     |
|   | 370,318      | 154,207      |
| Net change in total pension liability   | 370,318      | 154,207      |
| Total pension liability - beginning   | 2,527,503    | 2,897,821    |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | \$ 2,897,821 | \$ 3,052,028 |
| <b>PLAN FIDUCIARY NET POSITION</b>  |              |              |
| Contributions - employer  | \$ 89,111    | \$ 77,297    |
| Contributions - member  | 27,770       | 26,818       |
| Net investment income   | 140,741      | 12,059       |
| Benefit payments, including refunds of member contributions                     | (79,372)     | (84,912)     |
| Other   | (1,857)      | (32,634)     |
|   | 176,393      | (1,372)      |
| Net change in plan fiduciary net position                                       | 176,393      | (1,372)      |
| Plan fiduciary net position - beginning   | 2,220,230    | 2,396,623    |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                                     | \$ 2,396,623 | \$ 2,395,251 |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>   | \$ 501,198   | \$ 656,777   |
| Plan fiduciary net position<br>as a percentage of the total pension liability   | 82.7%        | 78.5%        |
| Covered-employee payroll  | \$ 617,112   | \$ 595,968   |
| Employer's net pension liability<br>as a percentage of covered-employee payroll | 81.2%        | 110.2%       |

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

\*IMRF's measurement date is December 31; therefore information above is presented for the calendar year ended December 31 of the prior year.

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

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**1. BUDGETS**

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for all Governmental funds except for the Building and Maintenance Fund and the Debt Service Fund. All annual appropriations lapse at fiscal year end.

The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget.

The budget may be amended only by the governing body. The budget was not amended during the fiscal year. The legal level of control is at the fund level. The columns labeled as budget presented in these financial statements is the working budget. The appropriation is reported in a separate column.

**2. EXPENDITURES IN EXCESS OF APPROPRIATION**

The following funds had actual expenditures in excess of appropriated expenditures:

| Fund                               | Appropriation | Actual    |
|------------------------------------|---------------|-----------|
| Illinois Municipal Retirement Fund | \$ 90,000     | \$ 90,190 |

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

## **MAJOR FUNDS**

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2016

|                              | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> |
|------------------------------|----------------------|--------------------------------------|---------------|
| <b>GENERAL GOVERNMENT</b>    |                      |                                      |               |
| Library materials            |                      |                                      |               |
| Books                        | \$ 106,514           | \$ 72,780                            | \$ 73,584     |
| Periodicals                  | 9,120                | 9,120                                | 6,848         |
| Audio-visual                 | 32,569               | 32,569                               | 20,328        |
| Software                     | 47,797               | 47,797                               | 40,923        |
|                              | <hr/>                | <hr/>                                | <hr/>         |
| Total library materials      | 196,000              | 162,266                              | 141,683       |
|                              | <hr/>                | <hr/>                                | <hr/>         |
| Operating expenditures       |                      |                                      |               |
| Staff development            | 8,000                | 8,000                                | 8,713         |
| Staff tuition assistance     | 3,000                | 3,000                                | 4,000         |
| Board development            | 3,000                | 3,000                                | 1,317         |
| Volunteer programs           | 2,000                | 2,000                                | 783           |
| Travel                       | 2,500                | 2,500                                | 2,412         |
| Association dues and fees    | 4,000                | 4,000                                | 1,656         |
| Gas                          | 25,000               | 25,000                               | 7,439         |
| Electricity                  | 45,000               | 45,000                               | 34,515        |
| Water                        | 2,000                | 2,000                                | 1,648         |
| Telephone                    | 6,000                | 6,000                                | 5,673         |
| Library supplies             | 12,000               | 12,000                               | 9,794         |
| Photocopiers                 | 6,000                | 6,000                                | 7,784         |
| Automation                   | 31,000               | 31,000                               | 10,302        |
| Information retrieval        | 9,000                | 9,000                                | 4,458         |
| Printing and postage         | 14,000               | 14,000                               | 5,558         |
| MLS reciprocal borrowing     | 2,000                | 2,000                                | -             |
| Professional services        | 61,000               | 61,000                               | 37,520        |
| MLS online SWAN              | 24,000               | 24,000                               | 22,566        |
| Payroll services             | 6,000                | 6,000                                | 7,031         |
| Insurance                    | 17,500               | 17,500                               | 11,456        |
| Public information           | 20,000               | 20,000                               | 20,581        |
| Legal notices                | 5,000                | 5,000                                | 1,139         |
| Special events               | 32,220               | 30,220                               | 25,994        |
| Contingency                  | 13,000               | 13,000                               | 6,832         |
| Equipment maintenance        | 4,000                | 4,000                                | 3,940         |
|                              | <hr/>                | <hr/>                                | <hr/>         |
| Total operating expenditures | 357,220              | 355,220                              | 243,111       |
|                              | <hr/>                | <hr/>                                | <hr/>         |

