



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

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

The background of the lower half of the cover features a grayscale photograph of a library interior, showing rows of bookshelves and a perspective view of the aisles. Overlaid on this image are several semi-transparent, overlapping geometric shapes, primarily triangles and polygons, in shades of gray and white, creating a modern, architectural aesthetic.

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OAK PARK PUBLIC LIBRARY
OAK PARK, ILLINOIS
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OAK PARK, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Oak Park Public Library, Oak Park, Illinois (the Library), as of and for the year ended December 31, 2019 and the related notes to financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Oak Park Public Library, Oak Park, Illinois as of December 31, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Sikich LLP

Naperville, Illinois
July 15, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

OAK PARK PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ending December 31, 2019

As the Management of the Oak Park Public Library (the "Library"), we offer this Discussion and Analysis of the financial activities of the Library for the fiscal year ended December 31, 2019. This is designed to be read in conjunction with the information presented in the Annual Financial Report.

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

General Background

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

Using the Financial Section of this Annual Report

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

Governmental Activities Financial Statements

The Governmental Activities Financial Statements are designed to provide readers with a broad overview of the Library's finances. The focus of the Statement of Net Position presents information on the total of all of the Library's assets and deferred outflows and the total of all the Library's liabilities and deferred inflows, with the difference reported as change in net position. The Library's deferred outflows of resources are Other Post-Employment Benefits (OPEB) and pension related items and deferred loss on refundings. Deferred inflows of resources are OPEB and pension related items and deferred property taxes. This statement combines and consolidates the governmental fund's current financial resources (short term spendable resources such as cash) with capital assets and long-term obligations using the accrual method of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

Net Position

The following table reflects the condensed Statement of Net Position.

Statement of Net Position – Governmental Activities

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
Current and Other Assets	17,791,635	17,617,151
Capital Assets	13,172,195	12,322,335
Total Assets	30,963,830	29,939,486
Deferred Outflows of Resources	466,767	2,488,421
Total Assets and Deferred Outflows	\$31,430,597	\$32,427,907
Current Liabilities	201,529	248,633
Long Term Liabilities	2,333,705	3,694,642
Total Liabilities	2,535,234	3,943,275
Deferred Inflows of Resources	11,253,076	10,602,391
Total Liabilities and Deferred Inflows	\$13,788,310	\$14,545,666
Net Position		
Net Investment in Capital Assets	11,202,141	11,318,718
Restricted – Children’s Programming	19,150	620
Unrestricted	6,420,996	6,562,903
Total Net Position	\$17,642,287	\$17,882,241

The Library’s combined net position increased by \$239,954, or 1.4%. The change in net position due to General Revenues - Property taxes was affected by an increase of \$359,277 during 2019 compared to 2018. The greatest changes in Net Position calculations were due to Deferred Outflows, Long Term Liabilities, and Deferred Inflows of Resources. For more detailed information, see the Statement of Net Position on page 3.

Statement of Activities

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

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

programming, interlibrary loan, and outreach services. Total General Revenues increased by 9.0% overall, with revenue from property taxes increasing by 3.9%. Some revenue is unpredictable as distributions are managed at the County and State level, and return on investments are dictated by variable rates. Expenses increased by 5.2% but remain below the overall increase in General Revenues.

Impact of COVID-19

FY2019 finances were not impacted by the COVID-19 pandemic. However, FY2020 and FY2021 could see delayed/challenged property tax payments by residents leading to the Library receiving delayed/diminished property tax revenue. The high unemployment rate could lead to fewer monetary donations gifted to the library. The economic upheaval brought on by the pandemic could also mean delayed receipt of the Library's Illinois Per Capita Grant money. Therefore, it is important to note that revenue in FY2020, could be lower than that of FY2019. Library Management is planning accordingly by prioritizing projects and managing expenditures, as well as taking this in consideration for FY2021 budgeting.

