



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

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020



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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

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

SIKICH.COM

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, 2020 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, 2020 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, 2021

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

OAK PARK PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the period ending December 31, 2020

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, 2020. 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 four strategic priorities are engagement, learning, stewardship, and anti-racism.

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 of resources and the total of all the Library's liabilities and deferred inflows of resources, with the difference reported as net position. The Library's deferred outflows of resources are pension-related items. Deferred inflows of resources are pension related items and deferred property taxes. This statement combines and consolidates 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, 2019</u> | <u>December 31, 2020</u> |
|---|--------------------------|--------------------------|
| Current and Other Assets | 17,617,151 | 16,969,750 |
| Capital Assets | 12,322,335 | 11,791,198 |
| Total Assets | 29,939,486 | 28,760,948 |
| Deferred Outflows of Resources | 2,488,421 | 789,060 |
| Total Assets and Deferred Outflows | \$32,427,907 | \$29,550,008 |
| Current Liabilities | 248,633 | 326,682 |
| Long Term Liabilities | 3,694,642 | 487,825 |
| Total Liabilities | 3,943,275 | 814,507 |
| Deferred Inflows of Resources | 10,602,391 | 10,666,249 |
| Total Liabilities and Deferred Inflows | \$14,545,666 | \$11,480,756 |
| Net Position | | |
| Net Investment in Capital Assets | 11,318,718 | 11,791,198 |
| Restricted – Children’s Programming | 620 | 6,022 |
| Restricted – Special Purpose | - | 19,865 |
| Unrestricted | 6,562,903 | 6,252,167 |
| Total Net Position | \$17,882,241 | \$18,069,252 |

The Library’s combined net position increased by \$187,011, or 1%. While General Revenues - Property taxes increased by \$906,956, the pandemic required building closures, and some revenue streams were negatively impacted including user fees for services such as parking, room rentals, and vending, and a substantial reduction in interest income on investments. The Library also received the final TIF surplus distribution in 2019 of \$409,936. The Library also saw substantial reductions in Deferred Outflows of Resources of \$1,699,361 as well as a substantial reduction in Long Term Liabilities of \$3,206,817 which included the final debt retirement due to the Village and the IMRF Net Pension Liability changing to a Net Pension Asset. For more detailed information, see the Statement of Net Position on page 3 and Long-Term Debt on page 17.

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 4% overall, with revenue from property taxes increasing by 10% which included previously held Tax Increment Financing funds collected by the Village. Investment income decreased 69% due to declining interest rates for investments. 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 4% and matched the increase in General Revenues.

Impact of COVID-19

FY2020 finances were impacted by the COVID-19 pandemic, primarily in user fees such as parking, vending, and room rentals. The greatest impact was the declining interest rates on investments. The Library maintains the majority of investments in the Illinois Funds. Illinois Funds annualized rate on January 1, 2020 was 1.740% and declined throughout the year, ending December 31, 2020 at 0.089%. Rates were already declining towards the end of 2019, yet the decline was exacerbated by economic concerns over the impact of the pandemic. As the economy recovers from the pandemic, Library Management will be planning accordingly by prioritizing projects and managing expenditures, as well as taking this into consideration for FY2022 budgeting.

Statement of Activities - Governmental Activities

| | <u>December 31, 2019</u> | <u>December 31, 2020</u> |
|---|----------------------------|----------------------------|
| REVENUES | | |
| Program Revenues | | |
| Charges for Services | 113,451 | 36,894 |
| Operating Grants/Contr. | <u>117,098</u> | <u>132,839</u> |
| Total Program Revenues | 230,549 | 169,733 |
| General Revenues | | |
| Property Taxes | 9,498,930 | 10,405,526 |
| Replacement Taxes | 164,860 | 147,343 |
| Intergovernmental – Unrestricted | 409,936 | - |
| Investment Income | 143,257 | 45,554 |
| Miscellaneous | <u>58,587</u> | <u>42,851</u> |
| Total General Revenues | 10,275,570 | 10,641,274 |
| TOTAL REVENUES | \$10,506,119 | \$10,811,007 |
| EXPENSES | | |
| Culture and Recreation | 10,163,886 | 10,564,136 |
| Interest | <u>102,279</u> | <u>59,860</u> |
| TOTAL EXPENSES | \$10,266,165 | \$10,623,996 |
| Change in Net Position | 239,954 | 187,011 |
| NET POSITION, JANUARY 1 | 17,642,287 | 17,882,241 |
| <u>NET POSITION, DECEMBER 31</u> | <u>\$17,882,241</u> | <u>\$18,069,252</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 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, 2020, the governmental funds (as presented on the balance sheet on page 5) had a combined fund balance of \$6,920,551. This reflects a decrease of \$113,251 over the prior year which is primarily due to capital projects completed in 2020, including some that were deferred from the previous year such as: women's restroom partition replacement, information technology system upgrades, and tuckpointing at the Maze branch. As the pandemic extended through 2020, some capital projects were deferred from the FY2021 budget and will need to be completed in FY2022 and beyond coinciding with projected revenues.

