



MUELLER & CO., LLP

Certified Public Accountants ~ Business Advisors

ASSURANCE &

COOK MEMORIAL PUBLIC LIBRARY DISTRICT LAKE COUNTY, ILLINOIS

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

MUELLER

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CONTENTS

	<u>PAGE</u>
Principal Officials	
Annual Financial Report	
Independent Auditors' Report	1-3
General Purpose Financial Statements:	
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Governmental Funds	
Combined Statement of Assets, Liabilities and Fund Balances (Cash Basis - Non-GAAP) - All Governmental Fund Types.....	13
Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Cash Basis-Non-GAAP) - All Governmental Fund Types and Expendable Trust Funds	14
Notes to Financial Statements	15-33
Required Supplementary Information:	
General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual (Cash Basis - Non-GAAP)	34-35
Special Reserve Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual (Cash Basis - Non-GAAP)	36

CONTENTS

	<u>PAGE</u>
Illinois Municipal Retirement Fund (IMRF) and Social Security Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual (Cash Basis - Non-GAAP)	37
Schedule of Funding Progress – Illinois Municipal Retirement Fund – Last Three Years.....	38
Schedule of Changes in Net Pension Liability and Related Ratios.....	39
Schedule of Contributions.....	40
Schedule of Employer Contributions	41-42
Special Revenue Non-Major Fund Financial Statements	
Working Cash Fund:	
Statement of Assets, Liabilities and Fund Balances - (Cash Basis - Non-GAAP)	43
Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriation, Budget and Actual (Cash Basis - Non-GAAP)	44
Other Supplementary Information:	
Property Tax, Assessed Valuations and Rates Last Three Tax Levy Years.....	45

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

PRINCIPAL OFFICIALS

**LEGISLATIVE
BOARD OF TRUSTEES**

Bonnie Quirke, President & Acting Treasurer

Wendy Vieth, Vice President

Rob Schuler, Secretary

Nathan Johnson, Trustee

Ann Oakley, Trustee

Jim Larson, Trustee

Phyllis Dobbs, Trustee

ADMINISTRATIVE

David Archer, Library Director

Russ Cerqua, Business Manager

A N N U A L F I N A N C I A L R E P O R T

INDEPENDENT AUDITORS' REPORT

Library Director and
Board of Trustees
Cook Memorial Public Library District
Lake County, Illinois
Libertyville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cook Memorial Public Library District, Lake County, Illinois, (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 entity'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 entity'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.

Auditors' Responsibility, Continued

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 government-wide financial statements of the governmental activities referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements of each major fund and the aggregate remaining fund information referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017 and the respective changes in cash-basis financial position for the year then ended in conformity with the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements that describes the basis of accounting. The financial statements (except for the government-wide financial statements on pages 10-11) are prepared on the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 9, budgetary comparison information on pages 33 to 36 and the schedules regarding the net pension liability on pages 37 to 41 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 Districts' basic financial statements. The special revenue non-major fund financial statements and the other supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The special revenue non-major fund financial statements on pages 42 and 43 and other supplementary information on page 44 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the special revenue non-major fund financial statements and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Information

The prior year summarized comparative information was derived from the District's 2016 financial statements, and in our report dated November 15, 2016, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

Muller & Co., LLP

Elgin, Illinois
November 16, 2017

GENERAL PURPOSE FINANCIAL STATEMENTS

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Cook Memorial Public Library District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of Cook Memorial Public Library District for the fiscal year ended June 30, 2017 ("FY2017").

FINANCIAL HIGHLIGHTS

- The net position of the Cook Memorial Public Library District at the the close of the most recent fiscal year was \$16,973,074. Of this amount, \$8,693,985 may be used to meet the District's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,627,332, an increase of \$710,981 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Cook Memorial Public Library District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all of the District's assets and liabilities, with the difference between the two reported as **Net Position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The **Statement of Activities** presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related 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., uncollected taxes).

Fund financial statements. 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. Cook Memorial Public Library District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The governmental funds of the District are the General Fund, the Special Reserve Fund, the Social Security and IMRF Fund, and the Working Cash Fund.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Cook Memorial Public Library District (the "District") maintains four individual funds. Information is presented separately in the governmental statement of assets, liabilities and fund balances and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Special Reserve Fund, and the IMRF and Social Security Fund, which are considered to be major funds. Individual fund data for the Working Cash Fund, which is considered a non-major governmental fund, is included as other governmental funds on these statements.

The District adopts an annual appropriated budget for the General Fund, the Special Revenue Fund and the Social Security and IMRF Fund. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to employees. Required supplementary information on pensions can be found on pages 39 to 42 of this report.

The individual financial statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Individual fund statements and schedules can be found on pages 43 to 44 of this report.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Cook Memorial Public Library District, net position was \$16,973,074 at the close of the most recent fiscal year. A significant portion of the District's net position, 48.6%, reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, vehicles, and library materials), less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to citizens; consequently, these assets are not available for future spending.

The restricted portion of the District's net position, \$28,857 as of June 30, 2017, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$8,693,985 may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its governmental activities. The same situation held true for the prior fiscal year.

The following summarized information was derived from the Statements of Net Position as of June 30, 2017 and 2016:

	NET ASSETS	
	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>2017</u>	<u>2016</u>
<u>Assets:</u>		
Current and other assets	\$ 14,939,871	14,224,360
Capital assets, net of accumulated depreciation	<u>16,240,232</u>	<u>16,494,810</u>
Total Assets	<u>31,180,103</u>	<u>30,719,170</u>
<u>Deferred Outflows of Resources:</u>		
Pension related items	<u>1,317,976</u>	<u>1,742,283</u>
<u>Liabilities:</u>		
Current liabilities	858,498	780,086
Non-current liabilities	<u>10,309,557</u>	<u>10,921,460</u>
Total Liabilities	<u>11,168,055</u>	<u>11,701,546</u>
<u>Deferred Inflows of Resources:</u>		
Unearned property tax revenue	4,230,722	4,221,537
Pension related items	<u>126,228</u>	<u>160,043</u>
Total Liabilities	<u>4,356,950</u>	<u>4,381,580</u>
<u>Net Position:</u>		
Invested in capital assets, net of related debt	8,250,232	7,999,810
Restricted	28,857	28,857
Unrestricted	<u>8,693,985</u>	<u>8,349,660</u>
Total Net Position	\$ <u>16,973,074</u>	<u>16,378,327</u>