Statement of Activities - Governmental Activities

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
REVENUES		
Program Revenues		
Charges for Services	90,075	113,451
Operating Grants/Contr.	<u>401,269</u>	<u>117,098</u>
Total Program Revenues	491,344	230,549
General Revenues		
Property Taxes	9,139,653	9,498,930
Replacement Taxes	132,605	164,860
Intergovernmental – Unrestricted	-	409,936
Investment Income	105,598	143,257
Miscellaneous	<u>49,271</u>	<u>58,587</u>
Total General Revenues	9,427,127	10,275,570
 TOTAL REVENUES	 \$9,918,471	 \$10,506,119
 EXPENSES		
 Culture and Recreation	 9,625,205	 10,163,886
Interest	<u>133,427</u>	<u>102,279</u>
TOTAL EXPENSES	\$9,758,632	\$10,266,165
 Change in Net Position	 159,839	 239,954
 NET POSITION, JANUARY 1	 17,544,996	 17,642,287
 Prior Period Adjustment	 139,288	 -
Change in Accounting Principle	<u>(201,836)</u>	-
 NET POSITION, JANUARY 1, RESTATED	 17,482,448	 -
 NET POSITION, DECEMBER 31	 <u>\$17,642,287</u>	 <u>\$17,882,241</u>

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements to be familiar. The focus of the presentation is on major funds rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Balance Sheet shows two categories of funds for the Library: General and Nonmajor funds.

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

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

The General Fund, the Library's only major fund, is the primary operating fund and the largest funding source of day-to-day service delivery.

The Library also maintains two nonmajor funds: Library Art Fund and Maze Project Fund. These nonmajor governmental funds are presented in a Combining Balance Sheet as well as a Combining Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 32-33 of the report.

The Oak Park Public Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of December 31, 2019, the governmental funds (as presented on the balance sheet on page 5) had a combined fund balance of \$7,033,802. This reflects an increase of \$115,879 over the prior year which is primarily due to deferred capital expenditures such as women's restroom partition replacement, IT and access system upgrades, and wood trim refinishing which utilized fund balance reserves, and by the increase in property taxes of \$359,277.

Notes to the Financial Statements

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the governmental and fund financial statements. See pages 9-26 of the report for the Notes to the Financial Statements.

Budgetary Highlights

The Library adopts an annual budget for its general (operating) fund as well as a capital budget. A Schedule of Revenues, Expenditures, and Changes in Fund Balance has been provided to demonstrate compliance with the budget. During the budgeting process management and the Board of Library Trustees review the current and prior year and project into future years in order to develop the annual budget.

Capital Assets

The following reflects the Library's capital asset balances as of December 31, 2018 and December 31, 2019:

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
Capital Assets Not Depreciated – Land	753,500	753,500
Capital Assets Being Depreciated		
Art and Historic Collections	226,030	226,030
Buildings and Improvements	26,697,225	26,729,409
Machinery and Equipment	<u>3,040,269</u>	<u>3,194,521</u>
Total Capital Assets Being Depreciated	\$29,963,524	\$30,149,960
Less Accumulated Depreciation		
Art and Historic Collections	226,030	226,030
Buildings and Improvements	15,107,702	15,985,734
Machinery and Equipment	<u>2,211,097</u>	<u>2,369,361</u>
Total Accumulated Depreciation	\$17,544,829	\$18,581,125
Net Capital Assets	\$13,172,195	\$12,322,335

See Note 4 for further information regarding capital assets.

Long-Term Debt

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

Changes in Long-Term Debt:

	<u>December 31, 2018</u>	<u>December 31, 2019</u>
Due to Village of Oak Park	1,908,739	972,960
Premium on Bonds	107,744	53,872
Compensated Absences	96,491	84,985
Total OPEB Liability	220,731	252,834
Net Pension Liability	-	2,329,991
Total Long-Term Liabilities	\$2,333,705	\$3,694,642

Net Pension Liability calculation is based on the previous year estimate from IMRF. Due to positive funding for 2017 this shifted to a Net Pension Asset in 2018 in the amount of \$1,282,549. This returned to a liability in fiscal year 2019 due to poor investment returns and adjustments to actuarial estimates. See Note 7 for further information regarding Employee Retirement System.

