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LA GRANGE PARK
PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

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LA GRANGE PARK PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

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Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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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, 2017, 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, 2017, 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
October 27, 2017

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

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, 2017. 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 and liabilities, with the difference between the two 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.

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 and Special Reserve Funds, both 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.
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, 2016 and 2017.

Table 1
Statement of Net Position
Governmental Activities

	2016	2017
Current and Other Assets	$ 3,182,762	$ 3,340,205
Capital Assets (Net of Accumulated Depreciation)	2,723,763	2,624,679
Deferred Outflows of Resources	368,700	572,412
Total Assets and Deferred Outflows of Resources	6,275,225	6,537,296
Current Liabilities	203,528	148,059
Non-Current Liabilities	1,666,597	1,798,491
Deferred Inflow of Resources	1,760,469	1,788,689
Total Liabilities and Deferred Inflows of Resources	3,630,594	3,735,239
Net Position		
Net Investment in Capital Assets	1,667,689	1,686,865
Restricted	177,580	183,402
Unrestricted	799,362	931,790
Total Net Position	$ 2,644,631	$ 2,802,057

The District's combined net position increased from $2,644,631 to $2,802,057 during fiscal year 2017. 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.

GOVERNMENT-WIDE STATEMENTS (Continued)

Activities

The following table summarizes the revenue and expenses of the District's activities for fiscal year 2016 and 2017:

Table 2
Changes in Net Position
Governmental Activities

	2016	2017
Revenues		
Program Revenues		
Charges for Services	$ 21,717	$ 19,553
Operating Grants	9,941	11,612
Capital Grant	-	-
General Revenues (all funds)		
Property Taxes	1,683,080	1,749,143
Replacement Taxes	7,522	8,355
Investment Income	5,396	15,577
Gifts and Donations	12,000	12,500
Miscellaneous	86,620	7,527
Total Revenues	$ 1,826,276	$ 1,824,267
Expenses		
General Government	$ 1,721,546	$ 1,634,226
Interest	36,415	32,615
Total Expenses	$ 1,757,961	$ 1,666,841
Changes in Net Position	68,315	157,426
Total Net Position, Beginning of Year	2,576,316	2,644,631
Total Net Position, End of Year	$ 2,644,631	$ 2,802,057

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.

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, 2017 revenues totaled $1,824,267. Property taxes, the District's largest single revenue source, amounted to $ 1,749,143 or 95.9% of total revenue.

Charges for services, which include fines, photocopies, and charges for lost materials, represent only slightly more than 1.4% of total income.

The District received $12,500 in gifts and memorials, including donations from the Friends of the Library.

Expenditures

The District's expenditures were $1,630,085 in 2017. The expenditure figure includes 58.6% for Personnel Services, 1.9% for Interest on outstanding GO debt, 8.0% for Materials and Electronic resources. Utilities, Supplies, and Building and Equipment Maintenance (22.0%) 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, 2017, the governmental funds (as presented on the balance sheet on page 5) had a combined fund balance of $1,570,201 representing an increase of $194,182. This increase was due to cost saving measures implemented by staff to plan for long term capital projects.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended June 30, 2017

	Budget	Actual
Revenues		
Property Taxes	$ 1,580,000	$ 1,595,995
State Replacement Taxes	6,500	8,355
Investment Income	6,002	15,577
Grants	12,500	11,612
Gifts	12,000	12,500
Fines, Fees and Other	53,300	27,080
Total Revenues	1,670,302	1,671,119
Expenditures		
General Government	1,488,575	1,296,776
Capital Outlay	-	-
Debt Service	151,025	151,025
Total Expenditures	1,630,387	1,447,801
Excess of Revenues over Expenditures	30,702	223,318
Other Financing Sources (Uses)		
Transfers In	-	-
Transfers (Out)	(53,200)	(441,386)
Total Other Financing Sources (Uses)	-	(441,386)
Net Change in Fund Balance	$ (22,498)	$ (218,068)

Capital Assets

The following schedule reflects the District's capital asset balances as of June 30, 2017:

Table 4
Capital Assets
As of June 30, 2017

Governmental Activities	
Capital Assets Not Being Depreciated	
Land	$ 436,500
Total Capital Assets Not Being Depreciated	436,500
Capital Assets Being Depreciated	
Buildings and Improvements	4,244,581
Furniture and Equipment	525,585
Software	21,500
Total Capital Assets Being Depreciated	4,791,666
Less accumulated depreciation	2,603,487
Total Capital Assets Being Depreciated, Net	2,188,179
Governmental Activities Capital Assets, Net	$ 2,624,679

At year-end, the District's investment in capital assets (net accumulated depreciation) for its governmental-type activities was $2,624,679. The District invested $62,450 in furniture and equipment in the current year and had depreciation expense in the amount of $161,534. See Note 4 for further information regarding capital assets.

Long-Term Debt

The District has debt certificates outstanding totaling $950,000 as of June 30, 2017. The District paid $120,000 towards the principal of 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.

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.

LA GRANGE PARK PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 2,520,136
Receivables	
Property taxes	817,453
Prepaid expenses	2,616
Capital assets not being depreciated	436,500
Capital assets (net of accumulated depreciation)	2,188,179
Total assets	5,964,884
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	507,884
Unamortized loss on refunding	64,528
Total deferred outflows of resources	572,412
Total assets and deferred outflows of resources	6,537,296
LIABILITIES	
Accounts payable	12,753
Accrued payroll	6,105
Accrued interest payable	2,585
Long-term liabilities	
Due within one year	126,616
Due in more than one year	1,798,491
Total liabilities	1,946,550
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	1,751,146
Pension items - IMRF	37,543
Total deferred inflows of resources	1,788,689
Total liabilities and deferred inflows of resources	3,735,239
NET POSITION	
Net investment in capital assets	1,686,865
Restricted for expendable	
Social Security	40,955
Building maintenance	142,447
Unrestricted	931,790
TOTAL NET POSITION	$ 2,802,057

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, 2017

		Program Revenues			Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
PRIMARY GOVERNMENT					
Governmental Activities					
General government	$ 1,634,226	$ 19,553	$ 11,612	$ -	$ (1,603,061)
Interest	32,615	-	-	-	(32,615)
Total governmental activities	1,666,841	19,553	11,612	-	(1,635,676)
TOTAL PRIMARY GOVERNMENT	$ 1,666,841	$ 19,553	$ 11,612	$ -	(1,635,676)

General Revenues	
Taxes	
Property	1,749,143
Replacement	8,355
Investment income	15,577
Miscellaneous	7,527
Gifts	12,500
Total	1,793,102
CHANGE IN NET POSITION	157,426
NET POSITION, JULY 1	2,644,631
NET POSITION, JUNE 30	$ 2,802,057

See accompanying notes to financial statements.

LA GRANGE PARK PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2017

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 1,672,004	$ 584,772	$ 263,360	$ 2,520,136
Receivables				
Property taxes	747,450	-	70,003	817,453
Prepaid items	2,616	-	-	2,616
TOTAL ASSETS	$ 2,422,070	$ 584,772	$ 333,363	$ 3,340,205
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 12,753	$ -	$ -	$ 12,753
Accrued payroll	6,105	-	-	6,105
Total liabilities	18,858	-	-	18,858
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,601,185	-	149,961	1,751,146
Total deferred inflows of resources	1,601,185	-	149,961	1,751,146
Total liabilities and deferred inflows of resources	1,620,043	-	149,961	1,770,004
FUND BALANCES				
Restricted				
Social Security	-	-	40,955	40,955
Building maintenance	-	-	142,447	142,447
Committed				
Special reserve	-	584,772	-	584,772
Unassigned	802,027	-	-	802,027
Total fund balances	802,027	584,772	183,402	1,570,201
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,422,070	$ 584,772	$ 333,363	$ 3,340,205