COOK MEMORIAL PUBLIC LIBRARY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

The following summarized information was derived from the Statements of Activities for the years ending June 30, 2017 and 2016:

	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
Property taxes	\$ 8,845,253	8,690,959
Replacement taxes	92,212	83,011
Interest	57,155	40,468
Per Capita Grant	-	46,129
Gifts and grants	3,243	14,683
Fines, fees, and other	<u>158,786</u>	<u>149,217</u>
Total revenues	<u>9,156,649</u>	<u>9,024,467</u>
Expenses:		
Personnel	4,504,844	4,433,937
Library materials	550,528	476,113
Operating expenses	890,537	1,343,984
Improvements and capital projects	-	96,237
Debt service, interest, fees, and amortization of issuance costs	337,425	319,181
Contingencies	-	29,515
Social Security and IMRF	717,664	714,091
Depreciation and amortization	1,237,552	1,164,793
Change in deferred pension inflows and outflows	390,492	521,958
Current year pension liability increase (decrease)	<u>(67,140)</u>	<u>1,192,422</u>
Total expenses	<u>8,561,902</u>	<u>10,292,231</u>
Change in net position	594,747	(1,267,764)
Prior period adjustment	-	351,872
Net position, beginning of year	<u>16,378,327</u>	<u>17,294,219</u>
Net position, end of year	\$ <u>16,973,074</u>	<u>16,378,327</u>

Governmental activities. Governmental activities increased the District's net assets by \$594,747. This increase was primarily attributable to significant decreases in the net pension liability for the District's IMRF pension fund. In addition, there was a significant decrease in operating expenses due to the FY2016 purchase of \$257,000 in new patron and staff computers.

Total revenues increased \$132,182. This increase was due primarily to a \$154,294 increase in property taxes and a \$9,569 increase in fines, fees and other. These increases were partially offset by a \$46,129 decrease in Per Capita Grant revenues.

Personnel costs increased approximately 1.6% over the FY2016. This increase was due primarily to an increase in salaries of approximately 1.8%, comprised of a 1.0% COLA and approximately 1.0% in merit increases.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Library materials increased approximately 15.6% primarily due to increases in digital books, online databases and other digital services and offerings such as Freegal music and Hoopla streaming services.

Operating expenses decreased \$453,447 (33.7%). This decrease was due to the purchase of \$257,000 of new patron and staff computers and servers in FY2016 that was not present in FY2017. The District replaced the computers and servers that were approximately six years old and were purchased under a five-year lease arrangement. The District's Board determined that given the current interest rate environment, it was financially advantageous to purchase the computers outright rather than lease them. This purchase will save approximately \$60,000 per year in lease payments.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds had combined ending fund balances of \$10,627,332 an increase of \$710,981 from the prior year end. Approximately 61.1% of this total amount, \$6,496,054 constitutes unassigned fund balance, which is available for spending during the 2017-2018 fiscal year. The restricted fund balance of \$28,857 represents amounts that have been received from donors for specific use purposes that had not been totally expended as of the end of the fiscal year. Committed fund balances of \$4,102,421 are not available for general operational spending because it has been committed for the specific purpose of each special revenue fund. The majority of the committed fund balances, \$2,890,510, has been assigned for capital projects by legislative action of the Board of Trustees. Committed fund balances also include \$656,135 for use in the IMRF and Social Security Fund to cover the cost of those respective benefits for District employees. The remaining \$555,776 in committed fund balances is in the Working Cash Fund and is to be used to cover cash shortfalls in other funds in the event of any unexpected expenditures or delays in receiving property tax or other revenues.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,496,054. Unassigned fund balance represents 84.1% of the total General Fund expenditures for the current year. The fund balances of the District's General Fund increased by \$809,438 during the current fiscal year.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, CONTINUED

Total revenues increased \$111,304, or 1.3%. This increase is due primarily to a \$137,896 (1.7%) increase in property tax revenues, coupled with increases of \$9,201 (11.1%) in state replacement tax revenue and \$12,207 (84.1%) in interest income. These increases were offset by a \$46,129 decrease in Per Capita Grants. The District received a letter indicating that the amount of their grant for FY2017 is \$46,464. However, given the current financial status of the State of Illinois, the payment of this grant has been delayed. Fines, fees and other revenues remained relatively constant from year to year.

Personnel costs increased approximately 1.5% over FY2016. Salaries increased approximately 1.8%, comprised of a 1.0% COLA and approximately 1.0% in merit increases.

All other operating expenses decreased by \$196,801 (14.6%). This decrease was due primarily to a decrease of \$174,317 (31.5%) in computer related expenses. In FY2016, the District's Board made the decision to purchase approximately \$257,000 of new patron and staff computers and servers rather than lease them, as had been done in the past. Given the current interest rate environment, purchasing this equipment is saving the District more than \$60,000 a year in lease payments.

Improvements and capital projects expenditures decreased by \$59,274, due primarily to a decrease in the one-time expenditures made in connection with the implementation of the District's three-year strategic plan adopted by the Board in February 2015. FY2017 was the second year of the three-year strategic plan.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund expended \$7,720,148 during FY2017, which was significantly less than the budget appropriation of \$8,726,000. The appropriation sets the maximum spending limits for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for governmental activities as of June 30, 2017 amounts to \$16,240,232, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, and library materials. The total decrease in the District's investment in capital assets for the current fiscal year was \$254,578, which is primarily the amount by which depreciation and amortization exceeded capital asset additions for the year. The District also increased its library materials by \$577,348. Details of the District's capital assets are continued in the notes to the financial statements on page 24.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