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

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

Contacting the Library's Financial Management

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

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

STATEMENT OF NET POSITION

December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 7,169,101
Receivables, net of allowance	
Property taxes	10,434,377
Prepaid items	13,673
Capital assets	
Capital assets not being depreciated	753,500
Capital assets being depreciated, net of accumulated depreciation	<u>11,568,835</u>
Total assets	<u>29,939,486</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	23,215
Pension items - IMRF	2,453,500
OPEB items	<u>11,706</u>
Total deferred outflows of resources	<u>2,488,421</u>
Total assets and deferred outflows of resources	<u>32,427,907</u>
LIABILITIES	
Accounts payable	157,165
Accrued payroll	84,138
Accrued interest payable	7,330
Noncurrent liabilities	
Due within one year	1,066,020
Due in more than one year	<u>2,628,622</u>
Total liabilities	<u>3,943,275</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	256,433
OPEB items	3,912
Deferred property taxes	<u>10,342,046</u>
Total deferred inflows of resources	<u>10,602,391</u>
Total liabilities and deferred inflows of resources	<u>14,545,666</u>
NET POSITION	
Net investment in capital assets	11,318,718
Restricted	
Children's programming	620
Unrestricted	<u>6,562,903</u>
TOTAL NET POSITION	<u><u>\$ 17,882,241</u></u>

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Change in Net Position	
PRIMARY GOVERNMENT	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Culture and recreation	\$ 10,163,886	\$ 113,451	\$ 117,098	\$ -	\$ (9,933,337)
Interest	102,279	-	-	-	(102,279)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 10,266,165	\$ 113,451	\$ 117,098	\$ -	(10,035,616)
			General Revenues		
			Taxes		
			Property	9,498,930	
			Replacement	164,860	
			Intergovernmental - unrestricted	409,936	
			Investment income	143,257	
			Miscellaneous	58,587	
			Total	10,275,570	
			CHANGE IN NET POSITION		239,954
			NET POSITION, JANUARY 1		17,642,287
			NET POSITION, DECEMBER 31		\$ 17,882,241

See accompanying notes to financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General	Total Nonmajor Funds	Total
ASSETS			
Cash and investments	\$ 7,075,184	\$ 93,917	\$ 7,169,101
Receivables			
Property tax	10,434,377	-	10,434,377
Prepaid items	13,673	-	13,673
TOTAL ASSETS	\$ 17,523,234	\$ 93,917	\$ 17,617,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 156,230	\$ 935	\$ 157,165
Accrued payroll	84,138	-	84,138
Total liabilities	240,368	935	241,303
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	10,342,046	-	10,342,046
Total deferred inflows of resources	10,342,046	-	10,342,046
Total liabilities and deferred inflows of resources	10,582,414	935	10,583,349
FUND BALANCES			
Nonspendable			
Prepaid items	13,673	-	13,673
Restricted			
Children's programming	620	-	620
Assigned			
Art fund	-	25,892	25,892
Maze project	-	67,090	67,090
Unassigned	6,926,527	-	6,926,527
Total fund balances	6,940,820	92,982	7,033,802
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,523,234	\$ 93,917	\$ 17,617,151

See accompanying notes to financial statements.