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.

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, 2019 and December 31, 2020:

| | <u>December 31, 2019</u> | <u>December 31, 2020</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 | 26,729,409 | 27,131,768 |
| Machinery and Equipment | <u>3,194,521</u> | <u>3,339,945</u> |
| Total Capital Assets Being Depreciated | \$30,149,960 | \$30,697,743 |
| Less Accumulated Depreciation | | |
| Art and Historic Collections | 226,030 | 226,030 |
| Buildings and Improvements | 15,985,734 | 16,889,179 |
| Machinery and Equipment | <u>2,369,361</u> | <u>2,544,836</u> |
| Total Accumulated Depreciation | \$18,581,125 | \$19,660,045 |
| Net Capital Assets | \$12,322,335 | \$11,791,198 |

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, 2019</u> | <u>December 31, 2020</u> |
|------------------------------------|--------------------------|--------------------------|
| Due to Village of Oak Park | 972,960 | - |
| Premium on Bonds | 53,872 | - |
| Compensated Absences | 84,985 | 187,361 |
| Total OPEB Liability | 252,834 | 300,464 |
| Net Pension Liability | <u>2,329,991</u> | = |
| Total Long-Term Liabilities | \$3,694,642 | \$487,825 |

The Library has made final payment for the long-term debt due the Village of Oak Park for the General Obligation Bond during 2020.

The Net Pension Liability calculation is based on the previous year estimate from IMRF's actuarial valuation. The Library had a Net Pension Liability in the 2019 audit, but reported a Net Pension Asset of \$265,853 for its proportionate share of the Net Pension Liability as of December 31, 2020. This change was due to changes in actuarial assumptions, investment returns, and other factors noted in the actuarial valuation. See Note 7 for further information regarding the Employee Retirement System.

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, 2020

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 7,197,444 |
| Receivables, net of allowance | |
| Property taxes | 9,495,566 |
| Grants | 5,000 |
| Prepaid items | 5,887 |
| Net pension asset | 265,853 |
| Capital assets | |
| Capital assets not being depreciated | 753,500 |
| Capital assets being depreciated, net of accumulated depreciation | <u>11,037,698</u> |
| Total assets | <u>28,760,948</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - IMRF | <u>789,060</u> |
| Total deferred outflows of resources | <u>789,060</u> |
| Total assets and deferred outflows of resources | <u>29,550,008</u> |
| LIABILITIES | |
| Accounts payable | 254,746 |
| Accrued payroll | 71,936 |
| Noncurrent liabilities | |
| Due within one year | 153,773 |
| Due in more than one year | <u>334,052</u> |
| Total liabilities | <u>814,507</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension items - IMRF | 1,209,585 |
| Deferred property taxes | <u>9,456,664</u> |
| Total deferred inflows of resources | <u>10,666,249</u> |
| Total liabilities and deferred inflows of resources | <u>11,480,756</u> |
| NET POSITION | |
| Net investment in capital assets | 11,791,198 |
| Restricted | |
| Children's programming | 6,022 |
| Special purpose | 19,865 |
| Unrestricted | <u>6,252,167</u> |
| TOTAL NET POSITION | <u><u>\$ 18,069,252</u></u> |