CAPITAL ASSETS AND DEBT ADMINISTRATION, CONTINUED

As of June 30, 2017, the District had general obligation debt certificates outstanding of \$7,990,000, including unamortized debt premium. In November of 2016, the District issued \$4,845,000 in general obligation debt certificates to refund the Series 2009 general obligation debt certificates. This refunding did not increase the maturity of the Series 2009 certificates, but did significantly reduce the interest rate, resulting in an approximate savings of \$660,000 over the remaining life of the debt certificates. Additional information regarding the District's debt can be found in the notes to the financial statements on page 25 and 26.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Currently, management is not aware of any significant changes in conditions that could have a significant effect on the financial position or results of activities of the District in the near future. The operating budget for the General Fund and the IMRF and Social Security Fund for the fiscal year ending June 30, 2018 has increased \$220,154, or 2.43%. The majority of this increase can be attributed to two factors. First, the budget includes an approximate 4.0% increase in salaries for COLA and merit increases. Second, the budget includes approximate increases of 2.0% to compensate for the 2.1% increase in the CPI. These increases were partially offset by a \$90,000 decrease in expenditures for the strategic plan, which will be in its third year in FY2018.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Cook Memorial Public Library District's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Library Director, Cook Memorial Public Library District, 413 N. Milwaukee Avenue, Libertyville, IL 60048.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

GOVERNMENT-WIDE FINANCIAL STATEMENT - STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>
Cash and cash equivalents	\$ 6,015,598
Investments	4,623,166
Property taxes receivable	4,230,722
Prepaid expenses	9,978
Bond issue costs, net of accumulated amortization	60,407
Capital assets:	
Nondepreciable	1,008,500
Depreciable, net	<u>15,231,732</u>
	<u>31,180,103</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	<u>1,317,976</u>
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LIABILITIES

Payroll liabilities	6,591
Accrued wages	129,271
Other liabilities	4,841
Accrued vacation:	
Due within one year	127,795
Due in more than one year	31,949
Net pension liability	2,877,608
Long-term debt:	
Due within one year	590,000
Due in more than one year	<u>7,400,000</u>
	<u>11,168,055</u>

DEFERRED INFLOWS OF RESOURCES

Unearned property tax revenue	4,230,722
Pension related items	<u>126,228</u>
	<u>4,356,950</u>

NET POSITION

Invested in capital assets, net of related debt	8,250,232
Restricted	28,857
Unrestricted	<u>8,693,985</u>
	<u>\$ 16,973,074</u>

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

GOVERNMENT-WIDE FINANCIAL STATEMENT - STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

		PROGRAM REVENUES			NET (EXPENSES) REVENUES & CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES
Functions/Programs					
Primary government					
Governmental activities:					
General government	\$ 8,561,902	150,088	3,243		(8,408,571)
General revenues:					
Taxes:					
Property					
				\$	8,845,253
Replacement					
					92,212
Investment income					
					57,155
Miscellaneous					
					8,698
Total general revenues					
					9,003,318
Change in net position					
					594,747
Net position beginning of year					
					16,378,327
Net position end of year					
				\$	16,973,074

The accompanying notes are an integral part of the financial statements.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT, LAKE COUNTY, ILLINOIS
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
(CASH BASIS - NON-GAAP)

ALL GOVERNMENTAL FUND TYPES

JUNE 30, 2017

						TOTAL (MEMORANDUM ONLY)	
	MAJOR FUNDS			OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	2017	2016
	GENERAL	SPECIAL RESERVE	IMRF AND SOCIAL SECURITY				
ASSETS							
Cash and cash equivalents	\$ 5,312,325	8,805	638,692	55,776	6,015,598	6,015,598	3,340,808
Investments	1,224,018	2,881,705	17,443	500,000	4,623,166	4,623,166	6,567,243
Other receivables	-	-	-	-	-	-	12,036
Unamortized premium paid on investment purchase	-	-	-	-	-	-	171
	<u>\$ 6,536,343</u>	<u>2,890,510</u>	<u>656,135</u>	<u>555,776</u>	<u>10,638,764</u>	<u>10,638,764</u>	<u>9,920,258</u>
LIABILITIES AND FUND BALANCES							
Payroll liabilities	\$ 6,591	-	-	-	6,591	6,591	3,907
Other liabilities	4,841	-	-	-	4,841	4,841	-
	<u>11,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,432</u>	<u>11,432</u>	<u>3,907</u>
Fund balances:							
Restricted by donors	28,857	-	-	-	28,857	28,857	28,857
Committed	-	2,890,510	656,135	555,776	4,102,421	4,102,421	4,200,878
Unassigned	6,496,054	-	-	-	6,496,054	6,496,054	5,686,616
	<u>6,524,911</u>	<u>2,890,510</u>	<u>656,135</u>	<u>555,776</u>	<u>10,627,332</u>	<u>10,627,332</u>	<u>9,916,351</u>
	<u>\$ 6,536,343</u>	<u>2,890,510</u>	<u>656,135</u>	<u>555,776</u>	<u>10,638,764</u>	<u>10,638,764</u>	<u>9,920,258</u>

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance (above)	\$ 10,627,332
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,240,232
Prepaid expenses are payable in the current period and therefore fully expensed in the funds.	70,385
Net pension liability is not reported in governmental funds.	(2,877,608)
Accrued expenses are payable in future periods, incurred in the current period.	(289,015)
Long-term debt obligations are not reported in the fund financial statements.	(7,990,000)
Net deferred inflows and outflows of resources related to pensions.	<u>1,191,748</u>
Net position of governmental activities	<u>\$ 16,973,074</u>

The accompanying notes are an integral part of the financial statements.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT, LAKE COUNTY, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
(CASH BASIS - NON-GAAP)