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

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

December 31, 2019

FUND BALANCE OF GOVERNMENTAL FUNDS	\$ 7,033,802
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	12,322,335
The net pension liability of the Library's IMRF pension plan is included in the governmental activities in the statement of net position	(2,329,991)
Deferred outflows of resources related to pensions and OPEB are not a current financial resource and, therefore, are not reported in the governmental funds	
Illinois Municipal Retirement Fund	2,453,500
OPEB	11,706
OPEB liabilities are due and payable in the current period and, therefore, are not reported in the governmental funds	(252,834)
Deferred inflows of resources related to pensions and OPEB are not a current financial resource and, therefore, are not reported in the governmental funds	
Illinois Municipal Retirement Fund	(256,433)
OPEB	(3,912)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(7,330)
The deferred loss on refunding is amortized on the government-wide statement of activities	23,215
The premium on bonds paid by the Village is amortized on the government-wide statement of activities	(53,872)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences	(84,985)
Due to the Village	<u>(972,960)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 17,882,241</u></u>

See accompanying notes to financial statements.

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

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

For the Year Ended December 31, 2019

	General	Total Nonmajor Funds	Total
REVENUES			
Taxes			
Property	\$ 9,498,930	\$ -	\$ 9,498,930
Replacement	164,860	-	164,860
Intergovernmental			
Grants	117,098	-	117,098
TIF surplus distributions	409,936	-	409,936
Charges for services	94,004	-	94,004
Fees, fines and penalties	19,447	-	19,447
Investment income	142,563	694	143,257
Miscellaneous			
Other	25,314	-	25,314
Gifts	31,930	1,343	33,273
Total revenues	10,504,082	2,037	10,506,119
EXPENDITURES			
Current			
Culture and recreation	8,875,594	4,557	8,880,151
Capital outlay	434,355	-	434,355
Debt service			
Principal retirement	989,649	-	989,649
Interest and fiscal charges	86,085	-	86,085
Total expenditures	10,385,683	4,557	10,390,240
NET CHANGE IN FUND BALANCES	118,399	(2,520)	115,879
FUND BALANCES, JANUARY 1	6,822,421	95,502	6,917,923
FUND BALANCES, DECEMBER 31	<u>\$ 6,940,820</u>	<u>\$ 92,982</u>	<u>\$ 7,033,802</u>

See accompanying notes to financial statements.

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

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

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 115,879
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	186,436
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds	(1,036,296)
The change in deferred inflows and outflows of resources for IMRF net pension liabilities/assets are reported only in the statement of activities	3,624,923
The change in net pension liability/asset are only reported in the statement of activities	(3,612,540)
The change in OPEB liabilities are reported only in the statement of activities	(32,103)
The change in deferred inflows and outflows of resources for OPEB liabilities are reported only in the statement of activities	8,694
Payments made to the Village to pay for the principal and interest due on the bonds issued by the Village on behalf of the Library are reported as an expenditure in the governmental funds, but not on the statement of activities	935,777
The amortization of premiums on long-term debt does not provide current financial resources and, therefore, is not reported as revenue in the governmental funds	53,872
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	
Amortization of deferred loss on refunding	(23,212)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	11,506
Accrued interest payable	7,018
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 239,954</u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

b. Fund Accounting

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

Funds are classified as governmental funds.

The Library reports the following major fund:

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

c. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Library reports the following major governmental fund:

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

d. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting (Continued)

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

e. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Prepaid Items/Expenses

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

g. Capital Assets

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

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

h. Compensated Absences

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

i. Long-Term Obligations

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

j. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Library. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Library Board of Trustees. Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The Library Board of Trustees has delegated the authority to assign fund balance to the Executive Director. Any residual fund balance of the General Fund or deficit fund balances in other funds are reported as unassigned.

The Library's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Library considers committed funds to be expended first followed by assigned and then unassigned funds.

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

l. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

a. Deposits with Financial Institutions

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

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The pool had a Standard and Poor's AAA rating as December 31, 2019. The relationship between the Library and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

1) Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. To limit its exposure, the Library's investment policy requires that deposits be insured or collateralized by U.S. Government obligations or U.S. Government agency obligations. As of December 31, 2019, all bank balances were either covered by FDIC insurance or collateralized, with the collateral held in the Library's name.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits with Financial Institutions (Continued)

2) Investments

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

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

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

3. RECEIVABLES - TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, 2019, 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, 2020 and October 1, 2020, and are payable in two installments, on or about March 1, 2020 and November 1, 2020. The County collects such taxes and remits them periodically. As the 2019 tax levy is intended to fund expenditures for the 2020 fiscal year, these taxes are reported as unavailable/deferred revenue as of December 31, 2019.