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

| 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 | \$ 10,564,136 | \$ 36,894 | \$ 132,839 | \$ - | \$ (10,394,403) |
| Interest | 59,860 | - | - | - | (59,860) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 10,623,996 | \$ 36,894 | \$ 132,839 | \$ - | (10,454,263) |
| | | | General Revenues | | |
| | | | Taxes | | |
| | | | Property | | 10,405,526 |
| | | | Replacement | | 147,343 |
| | | | Investment income | | 45,554 |
| | | | Miscellaneous | | 42,851 |
| | | | Total | | 10,641,274 |
| | | | CHANGE IN NET POSITION | | 187,011 |
| | | | NET POSITION, JANUARY 1 | | 17,882,241 |
| | | | NET POSITION, DECEMBER 31 | | \$ 18,069,252 |

See accompanying notes to financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2020

| | General | Total Nonmajor Funds | Total |
|---|----------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 7,112,421 | \$ 85,023 | \$ 7,197,444 |
| Receivables | | | |
| Property tax | 9,495,566 | - | 9,495,566 |
| Grants | 5,000 | - | 5,000 |
| Prepaid items | 5,887 | - | 5,887 |
| TOTAL ASSETS | \$ 16,618,874 | \$ 85,023 | \$ 16,703,897 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 215,010 | \$ 39,736 | \$ 254,746 |
| Accrued payroll | 71,936 | - | 71,936 |
| Total liabilities | 286,946 | 39,736 | 326,682 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property taxes | 9,456,664 | - | 9,456,664 |
| Total deferred inflows of resources | 9,456,664 | - | 9,456,664 |
| Total liabilities and deferred inflows of resources | 9,743,610 | 39,736 | 9,783,346 |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Prepaid items | 5,887 | - | 5,887 |
| Restricted | | | |
| Children's programming | 6,022 | - | 6,022 |
| Special purpose | 19,865 | - | 19,865 |
| Assigned | | | |
| Subsequent year's budget | 963,364 | - | 963,364 |
| Art fund | - | 17,933 | 17,933 |
| Maze project | - | 27,354 | 27,354 |
| Unassigned | 5,880,126 | - | 5,880,126 |
| Total fund balances | 6,875,264 | 45,287 | 6,920,551 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 16,618,874 | \$ 85,023 | \$ 16,703,897 |

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, 2020

| | |
|--|-----------------------------|
| FUND BALANCE OF GOVERNMENTAL FUNDS | \$ 6,920,551 |
| 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 | 11,791,198 |
| The net pension asset (liability) of the Library's IMRF pension plan is included in the governmental activities in the statement of net position | 265,853 |
| Deferred outflows of resources related to pensions are not a current financial resource and, therefore, are not reported in the governmental funds Illinois Municipal Retirement Fund | 789,060 |
| Total OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | (300,464) |
| Deferred inflows of resources related to pensions are not a current financial resource and, therefore, are not reported in the governmental funds Illinois Municipal Retirement Fund | (1,209,585) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds Compensated absences | <u>(187,361)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 18,069,252</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, 2020

| | General | Total Nonmajor Funds | Total |
|-----------------------------------|----------------------------|-------------------------------------|----------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 10,405,526 | \$ - | \$ 10,405,526 |
| Replacement | 147,343 | - | 147,343 |
| Intergovernmental | | | |
| Grants | 132,839 | - | 132,839 |
| Charges for services | 26,811 | - | 26,811 |
| Fees, fines and penalties | 10,083 | - | 10,083 |
| Investment income | 45,376 | 178 | 45,554 |
| Miscellaneous | | | |
| Other | 39,070 | - | 39,070 |
| Gifts | 2,205 | 1,576 | 3,781 |
| Total revenues | <u>10,809,253</u> | <u>1,754</u> | <u>10,811,007</u> |
| EXPENDITURES | | | |
| Current | | | |
| Culture and recreation | 9,086,733 | 49,449 | 9,136,182 |
| Capital outlay | 717,269 | - | 717,269 |
| Debt service | | | |
| Principal retirement | 1,026,832 | - | 1,026,832 |
| Interest and fiscal charges | 43,975 | - | 43,975 |
| Total expenditures | <u>10,874,809</u> | <u>49,449</u> | <u>10,924,258</u> |
| NET CHANGE IN FUND BALANCES | (65,556) | (47,695) | (113,251) |
| FUND BALANCES, JANUARY 1 | <u>6,940,820</u> | <u>92,982</u> | <u>7,033,802</u> |
| FUND BALANCES, DECEMBER 31 | <u><u>\$ 6,875,264</u></u> | <u><u>\$ 45,287</u></u> | <u><u>\$ 6,920,551</u></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, 2020