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

YEAR ENDED JUNE 30, 2017

	MAJOR FUNDS			OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	TOTAL (MEMORANDUM ONLY)	
	GENERAL	SPECIAL RESERVE	IMRF AND SOCIAL SECURITY			2017	2016
Revenues:							
Property taxes	\$ 8,247,040	-	598,213	-	8,845,253	8,845,253	8,690,959
State replacement tax	92,212	-	-	-	92,212	92,212	83,011
Interest	26,705	30,450	-	-	57,155	57,155	40,468
Per Capita Grant	-	-	-	-	-	-	46,129
Grants	400	-	-	-	400	400	1,200
Donations and gifts	2,843	-	-	-	2,843	2,843	13,483
Fines and fees	139,358	-	-	-	139,358	139,358	138,316
Program fees	10,730	-	-	-	10,730	10,730	4,945
Other income	8,698	-	-	-	8,698	8,698	5,956
	<u>8,527,986</u>	<u>30,450</u>	<u>598,213</u>	<u>-</u>	<u>9,156,649</u>	<u>9,156,649</u>	<u>9,024,467</u>
Expenditures:							
Personnel	4,473,720	-	-	-	4,473,720	4,473,720	4,408,338
Library materials	1,127,876	-	-	-	1,127,876	1,127,876	1,098,506
Operating expenses	1,147,918	-	-	-	1,147,918	1,147,918	1,344,719
Improvements and capital projects	136,349	9,456	-	-	145,805	145,805	576,567
Debt service	834,285	-	-	-	834,285	834,285	849,338
Contingencies	-	-	-	-	-	-	29,515
Social Security and IMRF	-	-	717,664	-	717,664	717,664	714,091
	<u>7,720,148</u>	<u>9,456</u>	<u>717,664</u>	<u>-</u>	<u>8,447,268</u>	<u>8,447,268</u>	<u>9,021,074</u>
Excess (deficiency) of revenues over expenditures	807,838	20,994	(119,451)	-	709,381	709,381	3,393
Other financing sources:							
Proceeds from issuance of debt certificates	4,806,600	-	-	-	4,806,600	4,806,600	3,360,500
Principal paid off	(4,805,000)	-	-	-	(4,805,000)	(4,805,000)	(3,360,500)
Fees of reissuance	-	-	-	-	-	-	(520)
	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600</u>	<u>1,600</u>	<u>(520)</u>
Net increase (decrease) in fund balance	809,438	20,994	(119,451)	-	710,981	710,981	2,873
Fund balances, beginning of year	<u>5,715,473</u>	<u>2,869,516</u>	<u>775,586</u>	<u>555,776</u>	<u>9,916,351</u>	<u>9,916,351</u>	<u>9,913,478</u>
Fund balances, end of year	\$ <u>6,524,911</u>	<u>2,890,510</u>	<u>656,135</u>	<u>555,776</u>	<u>10,627,332</u>	<u>10,627,332</u>	<u>9,916,351</u>
Reconciliation to statement of activities, change in net assets:							
Net change in fund balances-total governmental funds (above).						\$ 710,981	
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets is allocated over estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays.						(254,578)	
The change in the net pension liability is not reported in governmental funds.						67,140	
Principal and interest payments on long-term debt obligations are fully expensed in the fund financial statements and in the government-wide financial statements. Principal payments on debt certificates are a reduction of the outstanding debt certificates.						545,000	
Governmental funds report expenses as incurred, therefore prepaid and accrued expenses are fully reported in the funds. In the statement of activities, prepaid and accrued expenses are measured by the amount of financial resources used.						(40,000)	
Increase in long-term debt balance						38,400	
Bond issue costs						(48,140)	
Amortization of bond issuance costs						9,978	
Prepaid expenses						(289,015)	
Accrued expenses						(12,418)	
Prior year prepaid expenses						257,891	
Prior year accrued expenses							
Change in deferred inflows and outflows of resources related to pensions not reported as expenditures in the government funds.						(390,492)	
Change in net position of governmental activities						\$ <u>594,747</u>	

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

Cook Memorial Public Library District (District) is an Illinois local government. The District maintains two facilities, the Aspen Drive Library, Vernon Hills, and the Cook Park Library, Libertyville and operates a traveling bookmobile. The District's mission is to provide and promote open access to information, ideas and creative expression and to encourage life-long learning and personal growth.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The District's financial statements include all government activities, organizations and functions for which the Board of Trustees has oversight responsibility. Therefore, they include all the funds of the District whose expenditures are approved by the Board of Trustees.

The District has developed criteria to determine whether organizations with separate governing boards meet the criteria of a component unit. The criteria includes whether the potential component unit is legally separate, and whether the District is financially accountable for the organization. There is no entity included as a component unit, and the District is not considered to be a component unit of any other government unit.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

Governmental Funds

General Funds – The General Fund is the general operating fund of the District. It is used to account for all financial resources except for those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds of the District are the Social Security/Illinois Municipal Retirement Fund (IMRF) and the Working Cash Fund.

Capital Projects Funds – The Capital Projects Funds are used to account for capital projects of the District. The Capital Projects Fund is the Special Reserve Fund.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting, Continued

The District reports the following major governmental funds:

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

The Special Reserve Fund is used to account for capital projects of the District.

The IMRF and Social Security Fund is used to account for the District's required contributions to the IMRF and Social Security.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned and expenses and deductions 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.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued

Governmental fund financial statements are reported using the cash basis of accounting. Their revenues are recognized when they are received. Expenditures are recognized only when paid.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Cash and Cash Equivalent

The District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000, except for library materials, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost 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. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15 - 20 years
Building and improvements	40 years
Furniture and equipment	5 - 20 years
Vehicles	8 years
Intangibles – automated	
Library system (amortized)	5 years
Library materials	7 years

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balances

The District reports fund balances according to Government Accounting Standards Board (GASB) Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as Special Reserve Fund expenditures). An assigned fund balance is established by the Board of Trustees through the adoption or amendment of the budget as intended for specific purpose.

When fund balance resources are available for specific purposes in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. Although not specifically assigned, due to timing of property tax collections, the District uses year end fund balances to fund operating expenses for most of the next year.

Budgets

The District's budget is prepared on the cash basis method of accounting. As prescribed by the statutes, the District in its budgeting process includes as a resource (amount available for current expenditures) a portion of the fund balance that has been accumulated in prior years. The budgets must be approved within 90 days after the beginning of the fiscal year.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Board of Trustees adopts a Budget Resolution.
2. Notice is published in the paper that the tentative Annual Budget and Appropriation Ordinance are available for public inspection.
3. Budget hearings are conducted, 30 days after publication.
4. The budget is legally enacted through passage of an ordinance by the Board of Trustees.
5. The budget may be amended by the Board of Trustees.
6. Budgets are adopted on a basis consistent with the prior year.
7. A certified copy of the Annual Budget and Appropriation Ordinance must be filed with the County Clerk within 30 days of adoption.