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

4. CAPITAL ASSETS

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

	Balances January 1	Increases	Decreases	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 753,500	\$ -	\$ -	\$ 753,500
Total capital assets not being depreciated	753,500	-	-	753,500
Capital assets being depreciated				
Art and historic collections	226,030	-	-	226,030
Buildings	24,045,242	-	-	24,045,242
Building improvements	2,651,983	32,184	-	2,684,167
Machinery and equipment	3,040,269	154,252	-	3,194,521
Total capital assets being depreciated	29,963,524	186,436	-	30,149,960
Less accumulated depreciation for				
Art and historic collections	226,030	-	-	226,030
Buildings	12,884,216	797,788	-	13,682,004
Building improvements	2,223,486	80,244	-	2,303,730
Machinery and equipment	2,211,097	158,264	-	2,369,361
Total accumulated depreciation	17,544,829	1,036,296	-	18,581,125
Total capital assets being depreciated, net	12,418,695	(849,860)	-	11,568,835
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 13,172,195	\$ (849,860)	\$ -	\$ 12,322,335

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

GOVERNMENTAL ACTIVITIES		
Culture and recreation		<u>\$ 1,036,296</u>

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

5. LONG-TERM DEBT

a. Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities for the year ended December 31, 2019:

	Balances January 1	Additions	Retirements	Balances December 31	Current Portion
Due to Village	\$ 1,908,739	\$ -	\$ 935,779	\$ 972,960	\$ 972,960
Premium on bonds	107,744	-	53,872	53,872	-
Compensated absences	96,491	36,740	48,246	84,985	42,493
Total OPEB liability	220,731	32,103	-	252,834	50,567
Net pension liability*	-	2,329,991	-	2,329,991	-
TOTAL LONG-TERM LIABILITIES	\$ 2,333,705	\$ 2,398,834	\$ 1,037,897	\$ 3,694,642	\$ 1,066,020

*Net pension asset as of January 1, 2019.

b. Governmental Activities

Payments due to the Village currently outstanding are as follows:

	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
\$2,525,756 General Obligation Corporate Purpose Refunding Bonds Series 2017A dated December 12, 2017, due in annual installments of \$807,885 to \$877,528, plus interest at 5% through November 1, 2020	Library Operating	\$ 1,610,127	\$ -	\$ 786,472	\$ 823,655	\$ 823,655
\$1,045,147 Due to Library, due in annual installments of \$149,307, at no interest through November 1, 2020	Library Operating	298,612	-	149,307	149,305	149,305
		\$ 1,908,739	\$ -	\$ 935,779	\$ 972,960	\$ 972,960

General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

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

5. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

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

<u>Year Ending</u> <u>December 31,</u>	<u>Library Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 972,960	\$ 43,973
TOTAL	\$ 972,260	\$ 43,973

d. Due to the Village

The intergovernmental payable represents the principal outstanding on the Village's 2017A Refunding General Obligation Bonds which were issued for library purposes and are being repaid by the Library, as well as the Library's underpayment of prior debt service due to the Village.

The 2017A Refunding General Obligation Bonds are in the Village's name but are a liability of the Library. As funds are needed for the renovation project, money is transferred from the Village to the Library. The Library receives property tax collections to pay for the bond principal and interest and then remits the funds to the Village as the principal and interest payments become due.