| | |
|---|--------------------------|
| NET CHANGE IN FUND BALANCES - | |
| TOTAL GOVERNMENTAL FUNDS | \$ (113,251) |
| 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 | 547,783 |
| 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 | (1,078,920) |
| The change in deferred inflows and outflows of resources for IMRF net pension liabilities/assets are reported only in the statement of activities | (2,617,592) |
| The change in the IMRF net pension liability/asset are only reported in the statement of activities | 2,595,844 |
| The change in total OPEB liabilities are reported only in the statement of activities | (47,630) |
| The change in deferred inflows and outflows of resources for OPEB are reported only in the statement of activities | (7,794) |
| 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 | 972,960 |
| 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 | (23,215) |
| The change in certain liabilities are reported as expenses on the statement of activities | |
| Compensated absences | (102,376) |
| Accrued interest payable | 7,330 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 187,011</u> |

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

All funds are classified as governmental funds.

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.

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

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.

The Library categorizes the 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. At December 31, 2020, the Library held no investments subject to fair value measurement.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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.

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:

| <u>Assets</u> | <u>Years</u> |
|-------------------------------------|--------------|
| Buildings and building improvements | 5-50 |
| Machinery and equipment | 5-20 |
| Artwork | 10 |

h. Compensated Absences

Vested or accumulated vacation, 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 of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to active employees. Sick leave is not paid out upon separation.

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.

m. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Library has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

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, 2020. 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, 2020, 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 requires the Library to maintain investments to meet liquidity needs for the current month plus three months (based on forecasted needs) and any reasonably anticipated special needs, and 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.

Concentration of credit risk is the risk that the Library has a high percentage of their investments invested in one type of investment. The Library's investment policy does not specifically address concentration of credit risk.

3. RECEIVABLES - TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, 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, 2021 and October 1, 2021 and are payable in two installments, on or about March 1, 2021 and November 1, 2021. The County collects such taxes and remits them periodically. As the 2020 tax levy is intended to fund expenditures for the 2021 fiscal year, these taxes are reported as unavailable/deferred revenue as of December 31, 2020.

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 | 222,349 | - | 24,267,591 |
| Building improvements | 2,684,167 | 180,010 | - | 2,864,177 |
| Machinery and equipment | 3,194,521 | 145,424 | - | 3,339,945 |
| Total capital assets being depreciated | 30,149,960 | 547,783 | - | 30,697,743 |
| Less accumulated depreciation for | | | | |
| Art and historic collections | 226,030 | - | - | 226,030 |
| Buildings | 13,682,004 | 805,200 | - | 14,487,204 |
| Building improvements | 2,303,730 | 98,245 | - | 2,401,975 |
| Machinery and equipment | 2,369,361 | 175,475 | - | 2,544,836 |
| Total accumulated depreciation | 18,581,125 | 1,078,920 | - | 19,660,045 |
| Total capital assets being depreciated, net | 11,568,835 | (531,137) | - | 11,037,698 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | | | | |
| | <u>\$ 12,322,335</u> | <u>\$ (531,137)</u> | <u>\$ -</u> | <u>\$ 11,791,198</u> |

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

| | |
|--------------------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | |
| Culture and recreation | <u>\$ 1,078,920</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, 2020:

| | Balances January 1 | Additions | Retirements | Balances December 31 | Current Portion |
|--|-----------------------|-------------------|---------------------|-------------------------|--------------------|
| Due to Village | \$ 972,960 | \$ - | \$ 972,960 | \$ - | \$ - |
| Premium on bonds | 53,872 | - | 53,872 | - | - |
| Compensated absences | 84,985 | 144,869 | 42,493 | 187,361 | 93,680 |
| Total OPEB liability | 252,834 | 47,630 | - | 300,464 | 60,093 |
| Net pension liability* | 2,329,991 | - | 2,329,991 | - | - |
| TOTAL LONG-TERM LIABILITIES | \$ 3,694,642 | \$ 192,499 | \$ 3,399,316 | \$ 487,825 | \$ 153,773 |

*Net pension asset as of December 31, 2020.

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 | \$ 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 | 149,305 | - | 149,305 | - | - |
| | | \$ 972,960 | \$ - | \$ 972,960 | \$ - | \$ - |

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

5. LONG-TERM DEBT (Continued)

c. 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.