During the year ended June 30, 2017, there were no amendments to the operating budget. The original and final budget amounts presented on the fund financial statements represent the original operating budget and the final operating budget. The budget was approved on May 17, 2016.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate category called deferred outflows of resources, which represents a consumption of net position or fund balance that applies to a future period. Deferred outflows of resources are considered by GASB to be separate and distinct from assets. The District reports deferred outflows of resources related to pension related items.

In addition to liabilities, the statement of net position includes a separate category called deferred inflows of resources, which represents an acquisition of net position that applies to a future period. Deferred inflows of resources are considered by GASB to be separate and distinct for liabilities. The District reports deferred inflows of resources related to pension related items and unearned property tax revenue.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net pension of the IMRF and additions to/deductions from IMRF's fiduciary net pension have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Subsequent Events

Subsequent events have been evaluated through November 16, 2017, the date that the financial statements were available for issue.

NOTE 3 - DEPOSITS AND INVESTMENTS

Bank deposits and investments consisted of the following at June 30, 2017:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Bank deposits -		
Insured by FDIC (Category 1)	\$ 250,000	250,000
- Collateral held in excess of FDIC limits	5,764,913	5,885,122
Cash on hand	<u>685</u>	<u>-</u>
	\$ <u>6,015,598</u>	<u>6,135,122</u>
Other investments:		
Investments in certificate of deposit, no more than \$250,000 at any institution, insured by FDIC	4,129,585	
Money market fund	359,025	
The Illinois Funds		
- Collateral held by Illinois Funds in excess of balances (Category 1)	<u>134,556</u>	
	\$ <u>4,623,166</u>	

The Illinois Funds is an investment pool for Illinois local governments. All investments currently held by the District have been authorized by the District's management.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access at the measurement date. |
| Level 2 | <p>Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

Certificates of deposit: Based upon face value of certificates.

Money market funds: Based on the net asset value (NAV) of shares held at year end.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED

Illinois Funds: Based on the NAV of shares held at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the District's investments at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ 359,025	-	-	359,025
Certificates of deposit	-	4,129,585	-	4,129,585
Illinois Funds	-	134,556	-	134,556
Total assets at fair value	\$ <u>359,025</u>	<u>4,264,141</u>	<u>-</u>	<u>4,623,166</u>

For the years ended June 30, 2017, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

NOTE 5 - UNAMORTIZED PREMIUM PAID ON INVESTMENT PURCHASE

Since December 2012, the District has purchased certificates of deposit at amounts over face value of the investments that included accrued interest and premiums paid. Unamortized premium paid on investment purchases were fully amortized during the fiscal year ended June 30, 2017.

The premiums are amortized over 23 to 25 months through the maturity of the investments. The premiums were fully amortized during the fiscal year ended June 30, 2017. Amortization of premiums amounted to \$171 for the fiscal year ended June 30, 2017.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 6 - REVENUE RECOGNITION - PROPERTY TAXES

For the fund financial statements, property taxes attach as an enforceable lien on January 1. They are levied in November of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Lake County (County) and issued on or about May 1, and are payable in two installments; on or about June 1 and on or about September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when the taxes are collected, in the year following the levy and lien date. Therefore, the revenue for the year ended June 30, 2017 is from the 2015 and 2016 tax levies.

For the government-wide financial statements, the District's property tax levy is based on a final appropriations ordinance.

Property taxes are recorded as revenue in the period covered by the appropriations which they are intended to finance. The 2016 tax levy was based on the appropriations ordinance for the year ended June 30, 2017 and thus has been recorded as revenue. Collections of \$4,548,707 were received on this levy through June 30, 2017 and the remaining balance of \$4,230,722 has been deferred until the subsequent year. Amounts collected for use by the General Fund, included in unassigned fund balance, amount to \$4,242,815 and amounts collected for use by the IMRF and Social Security Fund included in committed fund balance, amount to \$305,892.

NOTE 7 - PERSONAL PROPERTY REPLACEMENT TAX

The Personal Property Replacement Tax represents an additional State of Illinois income tax on corporations (including certain utilities), trusts, partnerships and Subchapter-S corporations and a new tax on the invested capital of public utilities providing gas, communications, electrical and water services.

Personal property replacement taxes are received from the State of Illinois eight times a year.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 8 - CAPITAL ASSETS

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIRE- MENTS</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities:</u>				
Aspen Drive land	\$ 1,008,500	-	-	<u>1,008,500</u>
Capital assets				
being depreciated:				
Buildings and improvements	\$ 15,488,327	35,277	-	15,523,603
Furniture and equipment	1,675,565	343,609	29,636	1,989,539
Vehicles	205,841	29,515	21,952	213,404
Automated library system and other software	262,589	-	7,506	255,083
Library materials	<u>7,009,504</u>	<u>577,348</u>	-	<u>7,586,852</u>
	24,641,826	<u>985,749</u>	<u>59,094</u>	25,568,481
Less accumulated depreciation	<u>9,155,516</u>			<u>10,336,749</u>
	\$ <u>15,486,310</u>			<u>15,231,732</u>

The land at the Cook Park facility is owned by the municipality and not the District.

Depreciation expense charged to governmental activities was \$1,237,552 for the year ended June 30, 2017.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 9 - LONG-TERM DEBT

The District has issued general obligation debt certificates to provide funds for acquisition, expansion and renovation. Long-term debt is reported on the government-wide financial statements and is not included in the fund financial statements in accordance with GASB 34.