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

<u>Fiscal Year</u>	<u>Series 2017A</u>		<u>Due to Village</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 823,655	\$ 43,973	\$ 149,305	\$ 1,016,933
TOTAL	\$ 823,655	\$ 43,973	\$ 149,305	\$ 1,016,933

6. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

7. EMPLOYEE RETIREMENT SYSTEM

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

Illinois Municipal Retirement Fund

Plan Administration

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

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

Benefits Provided

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

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

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Library is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer required contribution rate for calendar year 2018 and 2019 was 12.09% and 7.82% for IMRF, respectively.

Net Pension Liability

At December 31, 2019, the Library reported a liability of \$2,329,991 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the Library's actual contribution to the plan for the year ended December 31, 2015 relative to the contributions of the Village, actuarially determined. The Library has determined that the actual contributions in fiscal year 2015 are appropriate as the basis because they are representative of both current and future contributions. At December 31, 2019, the Library's proportion was 23% of the total contribution to the plan.

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Fair value

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

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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-2017 (base year 2015). The 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.25% (7.50% in 2017). 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 Library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

For the year ended December 31, 2019, the Library recognized pension expense of \$274,559 for IMRF.

At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 142,775	\$ 18,956
Changes in assumption	410,707	237,477
Contributions subsequent to measurement date	286,942	-
Net difference between projected and actual earnings on pension plan investments	1,613,076	-
TOTAL	\$ 2,453,500	\$ 256,433

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

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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

\$286,942 reported as deferred outflows of resources related to pensions resulted from library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense by the Library as follows:

<u>Year Ending</u> <u>December 31,</u>	
2020	\$ 588,382
2021	448,877
2022	188,344
2023	<u>684,522</u>
 TOTAL	 <u>\$ 1,910,125</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) calculated using the discount rate of 7.25% as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 5,249,816	\$ 2,329,991	\$ (82,413)

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

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described in Note 7, the Library provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Library and can be amended by the Library through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The activity of the plan is reported in the Library's governmental activities.

b. Benefits Provided

The Library provides continued health insurance coverage at the active employee rates to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance since the retiree does not pay an age adjusted premium. To be eligible for benefits, an employee must qualify for retirement under the Library's retirement plan. The benefit levels are the same as those afforded to active employees. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Library's active employee health plan. Retirees contribute 100% of premiums.

c. Membership

At December 31, 2018 (most recent census available), membership consisted of:

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>58</u>
 TOTAL	 <u><u>58</u></u>
 Participating employers	 <u><u>1</u></u>

d. Total OPEB Liability

The Library's total OPEB liability of \$252,834 was measured as of December 31, 2019 and was determined by an actuarial valuation as of January 1, 2018.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of January 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019, including updating the discount rate at December 31, 2019, as noted on the following page.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	4.00%
Discount rate	3.26%
Healthcare cost trend rates	6.60% to 7.10% in 2018 based on type of plan, to an ultimate trend of 4.50%

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index at December 31, 2019.

The mortality rates are based on RP-2014 Combined Annuitant Mortality Table for males and females. The Mortality Table reflects recent rates developed by the Society of Actuaries.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	\$ 220,731
Changes for the period	
Service cost	14,665
Interest	8,035
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	8,742
Other changes	661
Net changes	<u>32,103</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 252,834</u>

Changes in assumptions for 2019 were in relation to changes in the discount rate.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Library calculated using the discount rate of 3.26% as well as what the Library total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 270,020	\$ 252,834	\$ 236,623

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 6.60% to 7.10% as well as what the Library's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	\$ 230,016	\$ 252,834	\$ 278,535

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Library recognized OPEB expense of \$23,409. At December 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	11,706	3,912
TOTAL	\$ 11,706	\$ 3,912

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2020	\$ 708
2021	708
2022	708
2023	708
2024	708
Thereafter	<u>4,254</u>
TOTAL	<u>\$ 7,794</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