(This schedule is continued on the following page.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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

For the Year Ended June 30, 2016

|   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       |
|---|----------------------|--------------------------------------|---------------------|
| <b>GENERAL GOVERNMENT (Continued)</b>           |                      |                                      |                     |
| Personnel                                       |                      |                                      |                     |
| Salaries  | \$ 768,601           | \$ 768,601                           | \$ 773,702          |
| Unemployment compensation                       | 8,000                | 8,000                                | 6,136               |
| Hospitalization                                 | 55,000               | 55,000                               | 36,844              |
| <b>Total personnel</b>                          | <b>831,601</b>       | <b>831,601</b>                       | <b>816,682</b>      |
| Building and equipment maintenance              |                      |                                      |                     |
| Janitorial service                              | 33,000               | 33,000                               | 28,470              |
| Custodial supplies                              | 4,000                | 4,000                                | -                   |
| Refuse removal                                  | 2,000                | 2,000                                | 3,479               |
| Snow removal                                    | 6,000                | 6,000                                | 800                 |
| Security system                                 | 7,000                | 7,000                                | 12,155              |
| Building maintenance                            | 37,300               | 37,300                               | 47,974              |
| Grounds maintenance                             | 10,000               | 10,000                               | 3,479               |
| <b>Total building and equipment maintenance</b> | <b>99,300</b>        | <b>99,300</b>                        | <b>96,357</b>       |
| Capital outlay                                  |                      |                                      |                     |
| Equipment                                       | 20,000               | 20,000                               | 16,525              |
| Furniture                                       | 5,000                | 5,000                                | 12,387              |
| <b>Total capital outlay</b>                     | <b>25,000</b>        | <b>25,000</b>                        | <b>28,912</b>       |
| Debt service                                    |                      |                                      |                     |
| Principal                                       | 123,025              | 122,025                              | 120,000             |
| Interest and fiscal charges                     | 34,975               | 34,975                               | 34,975              |
| <b>Total debt service</b>                       | <b>158,000</b>       | <b>157,000</b>                       | <b>154,975</b>      |
| <b>TOTAL EXPENDITURES</b>                       | <b>\$ 1,667,121</b>  | <b>\$ 1,630,387</b>                  | <b>\$ 1,481,720</b> |

(See independent auditor's report.)



**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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

For the Year Ended June 30, 2016

|                              | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     |
|------------------------------|----------------------|--------------------------------------|-------------------|
| <b>REVENUES</b>              |                      |                                      |                   |
| None                         |                      | \$ -                                 | \$ -              |
| Total revenues               |                      | -                                    | -                 |
| <b>EXPENDITURES</b>          |                      |                                      |                   |
| Capital outlay               | \$ 700,000           | 200,000                              | 21,744            |
| Total expenditures           | \$ 700,000           | 200,000                              | 21,744            |
| NET CHANGE IN FUND BALANCE   |                      | \$ (200,000)                         | (21,744)          |
| FUND BALANCE, JULY 1         |                      |                                      | 200,088           |
| <b>FUND BALANCE, JUNE 30</b> |                      |                                      | <b>\$ 178,344</b> |

(See independent auditor's report.)

**NONMAJOR FUNDS**

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR FUNDS

June 30, 2016

|   | <b>Special Revenue</b>     |                                 |                                     |                   |
|---|----------------------------|---------------------------------|-------------------------------------|-------------------|
|   | <b>Illinois</b>            |                                 |                                     |                   |
|   | <b>Social<br/>Security</b> | <b>Municipal<br/>Retirement</b> | <b>Building and<br/>Maintenance</b> | <b>Total</b>      |
| <b>ASSETS</b>   |                            |                                 |                                     |                   |
| Cash and investments  | \$ 70,016                  | \$ 44,917                       | \$ 142,447                          | \$ 257,380        |
| Property taxes receivable   | 31,317                     | 40,326                          | -                                   | 71,643            |
| <b>TOTAL ASSETS</b>   | <b>\$ 101,333</b>          | <b>\$ 85,243</b>                | <b>\$ 142,447</b>                   | <b>\$ 329,023</b> |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                            |                                 |                                     |                   |
| <b>LIABILITIES</b>  |                            |                                 |                                     |                   |
| None  | \$ -                       | \$ -                            | \$ -                                | \$ -              |
| Total liabilities   | -                          | -                               | -                                   | -                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                                 |                                     |                   |
| Unavailable revenue - property taxes  | 66,200                     | 85,243                          | -                                   | 151,443           |
| Total deferred inflows of resources   | 66,200                     | 85,243                          | -                                   | 151,443           |
| Total liabilities and deferred inflows of resources                           | 66,200                     | 85,243                          | -                                   | 151,443           |
| <b>FUND BALANCES</b>  |                            |                                 |                                     |                   |
| Restricted  |                            |                                 |                                     |                   |
| Social Security   | 35,133                     | -                               | -                                   | 35,133            |
| Building maintenance  | -                          | -                               | 142,447                             | 142,447           |
| Total fund balances   | 35,133                     | -                               | 142,447                             | 177,580           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 101,333</b>          | <b>\$ 85,243</b>                | <b>\$ 142,447</b>                   | <b>\$ 329,023</b> |