Long-term debt at June 30, 2017 consisted of the following general obligation debt certificates:

Twelve-year debt certificates, \$3,390,000 original issue, dated November 4, 2015 with interest rate of 2.313%, maturing February 2028	\$ 3,145,000
Twelve-year debt certificates, \$4,845,000 original issue, dated November 15, 2016 with interest rate of 1.84%, maturing February 2029	<u>4,845,000</u>
Debt subtotal	7,990,000
Less current portion	<u>590,000</u>
	\$ <u><u>7,400,000</u></u>

Principal and interest payments due on long-term debt during each of the next five years and to maturity are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2018	\$ 590,000	180,712	770,712
2019	620,000	149,830	769,830
2020	615,000	137,121	752,121
2021	625,000	124,433	749,433
2022	640,000	111,585	751,585
2023 - 2027	3,400,000	354,710	3,754,710
2028 - 2029	<u>1,500,000</u>	<u>42,359</u>	<u>1,542,359</u>
	<u>\$ 7,990,000</u>	<u>1,100,750</u>	<u>9,090,750</u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 9 - LONG-TERM DEBT, CONTINUED

During October 2016, the District hired a municipal advisor and consultant to market the sale of debt certificates to financial institutions for purposes of refunding the existing 2009 Series debt certificates. On October 19, 2016, the District accepted an offer from JP Morgan Chase Bank, NA to purchase from the District \$4,845,000 in debt certificates at a true interest cost of 1.84%. The sale closed on November 15, 2016. The proceeds were held in FDIC insured accounts until February 1, 2017 at which time the proceeds were used to retire the outstanding balance of the 2009 Series debt certificates. This refunding is expected to save the District approximately \$692,000 over the remaining 12 years' life of the debt certificates.

The premium paid at the debt issuance is included in the total loan balance. The premium is amortized at \$5,223 annually.

NOTE 10 - OPERATING LEASES

The District leases copiers and computer equipment under various operating leases which require monthly rental payments from \$80 to \$948 and expire at various dates through October 2021. Rent expense included in operations under these lease agreements totaled \$12,146 during the fiscal year ended June 30, 2017.

The aggregate future minimum lease commitment on these leases as of June 30, 2017 is as follows:

2018	\$	8,216
2019		8,056
2020		6,296
2021		6,136
2022		<u>2,557</u>
	\$	<u>31,261</u>

NOTE 11 - RISK MANAGEMENT

The District purchases commercial insurance to minimize its risk from loss relating to thefts or damage to property, and liability and workers' compensation claims. There were no significant reductions in insurance coverage from the prior year and no settlements exceeded the insurance coverage for each of the past three years.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 12 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This deferred compensation plan, available to all District employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. According to GASB 32, the District does not report these funds in these financial statements.

NOTE 13 - OTHER POST EMPLOYMENT BENEFITS

The District participates in a cost-sharing multiple employer defined benefit other post-employment benefits plan administered by Cooperative 90's Health Plan (DB Plan). The DB Plan provides health benefits in accordance with an administrative agreement between the affiliates who participate in the DB Plan. Rates are reviewed annually. The District pays 90% of the applicable single rate and 50% of any other rate coverage for active employees. Retirees pay 100% of their applicable coverage. The monthly single rate for the DB Plan year beginning June 1, 2017 is \$721. The District paid 100% of its required premiums for the year ended June 30, 2017. The District is required to offer employees, who are IMRF vested, continuing health insurance participation upon termination of employment. The retiree pays the entire health insurance premium and therefore there is no explicit subsidy. The District participates in a community-rated health insurance plan and as such, it is the District's opinion that there is no implicit subsidy as defined by GASB Statement No. 45. The DB Plan issues an audited financial report. Information regarding the DB Plan may be obtained from the District.

NOTE 14 - COMPENSATED ABSENCES

The District provides paid vacation for all full-time employees based on their job classification or the number of years of service, with one or two weeks carryover allowed for unused vacation, depending on how much vacation each employee earns annually, as follows:

Full-time librarians with an MLS degree and department managers	4 paid weeks
1 - 5 years	2 paid weeks
6 - 13 years	3 paid weeks
14 - 20 years	4 paid weeks
Over 20 years	5 paid weeks

The District uses the employee's vacation year for vacation accrual calculation purposes. The vacation pay accrued at year end in the government-wide financial statements amounts to \$159,744. Vacation time anticipated to be used or paid within one year is estimated at \$127,795.

In addition, all full-time employees accrue sick leave at the rate of one day per month to a

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 14 - COMPENSATED ABSENCES, CONTINUED

maximum of 240 working days. Since these accumulated sick days are not payable when the employee leaves employment there is no sick pay accrued at year end.

NOTE 15 - DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan (Plan) for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to Plan members and beneficiaries. The District's Plan is affiliated with the IMRF, an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

Benefits Provided

IMRF provides retirement, disability and death benefits. Retirement benefits are as follows:

Plan	Regular Tier 1	Regular Tier 2
Vesting	8 years	10 years
Minimum age for unreduced benefit	35 + years of service: 55, otherwise 60	35 + years of service: 62, otherwise 67
Final rate of earnings	Highest consecutive 48 months in the last 10 years	Highest consecutive 96 months in the last 10 years; pensionable earnings initially capped at \$110,631 increasing annually by 3% or 1/2 of CPI, whichever is less
Survivor benefits	Annuity for eligible spouse	Annuity for eligible spouse
Post-retirement increase	3% of original amount	3% or 1/2 of CPI, whichever is less of original amount
Early retirement	At age 55, discount based on age and service	At age 62, discount based on age and service

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 15 - DEFINED BENEFIT PENSION PLAN, CONTINUED

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Membership

The Plan contains the following number and classes of employees:

Retirees and beneficiaries	\$	72
Inactive, non-retired members		43
Active members		<u>85</u>
Total	\$	<u><u>200</u></u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the District reported a net pension liability of \$2,877,608. The pension plan's fiduciary net position as a percentage of the total pension liability is 85.27%. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016.

Total pension liability	\$	19,531,175
Plan fiduciary net position		<u>16,653,567</u>
	\$	<u><u>2,877,608</u></u>

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 15 - DEFINED BENEFIT PENSION PLAN, CONTINUED

For the year ended December 31, 2016, the District recognized pension expenses of \$739,698. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 338,833	(63,938)	274,895
Assumption changes	158,293	(62,290)	96,003
Net difference between projected and actual earnings on pension plan investments	<u>820,850</u>	<u>-</u>	<u>820,850</u>
	<u>\$ 1,317,976</u>	<u>(126,228)</u>	<u>1,191,748</u>

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

<u>Year ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 523,328
2018	396,350
2019	252,155
2020	19,915
2021	-
Thereafter	<u>-</u>
	<u>\$ 1,191,748</u>

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods includes the measurement:

Inflation	2.75%
Salary increases	3.75% to 14.5% including inflation
Investment rate of return	7.50%

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 15 - DEFINED BENEFIT PENSION PLAN, CONTINUED

Actuarial Assumptions, Continued

Retirement Age	Experience –based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 full generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information Notes	There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation report.