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

December 31, 2019

	Original & Final Budget	Actual
REVENUES		
Taxes		
Property	\$ 8,328,248	\$ 9,498,930
Replacement	150,000	164,860
Intergovernmental		
Grants	-	117,098
TIF surplus distributions	-	409,936
Charges for services	82,300	94,004
Fees, fines and penalties	18,000	19,447
Investment income	60,000	142,563
Miscellaneous		
Other	42,090	25,314
Gifts	-	31,930
	8,680,638	10,504,082
EXPENDITURES		
Current		
Culture and recreation	8,826,318	8,875,594
Capital outlay	593,364	434,355
	9,419,682	9,309,949
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(739,044)	1,194,133
Adjustments to GAAP basis		
Debt service		
Principal retirement	-	(989,649)
Interest and fiscal charges	-	(86,085)
	-	(1,075,734)
NET CHANGE IN FUND BALANCE	\$ (739,044)	118,399
FUND BALANCE, JANUARY 1		6,822,421
FUND BALANCE, DECEMBER 31		\$ 6,940,820

(See independent auditor's report.)

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 468,456	\$ 430,833	\$ 474,700	\$ 417,097	\$ 286,942
Contributions in relation to the actuarially determined contribution	468,456	430,833	474,700	417,097	286,942
CONTRIBUTION DEFICIENCY (Excess)	\$ -				
Covered payroll	\$ 3,305,969	\$ 3,301,951	\$ 3,271,613	\$ 3,449,811	\$ 3,668,104
Contributions as a percentage of covered payroll	14.17%	13.05%	14.51%	12.09%	7.82%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of payroll, closed and the amortization period was 25 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 3.00% compounded annually.

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

(See independent auditor's report.)

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

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

Last Five Actuarial Valuations

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018
Employer's proportion of net pension liability (asset)	23.00%	23.00%	23.00%	23.00%	23.00%
Employer's proportionate share of net pension liability (asset)	\$ 614,859	\$ 1,954,393	\$ 1,627,004	\$ (1,282,549)	\$ 2,329,991
Employer's covered payroll	3,178,940	3,305,969	3,301,951	3,271,613	3,449,811
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.34%	59.12%	49.27%	-39.20%	67.54%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	91.96%	93.46%	105.18%	91.14%

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

(See independent auditor's report.)

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

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019
TOTAL OPEB LIABILITY		
Service cost	\$ 13,114	\$ 14,665
Interest	6,762	8,035
Differences between expected and actual experience	-	-
Changes of benefit terms	-	-
Changes of assumptions	(4,680)	8,742
Other changes	3,699	661
Net change in total pension liability	18,895	32,103
Total OPEB liability - beginning	201,836	220,731
TOTAL OPEB LIABILITY - ENDING	\$ 220,731	\$ 252,834
Covered payroll	\$ 3,425,861	\$ 3,450,331
Employer's total OPEB liability as a percentage of covered payroll	6.44%	7.33%

Measurement Date December 31, 2019 - The changes in assumptions related to a change in the discount rate used.

Measurement Date December 31, 2018 - The changes in assumptions related to a change in the discount rate used.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

(See independent auditor's report.)

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

LEGAL COMPLIANCE AND ACCOUNTABILITY

a. Budgets

The budget is adopted on a basis consistent with GAAP, except debt service payments are not budgeted. Annual appropriated budgets are adopted at the fund level for the General Fund. All annual appropriations lapse at fiscal year end.

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

Expenditures may not legally exceed budget at the fund level.

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

The Library did not have any funds in which actual expenditures exceeded the budgeted expenditures.

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

NONMAJOR GOVERNMENTAL FUNDS

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2019

	Capital Projects		
	Library Art Fund	Library Maze Project	Total
ASSETS			
Cash and investments	\$ 26,827	\$ 67,090	\$ 93,917
TOTAL ASSETS	\$ 26,827	\$ 67,090	\$ 93,917
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 935	\$ -	\$ 935
Total liabilities	935	-	935
FUND BALANCES			
Assigned	25,892	67,090	92,982
Total fund balances	25,892	67,090	92,982
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,827	\$ 67,090	\$ 93,917

(See independent auditor's report.)