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.

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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 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 2020 was 8.81%.

Net Pension Liability

At December 31, 2020, the Library reported an asset of \$265,853 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, 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, 2020, the Library's proportion was 23% of the total contribution to the plan.

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

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Library's net pension liability was measured as of December 31, 2019 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, 2019 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary increases | 3.35% to 14.25% |
| Interest rate | 7.25% |
| Asset valuation method | Fair value |

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%. 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.

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

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2020, the Library recognized pension expense of \$394,948 for IMRF.

At December 31, 2020, 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 | \$ 190,568 | \$ - |
| Changes in assumption | 176,004 | - |
| Contributions subsequent to measurement date | 422,488 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,209,585 |
| TOTAL | \$ 789,060 | \$ 1,209,585 |

\$422,488 reported as deferred outflows of resources related to pensions resulted from library contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense by the Library as follows:

| <u>Year Ending December 31,</u> | |
|-------------------------------------|---------------------|
| 2021 | \$ (56,143) |
| 2022 | (324,322) |
| 2023 | 110,987 |
| 2024 | <u>(573,535)</u> |
| TOTAL | \$ (843,013) |

7. EMPLOYEE RETIREMENT SYSTEM (Continued)

Illinois Municipal Retirement Fund (Continued)

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) | \$ 2,723,334 | \$ (265,583) | \$ (2,740,366) |

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.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2020 (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>62</u> |
| TOTAL | <u><u>62</u></u> |
| Participating employers | <u><u>1</u></u> |

d. Total OPEB Liability

The Library's total OPEB liability of \$300,464 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability at December 31, 2020, as determined by an actuarial valuation as of January 1, 2020, 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, 2020, including updating the discount rate at December 31, 2020, as noted on the following page.

| | |
|-----------------------------|--|
| Actuarial cost method | Entry-age normal |
| Actuarial value of assets | Not applicable |
| Salary increases | 4.00% |
| Discount rate | 1.93% |
| Healthcare cost trend rates | 6.00% in 2020, 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, 2020.

Mortality rates follow the PubG.H-2010 Mortality Table - General.

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| BALANCES AT JANUARY 1, 2020 | <u>\$ 252,834</u> |
| Changes for the period | |
| Service cost | 20,840 |
| Interest | 8,243 |
| Difference between expected and actual experience | (10,775) |
| Changes in assumptions | <u>29,322</u> |
| Net changes | <u>47,630</u> |
| BALANCES AT DECEMBER 31, 2020 | <u>\$ 300,464</u> |

Changes in assumptions for 2020 were in relation to changes in the discount rate, health care trend rate, mortality assumption and starting per capita costs.

f. 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 1.93% 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 (0.93%) or 1 percentage point higher (2.93%) than the current rate:

| | 1% Decrease (0.93%) | Current Discount Rate (1.93%) | 1% Increase (2.93%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 319,112 | \$ 300,464 | \$ 282,836 |

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

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Library calculated using the healthcare rate of 4.50% to 6.00% 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 | \$ 275,193 | \$ 300,464 | \$ 329,032 |

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

For the year ended December 31, 2020, the Library recognized OPEB expense of \$31,392. Under GASB Statement No. 75, plans that qualify for the Alternative Measurement Method, changes to the OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

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, 2020

| | Original and Final Budget | Actual |
|----------------------------------|--------------------------------------|---------------------|
| REVENUES | | |
| Taxes | | |
| Property | \$ 9,648,902 | \$ 10,405,526 |
| Replacement | 140,000 | 147,343 |
| Intergovernmental | | |
| Grants | - | 132,839 |
| TIF surplus distributions | 693,144 | - |
| Charges for services | 85,200 | 26,811 |
| Fees, fines and penalties | 21,000 | 10,083 |
| Investment income | 100,000 | 45,376 |
| Miscellaneous | | |
| Other | 40,000 | 39,070 |
| Gifts | - | 2,205 |
| | 10,728,246 | 10,809,253 |
| | | |
| EXPENDITURES | | |
| Current | | |
| Culture and recreation | 9,753,132 | 9,086,733 |
| Capital outlay | 990,200 | 717,269 |
| Debt service | | |
| Principal | 1,026,835 | 1,026,832 |
| Interest | 43,972 | 43,975 |
| | 11,814,139 | 10,874,809 |
| | | |
| NET CHANGE IN FUND BALANCE | \$ (1,085,893) | (65,556) |
| | | |
| FUND BALANCE, JANUARY 1 | | 6,940,820 |
| | | |
| FUND BALANCE, DECEMBER 31 | | \$ 6,875,264 |

(See independent auditor's report.)