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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 1,570,201
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	2,624,679
The unamortized loss on refunding is reported as a deferred outflow of resources on the statement of net position	64,528
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	(1,616)
Debt certficates are not due and payable in the current period and, therefore, are not reported in the governmental funds	(950,000)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(921,149)
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	470,341
Unamortized premium is not reported in governmental funds	(52,342)
Accrued interest on long-term debt is reported as a liability on the statement of net position	(2,585)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 2,802,057

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, 2017

	General	Special Reserve	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 1,595,995	$ -	$ 153,148	$ 1,749,143
State replacement taxes	8,355	-	-	8,355
Investment income	15,577	-	-	15,577
Grants	11,612	-	-	11,612
Gifts	12,500	-	-	12,500
Fines, fees and other	27,080	-	-	27,080
Total revenues	1,671,119	-	153,148	1,824,267
EXPENDITURES				
Current				
General government	1,296,776	-	156,149	1,452,925
Capital outlay	-	26,135	-	26,135
Debt service				
Principal	120,000	-	-	120,000
Interest	31,025	-	-	31,025
Total expenditures	1,447,801	26,135	156,149	1,630,085
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	223,318	(26,135)	(3,001)	194,182
OTHER FINANCING SOURCES (USES)				
Transfers in	-	432,563	8,823	441,386
Transfers (out)	(441,386)	-	-	(441,386)
Total other financing sources (uses)	(441,386)	432,563	8,823	-
NET CHANGE IN FUND BALANCES	(218,068)	406,428	5,822	194,182
FUND BALANCES, JULY 1	1,020,095	178,344	177,580	1,376,019
FUND BALANCES, JUNE 30	$ 802,027	$ 584,772	$ 183,402	$ 1,570,201

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 194,182
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	62,450
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	(161,534)
Accrued interest	150
Compensated absences	2,102
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(264,372)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	206,188
Amortization is recorded as interest expense on the statement of activities	
Unamortized premium	7,478
Unamortized loss on refunding	(9,218)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 157,426

See accompanying notes to financial statements.

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), and the funds restricted, committed or assigned for acquisition or construction of general capital assets (capital projects fund).The General Fund is used to account for all activities of the general government not accounted for in some other fund.

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 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.

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.

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 GAAP. 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 held no investments to measure at fair value at June 30, 2017.

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, 2017, 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.

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.

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.

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. 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, 2017, the District had no uncollateralized deposits.

b. Investments

As of June 30, 2017, 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.

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 2016 attach as an enforceable lien on January 1, 2016 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2017 and August 1, 2017 and are payable in two installments, on or about March 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. The 2016 tax levy collections are intended to finance the 2018 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable or deferred revenue. The 2017 tax levy has not been recorded as a receivable at June 30, 2017, as the tax attached as a lien on property as of January 1, 2017; however, the tax will not be levied until December 2017 and, accordingly, is not measurable at June 30, 2017.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
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	463,135	62,450	-	525,585
Software	21,500	-	-	21,500
Total capital assets being depreciated	4,729,216	62,450	-	4,791,666
Less accumulated depreciation for				
Building and improvements	2,102,299	126,320	-	2,228,619
Furniture and equipment	324,604	30,914	-	355,518
Software	15,050	4,300	-	19,350
Total accumulated depreciation	2,441,953	161,534	-	2,603,487
Total capital assets being depreciated, net	2,287,263	(99,084)	-	2,188,179
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 2,723,763	$ (99,084)	$ -	$ 2,624,679

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

GOVERNMENTAL ACTIVITIES	
General government	$ 161,534
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 161,534

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 July 1	Additions	Reductions	Balances June 30	Current Portion	Long-Term Portion
GOVERNMENTAL ACTIVITIES						
Debt Certificates						
2012A Debt Certificates	$ 1,070,000	$ -	$ 120,000	$ 950,000	$ 125,000	$ 825,000
Unamortized bond premium	59,820	-	7,478	52,342	-	52,342
Compensated absences payable	3,718	-	2,102	1,616	1,616	-
IMRF net pension liability	656,777	264,372	-	921,149	-	921,149
TOTAL GOVERNMENTAL ACTIVITIES	$ 1,790,315	$ 264,372	$ 129,580	$ 1,925,107	$ 126,616	$ 1,798,491

b. Debt Service Requirements to Maturity

The annual debt service requirements to amortize the governmental activities outstanding debt as of June 30, 2017 are as follows:

Year Ending June 30,	Debt Certificates Principal	Debt Certificates Interest
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
TOTAL PRINCIPAL AND INTEREST	$ 950,000	$ 107,561

6. LONG-TERM DEBT (Continued)

c. Legal Debt Margin

ASSESSED VALUATION - 2016	$ 324,888,103
Legal debt limit - 2.875% of assessed valuation	$ 9,340,533
Amount of debt applicable of debt limit	950,000
LEGAL DEBT MARGIN	$ 8,390,533

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.

8. INDIVIDUAL FUND DISCLOSURES

Interfund transfers during the year ended June 30, 2017 consisted of the following:

Fund	Transfers In	Transfers Out
General	$ -	$ 441,386
Nonmajor Governmental		
Illinois Municipal Retirement	8,823	-
Special Reserve	432,563	-
TOTAL	$ 441,386	$ 441,386

The purpose of the interfund transfers is as follows:

- The $8,823 transferred from the General Fund to the Illinois Municipal Retirement Fund was to cover a fund deficit.
- The $432,563 transferred from the General Fund to the Special Reserve Fund was to transfer unexpended balances to be used for future repairs and renovations.

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.

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.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	7
Active employees	15
TOTAL	34

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 14.61% of covered payroll for the calendar year ended December 31, 2016 and 13.00% for the calendar year ending December 31, 2017.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2016 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.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2016
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 2012). 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 2012). 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 2012). 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 at June 30, 2017 was 7.50%. The discount rate used at June 30, 2016 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 these assumptions, the fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	$ 3,052,028	$ 2,395,251	$ 656,777
Changes for the period			
Service cost	73,011	-	73,011
Interest	224,112	-	224,112
Difference between expected and actual experience	363,774	-	363,774
Changes in assumptions	(21,380)	-	(21,380)
Employer contributions	-	101,196	(101,196)
Employee contributions	-	31,169	(31,169)
Net investment income	-	149,106	(149,106)
Benefit payments and refunds	(160,640)	(160,640)	-
Administrative expense	-	-	-
Other (net transfer)	-	93,674	(93,674)
Net changes	478,877	214,505	264,372
BALANCES AT DECEMBER 31, 2016	$ 3,530,905	$ 2,609,756	$ 921,149

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

$42,925 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as an increase to the net pension liability in the year ended June 30, 2018. For the year ended June 30, 2017, the District recognized pension expense of $153,210. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 287,384	$ 21,045
Changes in assumption	38,009	16,498
Net difference between projected and actual earnings on pension plan investments	139,566	-
Employer contributions after the measurement date	42,925	-
TOTAL	$ 507,884	$ 37,543

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:

Year Ending June 30,	
2018	$ 159,561
2019	114,873
2020	116,730
2021	36,252
2022	-
Thereafter	-
TOTAL	$ 427,416

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 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	$ 1,380,717	$ 921,149	$ 539,342

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 statues, 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, 2017.

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, 2017

	Appropriation	Original and Final Budget	Actual
REVENUES			
Property taxes		$ 1,580,000	$ 1,595,995
State replacement taxes		6,500	8,355
Investment income		6,002	15,577
Grants		12,500	11,612
Gifts		12,000	12,500
Fines, fees and other		53,300	27,080
Total revenues		1,670,302	1,671,119
EXPENDITURES			
Current			
General government			
Library materials	$ 197,520	164,600	131,505
Operating	342,840	374,775	260,146
Personnel	1,005,000	818,000	806,548
Building and equipment maintenance	207,840	131,200	98,577
Debt service			
Principal	187,200	120,000	120,000
Interest and fiscal charges	-	31,025	31,025
Total expenditures	$ 1,940,400	1,639,600	1,447,801
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		30,702	223,318
OTHER FINANCING SOURCES (USES)			
Transfers (out)		(53,200)	(441,386)
Total other financing sources (uses)		(53,200)	(441,386)
NET CHANGE IN FUND BALANCE		$ (22,498)	(218,068)
FUND BALANCE, JULY 1			1,020,095
FUND BALANCE, JUNE 30			$ 802,027

(See independent auditor's report.)