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE, ILLINOIS**

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

For the Year Ended June 30, 2016

|  | <b>Special Revenue</b> |                                      |                                 | <b>Total</b>      |
|--|------------------------|--------------------------------------|---------------------------------|-------------------|
|  | <b>Social Security</b> | <b>Illinois Municipal Retirement</b> | <b>Building and Maintenance</b> |                   |
| <b>REVENUES</b>  |                        |                                      |                                 |                   |
| Property taxes   | \$ 65,574              | \$ 84,354                            | \$ -                            | \$ 149,928        |
| Investment income  | 160                    | 192                                  | -                               | 352               |
| <b>Total revenues</b>  | <b>65,734</b>          | <b>84,546</b>                        | <b>-</b>                        | <b>150,280</b>    |
| <b>EXPENDITURES</b>  |                        |                                      |                                 |                   |
| General government   | 56,890                 | 90,190                               | -                               | 147,080           |
| <b>Total expenditures</b>                                    | <b>56,890</b>          | <b>90,190</b>                        | <b>-</b>                        | <b>147,080</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>8,844</b>           | <b>(5,644)</b>                       | <b>-</b>                        | <b>3,200</b>      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                                      |                                 |                   |
| Transfers in   | -                      | 5,644                                | -                               | 5,644             |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>               | <b>5,644</b>                         | <b>-</b>                        | <b>5,644</b>      |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>8,844</b>           | <b>-</b>                             | <b>-</b>                        | <b>8,844</b>      |
| <b>FUND BALANCES, JULY 1</b>                                 | <b>26,289</b>          | <b>-</b>                             | <b>142,447</b>                  | <b>168,736</b>    |
| <b>FUND BALANCES, JUNE 30</b>                                | <b>\$ 35,133</b>       | <b>\$ -</b>                          | <b>\$ 142,447</b>               | <b>\$ 177,580</b> |

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

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

For the Year Ended June 30, 2016

|                                   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>    |
|-----------------------------------|----------------------|--------------------------------------|------------------|
| <b>REVENUES</b>                   |                      |                                      |                  |
| Property taxes                    | \$                   | 67,950                               | \$ 65,574        |
| Investment income                 |                      | -                                    | 160              |
|                                   |                      |                                      |                  |
| Total revenues                    |                      | 67,950                               | 65,734           |
| <b>EXPENDITURES</b>               |                      |                                      |                  |
| General government                |                      |                                      |                  |
| Social Security                   | \$ 70,000            | 70,000                               | 56,890           |
|                                   |                      |                                      |                  |
| Total expenditures                | \$ 70,000            | 70,000                               | 56,890           |
| <b>NET CHANGE IN FUND BALANCE</b> |                      | <b>\$ (2,050)</b>                    | 8,844            |
| <b>FUND BALANCE, JULY 1</b>       |                      |                                      | <b>26,289</b>    |
| <b>FUND BALANCE, JUNE 30</b>      |                      |                                      | <b>\$ 35,133</b> |

(See independent auditor's report.)

**LA GRANGE PARK PUBLIC LIBRARY DISTRICT  
LA GRANGE PARK, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended June 30, 2016

|  | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> |
|--|----------------------|--------------------------------------|---------------|
| <b>REVENUES</b>  |                      |                                      |               |
| Property taxes   | \$                   | 87,410                               | \$ 84,354     |
| Investment income  |                      | -                                    | 192           |
| Total revenues   |                      | 87,410                               | 84,546        |
| <b>EXPENDITURES</b>  |                      |                                      |               |
| General government   |                      |                                      |               |
| Illinois Municipal Retirement Fund                           | \$                   | 90,000                               | 90,190        |
| Total expenditures   | \$                   | 90,000                               | 90,190        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> |                      | (2,590)                              | (5,644)       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                                      |               |
| Transfers in   |                      | -                                    | 5,644         |
| Total other financing sources (uses)                         |                      | -                                    | 5,644         |
| <b>NET CHANGE IN FUND BALANCE</b>                            | \$                   | (2,590)                              | -             |
| <b>FUND BALANCE, JULY 1</b>                                  |                      |                                      | -             |
| <b>FUND BALANCE, JUNE 30</b>                                 |                      |                                      | \$ -          |

(See independent auditor's report.)