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 468,456 | \$ 430,833 | \$ 474,700 | \$ 417,097 | \$ 286,942 | \$ 422,488 |
| Contributions in relation to the actuarially determined contribution | 468,456 | 430,833 | 474,700 | 417,097 | 286,942 | 422,488 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,305,970 | \$ 2,866,487 | \$ 3,415,108 | \$ 4,291,121 | \$ 4,711,691 | \$ 4,795,551 |
| Contributions as a percentage of covered payroll | 14.17% | 15.03% | 13.90% | 9.72% | 6.09% | 8.81% |

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 24 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 3.35% to 14.25% 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 Six Actuarial Valuations

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------|--------------|--------------|----------------|--------------|--------------|
| Employer's proportion of net pension liability (asset) | 23.00% | 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 | \$ (265,853) |
| Employer's covered payroll | 3,178,940 | 3,305,969 | 3,301,951 | 3,271,613 | 3,449,811 | 3,668,104 |
| 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% | (7.25%) |
| Plan fiduciary net position as a percentage of the total pension liability | 97.40% | 91.96% | 93.46% | 105.18% | 91.14% | 100.98% |

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 Three Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|
| TOTAL OPEB LIABILITY | | | |
| Service cost | \$ 13,114 | \$ 14,665 | \$ 20,840 |
| Interest | 6,762 | 8,035 | 8,243 |
| Differences between expected and actual experience | - | - | (10,775) |
| Changes of benefit terms | - | - | - |
| Changes of assumptions | (4,680) | 8,742 | 29,322 |
| Other changes | 3,699 | 661 | - |
| Net change in total pension liability | 18,895 | 32,103 | 47,630 |
| Total OPEB liability - beginning | 201,836 | 220,731 | 252,834 |
| TOTAL OPEB LIABILITY - ENDING | \$ 220,731 | \$ 252,834 | \$ 300,464 |
| Covered payroll | \$ 3,425,861 | \$ 3,450,331 | \$ 3,984,147 |
| Employer's total OPEB liability as a percentage of covered payroll | 6.44% | 7.33% | 7.54% |

Measurement Date December 31, 2020 - The changes in assumptions related to a change in the discount rate used, the health care trend rate used, the mortality assumption, and starting per capita costs.

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, 2020

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, 2020

| | Capital Projects | | |
|--|-----------------------------|---------------------------------|------------------|
| | Library Art Fund | Library Maze Project | Total |
| ASSETS | | | |
| Cash and investments | \$ 17,933 | \$ 67,090 | \$ 85,023 |
| TOTAL ASSETS | \$ 17,933 | \$ 67,090 | \$ 85,023 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ 39,736 | \$ 39,736 |
| Total liabilities | - | 39,736 | 39,736 |
| FUND BALANCES | | | |
| Assigned | 17,933 | 27,354 | 45,287 |
| Total fund balances | 17,933 | 27,354 | 45,287 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 17,933 | \$ 67,090 | \$ 85,023 |

(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, 2020

| | Capital Projects | | |
|------------------------------------|-----------------------------|---------------------------------|------------------|
| | Library Art Fund | Library Maze Project | Total |
| REVENUES | | | |
| Investment income | \$ 178 | \$ - | \$ 178 |
| Miscellaneous | 1,576 | - | 1,576 |
| | | | |
| Total revenues | 1,754 | - | 1,754 |
| EXPENDITURES | | | |
| Framing and installation | 9,713 | - | 9,713 |
| Owner provided services | - | 39,736 | 39,736 |
| | | | |
| Total expenditures | 9,713 | 39,736 | 49,449 |
| NET CHANGE IN FUND BALANCES | (7,959) | (39,736) | (47,695) |
| FUND BALANCES, JANUARY 1 | 25,892 | 67,090 | 92,982 |
| | | | |
| FUND BALANCES, DECEMBER 31 | \$ 17,933 | \$ 27,354 | \$ 45,287 |
| | | | |