LA GRANGE PARK PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDED JUNE 30,	**2015**	**2016**	**2017**
Actuarially determined contribution	$ 81,626	$ 90,190	$ 95,026
Contributions in relation to the actuarially determined contribution	81,626	90,190	95,026
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -
Covered-employee payroll	$ 617,112	$ 595,968	$ 686,802
Contributions as a percentage of covered-employee payroll	13.2%	15.1%	13.8%

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 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 2.75% compounded annually.

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

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

Last Three Calendar Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016
TOTAL PENSION LIABILITY			
Service cost	$ 71,713	$ 62,697	$ 73,011
Interest	188,838	216,979	224,112
Changes of benefit terms	-	-	-
Differences between expected and actual experience	28,262	(40,557)	363,774
Changes of assumptions	160,877	-	(21,380)
Benefit payments, including refunds of member contributions	(79,372)	(84,912)	(160,640)
Net change in total pension liability	370,318	154,207	478,877
Total pension liability - beginning	2,527,503	2,897,821	3,052,028
TOTAL PENSION LIABILITY - ENDING	$ 2,897,821	$ 3,052,028	$ 3,530,905
PLAN FIDUCIARY NET POSITION			
Contributions - employer	$ 89,111	$ 77,297	$ 101,196
Contributions - member	27,770	26,818	31,169
Net investment income	140,741	12,059	149,106
Benefit payments, including refunds of member contributions	(79,372)	(84,912)	(160,640)
Other	(1,857)	(32,634)	93,674
Net change in plan fiduciary net position	176,393	(1,372)	214,505
Plan fiduciary net position - beginning	2,220,230	2,396,623	2,395,251
PLAN FIDUCIARY NET POSITION - ENDING	$ 2,396,623	$ 2,395,251	$ 2,609,756
EMPLOYER'S NET PENSION LIABILITY	$ 501,198	$ 656,777	$ 921,149
Plan fiduciary net position as a percentage of the total pension liability	82.7%	78.5%	73.9%
Covered-employee payroll	$ 617,112	$ 595,968	$ 692,649
Employer's net pension liability as a percentage of covered-employee payroll	81.2%	110.2%	133.0%

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

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

(See independent auditor's report.)

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. 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.

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, 2017

	Appropriation	Original and Final Budget	Actual
GENERAL GOVERNMENT			
Library materials			
Books		$ 80,100	$ 65,075
Periodicals		8,000	6,632
Audio-visual		44,500	30,162
Software		32,000	29,636
Total library materials	$ 197,520	164,600	131,505
Operating expenditures			
Staff development		12,500	10,399
Board development		1,500	910
Volunteer programs		500	118
Travel		3,000	2,974
Association dues and fees		2,000	1,805
Gas		10,000	5,775
Electricity		40,000	27,641
Water		2,000	2,693
Telephone		7,500	5,533
Library supplies		19,500	14,414
Photocopiers		6,000	6,829
Automation		82,500	74,187
Information retrieval		-	26
Printing and postage		21,000	16,326
MLS reciprocal borrowing		500	512
Professional services		51,150	20,865
MLS online SWAN		22,600	22,566
Payroll services		4,750	4,084
Insurance		14,000	10,537
Public information		15,000	4,876
Legal notices		2,800	1,458
Special events		33,500	22,094
Contingency		22,475	3,524
Total operating expenditures	342,840	374,775	260,146

(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, 2017

	Appropriation	Original and Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Personnel			
Salaries		$ 785,000	$ 779,625
Unemployment compensation		2,000	1,777
Hospitalization		31,000	25,146
Total personnel	$ 1,005,000	818,000	806,548
Building and equipment maintenance			
Janitorial service		27,000	26,696
Refuse removal		3,200	3,642
Snow removal		5,000	980
Security system		7,000	8,690
Building maintenance		83,000	55,688
Grounds maintenance		6,000	2,881
Total building and equipment maintenance	207,840	131,200	98,577
Debt service			
Principal		120,000	120,000
Interest and fiscal charges		31,025	31,025
Total debt service	187,200	151,025	151,025
TOTAL EXPENDITURES	$ 1,940,400	$ 1,639,600	$ 1,447,801

Note: The District appropriation is adopted at a summarized level.