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

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

For the Year Ended December 31, 2019

	Capital Projects		
	Library Art Fund	Library Maze Project	Total
REVENUES			
Investment income	\$ 694	\$ -	\$ 694
Miscellaneous	1,343	-	1,343
Total revenues	2,037	-	2,037
EXPENDITURES			
Framing and installation	4,557	-	4,557
Total expenditures	4,557	-	4,557
NET CHANGE IN FUND BALANCES			
	(2,520)	-	(2,520)
FUND BALANCES, JANUARY 1			
	28,412	67,090	95,502
FUND BALANCES, DECEMBER 31	\$ 25,892	\$ 67,090	\$ 92,982

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

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

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
EXPENDITURES		
Culture and recreation		
Personal services		
Full-time salaries	\$ 4,891,000	\$ 4,815,377
Fringe benefits		
Health insurance	949,500	909,771
Pension contribution	631,000	641,627
Total personal services	6,471,500	6,366,775
Materials and supplies		
Fuels and lubricants	1,500	1,481
Community engagement	-	1,507
Landscaping supplies	13,000	14,722
Cleaning and housekeeping	20,000	18,355
Office supplies	98,000	113,953
Hospitality	5,500	2,424
Building materials and supplies	10,000	13,182
Equipment parts	15,000	7,651
Books	400,000	400,573
Digital books	256,000	272,786
Digital media	125,500	137,264
Signage	500	1,181
Audio-visuals	172,000	171,486
Total materials and supplies	1,117,000	1,156,565
Contractual services		
Payroll processing fees	25,500	24,298
Director development	-	1,500
Other printing/copying	9,000	8,645
Marketing support	35,000	37,931
Custodial services	178,000	188,761
Dues	16,000	18,057
Conferences and training	80,000	83,175
Tuition reimbursement	21,000	21,000
Consultant fees	12,000	6,869
Cataloging	1,000	630
Website development	10,000	8,358
Children's programming	25,000	23,593
Young adult programming	15,000	11,997
Illinois payments support	5,000	2,854
Merchant account services	6,000	4,663
Collection fees support	4,000	4,833

(This schedule is continued on the following pages.)

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

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Culture and recreation (Continued)		
Contractual services (Continued)		
Programming support services	\$ 20,000	\$ 17,313
Interventionist program	17,500	9,276
Postage and delivery	11,000	10,526
Insurance	55,500	53,448
Contingency	15,000	-
Telephone/communications	82,000	98,190
Water	15,000	14,125
Sewer/garbage	15,000	12,915
Natural gas and electric	35,000	27,296
Rentals - equipment and furnishings	25,000	24,229
Office and library machines	20,000	14,341
Repair and maintenance	160,000	229,787
SWAN	83,088	78,313
Archival collection	13,000	13,000
Subscriptions and services	87,730	131,946
Audit	7,800	10,350
Pass through expenditures	-	23,125
Streaming content	14,000	10,192
Parking lot	20,000	12,207
Board development	4,000	1,143
Consultant support services	20,000	9,220
Unclaimed property	-	2,085
Software platform	74,700	47,930
Grant expenses	-	54,133
	1,237,818	1,352,254
Total contractual services		
	8,826,318	8,875,594
Total culture and recreation		
Capital outlay		
Building improvements	168,364	71,438
Equipment	105,000	39,764
Furnishings	40,000	39,404
Technology equipment	280,000	283,749
	593,364	434,355
Total capital outlay		
TOTAL EXPENDITURES - BUDGET BASIS	\$ 9,419,682	9,309,949

(This schedule is continued on the following page.)

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

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

For the Year Ended December 31, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>
Adjustments to GAAP basis		
Debt service		
Principal		\$ 989,649
Interest		<u>86,085</u>
Total debt service		<u>\$ 1,075,734</u>
TOTAL EXPENDITURES - GAAP BASIS		<u><u>\$ 10,385,683</u></u>

(See independent auditor's report.)