(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, 2020

| | Original and Final Budget | Actual |
|---|--------------------------------------|------------------|
| EXPENDITURES | | |
| Culture and recreation | | |
| Personal services | | |
| Full-time salaries | \$ 5,321,300 | \$ 5,131,013 |
| Fringe benefits | | |
| Health insurance | 1,013,000 | 951,199 |
| Pension contribution | 826,000 | 797,964 |
| Total personal services | <u>7,160,300</u> | <u>6,880,176</u> |
| Materials and supplies | | |
| Fuels and lubricants | 1,000 | 476 |
| Community engagement | 12,000 | 8,010 |
| Landscaping supplies | 15,000 | 10,480 |
| Cleaning and housekeeping | 20,600 | 12,116 |
| Office supplies | 101,000 | 83,913 |
| Hospitality | 5,000 | 136 |
| Building materials and supplies | 10,300 | 14,008 |
| Equipment parts | 11,000 | 1,392 |
| Books | 450,000 | 269,528 |
| Digital books | 300,000 | 473,766 |
| Digital media | 135,000 | 100,992 |
| Signage | 5,000 | 7,730 |
| Audio-visuals | 180,000 | 81,496 |
| Total materials and supplies | <u>1,245,900</u> | <u>1,064,043</u> |
| Contractual services | | |
| Payroll processing fees | 26,265 | 24,908 |
| Other printing/copying | 24,000 | 5,163 |
| Marketing support | 25,000 | 32,677 |
| Custodial services | 183,340 | 183,774 |
| Dues | 18,480 | 17,023 |
| Conferences and training | 89,000 | 70,859 |
| Tuition reimbursement | 30,000 | 31,501 |
| Mileage and miscellaneous reimbursement | 2,000 | 24,801 |
| Consultant fees | 12,000 | 1,281 |
| Cataloging | 1,500 | 1,380 |
| Website development | 10,000 | 8,857 |
| Children's programming | 26,500 | 22,697 |
| Young adult programming | 15,000 | 9,682 |
| Illinois payments support | 4,000 | 1,479 |
| Merchant account services | 5,500 | 2,891 |
| Collection fees support | 5,000 | 1,155 |

(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, 2020

| | Original and Final Budget | Actual |
|--|--------------------------------------|----------------------|
| EXPENDITURES (Continued) | | |
| Culture and recreation (Continued) | | |
| Contractual services (Continued) | | |
| Programming support services | \$ 22,000 | \$ 11,847 |
| Interventionist program | 15,000 | 16,621 |
| Postage and delivery | 11,000 | 10,380 |
| Insurance | 62,000 | 69,583 |
| Contingency | 15,000 | 10,780 |
| Telephone/communications | 82,000 | 63,686 |
| Water | 12,000 | 6,086 |
| Sewer/garbage | 15,000 | 10,965 |
| Natural gas and electric | 36,050 | 12,086 |
| Rentals - equipment and furnishings | 25,000 | 15,978 |
| Office and library machines | 20,000 | 18,769 |
| Repair and maintenance | 207,000 | 147,341 |
| SWAN | 83,729 | 87,521 |
| Archival collection | 14,500 | 4,035 |
| Subscriptions and services | 171,068 | 156,930 |
| Audit | 9,000 | 10,034 |
| Pass through expenditures | - | 25 |
| Streaming content | 20,000 | 5,063 |
| Parking lot | 28,000 | 10,613 |
| Board development | 1,000 | 1,848 |
| Consultant support services | 20,000 | 2,984 |
| Unclaimed property | - | 200 |
| Grant expenses | - | 29,011 |
| | 1,346,932 | 1,142,514 |
| Total contractual services | | |
| | 9,753,132 | 9,086,733 |
| Total culture and recreation | | |
| Capital outlay | | |
| Building improvements | 379,200 | 398,729 |
| Equipment | 86,000 | 20,717 |
| Furnishings | 100,000 | 18,794 |
| Technology equipment | 425,000 | 279,029 |
| | 990,200 | 717,269 |
| Total capital outlay | | |
| Debt service | | |
| Principal | 1,026,835 | 1,026,832 |
| Interest | 43,972 | 43,975 |
| | 1,070,807 | 1,070,807 |
| Total debt service | | |
| TOTAL EXPENDITURES - BUDGET BASIS | \$ 11,814,139 | \$ 10,874,809 |

(See independent auditor's report.)