Single Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
(CONTINUED)**

NOTE 15 - DEFINED BENEFIT PENSION PLAN, CONTINUED

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	PENSION LIABILITY (A)	PLAN NET POSITION (B)	NET PENSION LIABILITY (A) – (B)
Balances at December 31, 2015	\$ 18,729,305	15,784,557	2,944,748
Changes for the year:			
Service cost	372,295	-	372,295
Interest on the total pension liability	1,373,230	-	1,373,230
Changes of benefit terms	-	-	-
Differences between expected and actual of the total pension	157,308	-	157,308
Changes of assumptions	(85,881)	-	(85,881)
Contributions – District	-	416,346	(416,346)
Contributions – employees	-	165,846	(165,846)
Net investment income	-	1,076,486	(1,076,486)
Benefit payments, including refunds of employee contributions	(1,015,082)	(1,015,082)	-
Other (net transfer)	-	225,414	(225,414)
Net changes	<u>801,870</u>	<u>869,010</u>	<u>(67,140)</u>
Balances at December 31, 2016	\$ <u>19,531,175</u>	<u>16,653,567</u>	<u>2,877,608</u>

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) the current rate

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

NOTE 15 - DEFINED BENEFIT PENSION PLAN, CONTINUED

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes
in the Discount Rate, Continued

	1% Decrease <u>(6.5%)</u>	Current <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
The District's proportionate share of net pension liability \$	<u>5,187,563</u>	<u>2,877,608</u>	<u>954,208</u>

REQUIRED SUPPLEMENTARY INFORMATION

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL
(CASH BASIS - NON-GAAP)
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	2017 APPROPRIATION	2017 BUDGET	2017 ACTUAL	2016 ACTUAL
Revenues:				
Taxes:				
Property taxes	\$ 8,131,000	8,131,000	8,247,040	8,109,144
State replacement tax	52,000	52,000	92,212	83,011
Interest	6,000	6,000	26,705	14,498
Per Capita Grant	-	-	-	46,129
Grants	-	-	400	1,200
Donations and gifts	-	-	2,843	13,483
Fines and fees	107,600	107,600	139,358	138,316
Program fees	4,000	4,000	10,730	4,945
Other income	8,400	8,400	8,698	5,956
		8,309,000	8,527,986	8,416,682
Total revenues				
Expenditures:				
Personnel:				
Salaries	\$ 4,240,000	4,128,000	4,035,993	3,964,940
Benefits	450,000	429,000	392,901	390,318
Staff development	71,000	68,000	44,826	53,080
	4,761,000	4,625,000	4,473,720	4,408,338
Books and other materials	1,193,000	1,136,000	1,127,876	1,098,506
Operating expenses:				
Processing	39,000	36,000	29,312	28,907
Supplies	122,000	104,500	98,817	105,731
Vehicle operation	26,000	25,000	11,020	13,096
Computer operation	490,000	420,000	379,701	554,018
Utilities	200,000	167,000	153,745	149,318
Telephone	30,000	27,500	24,231	25,495
Postage	15,000	11,000	9,214	9,247
Maintenance	175,000	161,500	114,271	111,612
Repairs	135,000	128,000	81,696	96,708
Insurance	95,000	89,000	59,868	74,818
Professional services	95,000	69,500	62,731	48,799
Community relations	175,000	168,000	123,312	126,970
Rent	5,000	-	-	-
	1,602,000	1,407,000	1,147,918	1,344,719

Continued on page 34

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL
(CASH BASIS - NON-GAAP)
GENERAL FUND
YEAR ENDED JUNE 30, 2017
(CONTINUED)**

	<u>2017 APPROPRIATION</u>	<u>2017 BUDGET</u>	<u>2017 ACTUAL</u>	<u>2016 ACTUAL</u>
Improvements and capital projects	\$ 215,000	205,000	136,349	195,623
Debt service:				
Principal	855,000	545,000	545,000	509,500
Interest and fees	-	291,000	289,285	339,838
	<u>855,000</u>	<u>836,000</u>	<u>834,285</u>	<u>849,338</u>
Contingencies	<u>100,000</u>	<u>100,000</u>	-	<u>29,515</u>
Total expenditures	\$ <u><u>8,726,000</u></u>	<u>8,309,000</u>	<u>7,720,148</u>	<u>7,926,039</u>
Excess of revenues over expenditures		\$ <u><u>-</u></u>	807,838	490,643
Other financing sources:				
Proceeds from issuance of debt certificates			4,806,600	3,360,500
Principal paid off			(4,805,000)	(3,360,500)
Fees of reissuance			-	(520)
			<u>1,600</u>	<u>(520)</u>
Net increase in fund balance			809,438	490,123
Fund balances, beginning of year			<u>5,715,473</u>	<u>5,225,350</u>
Fund balances, end of year			<u><u>6,524,911</u></u>	<u><u>5,715,473</u></u>

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL
(CASH BASIS - NON-GAAP)
SPECIAL RESERVE FUND
YEAR ENDED JUNE 30, 2017**

	<u>2017 APPROPRIATION</u>	<u>2017 BUDGET</u>	<u>2017 ACTUAL</u>	<u>2016 ACTUAL</u>
Revenues -				
Interest		\$ -	30,450	25,970
Total revenues		-	30,450	25,970
Expenditures -				
Improvements and capital projects	\$ 2,000,000	-	9,456	380,944
Total expenditures	<u>\$ 2,000,000</u>	-	9,456	380,944
Excess (deficiency) of revenues over expenditures		\$ -	20,994	(354,974)
Other financing sources -				
Net transfers in			-	-
Fund balances, committed:				
Beginning of year			<u>2,869,516</u>	<u>3,224,490</u>
End of year			<u>\$ 2,890,510</u>	<u>2,869,516</u>

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL
(CASH BASIS - NON-GAAP)
IMRF AND SOCIAL SECURITY FUND
YEAR ENDED JUNE 30, 2017**