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, 2017

	Appropriation	Original and Final Budget	Actual
REVENUES			
None		$ -	$ -
Total revenues		-	-
EXPENDITURES			
Capital outlay	$ 1,000,000	-	26,135
Total expenditures	$ 1,000,000	-	26,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		-	(26,135)
OTHER FINANCING SOURCES (USES)			
Transfers in		-	432,563
Total other financing sources (uses)		-	432,563
NET CHANGE IN FUND BALANCE		$ -	406,428
FUND BALANCE, JULY 1			178,344
FUND BALANCE, JUNE 30			$ 584,772

(See independent auditor's report.)

NONMAJOR FUNDS

LA GRANGE PARK PUBLIC LIBRARY DISTRICT
LA GRANGE PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR FUNDS

June 30, 2017

	Special Revenue			
	Social Security	Illinois Municipal Retirement	Building and Maintenance	Total
ASSETS				
Cash and investments	$ 70,324	$ 50,589	$ 142,447	$ 263,360
Property taxes receivable	25,712	44,291	-	70,003
TOTAL ASSETS	$ 96,036	$ 94,880	$ 142,447	$ 333,363
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
None	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	55,081	94,880	-	149,961
Total deferred inflows of resources	55,081	94,880	-	149,961
Total liabilities and deferred inflows of resources	55,081	94,880	-	149,961
FUND BALANCES				
Restricted				
Social Security	40,955	-	-	40,955
Building maintenance	-	-	142,447	142,447
Total fund balances	40,955	-	142,447	183,402
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 96,036	$ 94,880	$ 142,447	$ 333,363

(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, 2017

	Special Revenue			
	Social Security	Illinois Municipal Retirement	Building and Maintenance	Total
REVENUES				
Property taxes	$ 66,945	$ 86,203	$ -	$ 153,148
Total revenues	66,945	86,203	-	153,148
EXPENDITURES				
General government	61,123	95,026	-	156,149
Total expenditures	61,123	95,026	-	156,149
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,822	(8,823)	-	(3,001)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	8,823	-	8,823
Total other financing sources (uses)	-	8,823	-	8,823
NET CHANGE IN FUND BALANCES	5,822	-	-	5,822
FUND BALANCES, JULY 1	35,133	-	142,447	177,580
FUND BALANCES, JUNE 30	$ 40,955	$ -	$ 142,447	$ 183,402

(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, 2017

	Appropriation	Original and Final Budget	Actual
REVENUES			
Property taxes		$ 50,000	$ 66,945
Total revenues		50,000	66,945
EXPENDITURES			
General government			
Social Security	$ 75,000	48,000	61,123
Total expenditures	$ 75,000	48,000	61,123
NET CHANGE IN FUND BALANCE		$ 2,000	5,822
FUND BALANCE, JULY 1			35,133
FUND BALANCE, JUNE 30			$ 40,955

(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, 2017

	Appropriation	Original and Final Budget	Actual
REVENUES			
Property taxes		$ 75,000	$ 86,203
Total revenues		75,000	86,203
EXPENDITURES			
General government			
Illinois Municipal Retirement Fund	$ 125,000	75,000	95,026
Total expenditures	$ 125,000	75,000	95,026
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		-	(8,823)
OTHER FINANCING SOURCES (USES)			
Transfers in		-	8,823
Total other financing sources (uses)		-	8,823
NET CHANGE IN FUND BALANCE		$ -	-
FUND BALANCE, JULY 1			-
FUND BALANCE, JUNE 30			$ -

(See independent auditor's report.)