	2017 APPROPRIATION	2017 BUDGET	2017 ACTUAL	2016 ACTUAL
Revenues -				
Taxes:				
Property taxes		\$ 593,541	598,213	581,815
State replacement tax		-	-	-
Total revenues		593,541	598,213	581,815
Expenditures -				
Social Security and IMRF	\$ 797,000	759,064	717,664	714,091
Total expenditures	\$ 797,000	759,064	717,664	714,091
Deficiency of revenue over expenditures		\$ (165,523)	(119,451)	(132,276)
Fund balances, committed:				
Beginning of year			775,586	907,862
End of year			\$ 656,135	775,586

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS –
ILLINOIS MUNICIPAL RETIREMENT FUND – LAST THREE YEARS**

Historical trend information designed to provide information about the progress made in accumulating sufficient assets to pay benefits due is presented below:

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (b)	UNFUNDED ALL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
12/31/16	6,086,705	8,767,617	2,680,912	69.42	3,365,768	79.65%
12/31/15	6,012,755	8,610,871	2,598,116	69.83	3,315,165	78.37%
12/31/14	6,067,605	8,601,199	2,533,594	70.54	3,145,696	80.54%

On a market value basis, the actuarial value of assets as of December 31, 2016 is \$5,936,267. On a market basis, the funded ratio would be 67.71%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Cook Memorial Public Library District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(LAST 10 CALENDAR YEARS, AS AVAILABLE)
YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:			
Service cost	\$ 372,295	360,561	380,529
Interest on the total pension liability	1,373,230	1,283,279	1,198,261
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	157,308	496,699	(352,253)
Changes of assumptions	(85,881)	40,855	770,231
Benefit payments, including refunds of employee contributions	<u>(1,015,082)</u>	<u>(855,893)</u>	<u>(801,683)</u>
Net change in total pension liability	801,870	1,325,501	1,195,085
Total pension liability, beginning	<u>18,729,305</u>	<u>17,403,804</u>	<u>16,208,719</u>
Total pension liability, ending	<u>19,531,175</u>	<u>18,729,305</u>	<u>17,403,804</u>
Plan fiduciary net position:			
Contribution - employer	416,346	423,441	384,647
Contribution - employee	165,846	156,355	143,830
Net investment income	1,076,486	77,567	914,607
Benefit payments, including refunds of employee contributions	(1,015,082)	(855,893)	(801,683)
Other (net transfer)	<u>225,414</u>	<u>331,609</u>	<u>(120,083)</u>
Net change in plan fiduciary net position	869,010	133,079	521,318
Plan fiduciary net position, beginning	<u>15,784,557</u>	<u>15,651,478</u>	<u>15,130,160</u>
Plan fiduciary net position, ending	<u>16,653,567</u>	<u>15,784,557</u>	<u>15,651,478</u>
Net pension liability	<u>\$ 2,877,608</u>	<u>2,944,748</u>	<u>1,752,326</u>
Plan fiduciary net position as a percentage of the total pension liability	85.27%	84.28%	89.93%
Covered valuation payroll	\$ 3,365,768	3,315,165	3,178,852
Net pension liability as a percentage of covered valuation payroll	85.50%	88.83%	55.12%

The accompanying notes are an integral part of the financial statements.

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
(LAST 10 CALENDAR YEARS, AS AVAILABLE)

YEARS ENDED DECEMBER 31, 2016, 2015 and 2014

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered</u>
2014	\$ 381,462	384,647	(3,185)	3,178,862	12.10%
2015	417,711	423,441	(5,730)	3,315,165	12.77%
2016	416,346	416,346	-	3,365,768	12.37%

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Summary of actuarial methods and assumptions used in the calculation of the 2016 contribution rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	Non-taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method:	5 year smoothed market; 20% corridor
Wage Growth:	3.5%
Price Inflation:	2.75% approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	3.75% to 14.5%, including inflation
Investment Rate of Return:	7.5%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
(CONTINUED)**

Methods and Assumptions Used to Determine 2016 Contribution Rates, Continued:

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2014, actuarial valuation; note two year lag between valuation and rate setting.

**SPECIAL REVENUE NON-MAJOR FUND
FINANCIAL STATEMENTS**

COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
SPECIAL REVENUE NON-MAJOR FUND
(CASH BASIS - NON-GAAP)

WORKING CASH FUND

JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$	55,776
Investments		<u>500,000</u>
Total assets	\$	<u><u>555,776</u></u>

LIABILITIES AND FUND BALANCES

Liabilities	\$	-
Fund balances, committed		<u>555,776</u>
	\$	<u><u>555,776</u></u>

The accompanying notes are an integral part of the financial statements.

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - APPROPRIATION, BUDGET AND ACTUAL
SPECIAL REVENUE NON-MAJOR FUND
(CASH BASIS - NON-GAAP)**

WORKING CASH FUND

YEAR ENDED JUNE 30, 2017

	<u>2017 APPROPRIATION</u>	<u>2017 BUDGET</u>	<u>2017 ACTUAL</u>	<u>2016 ACTUAL</u>
Revenues		\$ -	-	-
Expenditures	\$ -	-	-	-
Excess of revenues over expenditures		\$ -	-	-
Fund balances, committed:				
Beginning of year			<u>555,776</u>	<u>555,776</u>
End of year			\$ <u>555,776</u>	<u>555,776</u>

The accompanying notes are an integral part of the financial statements.

OTHER SUPPLEMENTARY INFORMATION

**COOK MEMORIAL PUBLIC LIBRARY DISTRICT
LAKE COUNTY, ILLINOIS**

**PROPERTY TAX, ASSESSED VALUATIONS AND RATES
LAST THREE TAX LEVY YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed valuations	\$ <u>3,033,760,437</u>	<u>2,858,950,664</u>	<u>2,741,311,656</u>
Date adopted	10/18/2016	10/20/2015	10/21/2014
Tax rates (per one-hundred dollars of assessed value)			
General	0.270	0.283	0.291
Social Security and IMRF	<u>0.019</u>	<u>0.021</u>	<u>0.021</u>
	<u>0.289</u>	<u>0.304</u>	<u>0.312</u>
 Total extension	 \$ <u>8,779,429</u>	 <u>8,677,401</u>	 <u>8,557,059</u>
Collected through June 30, 2017	\$ <u>4,548,707</u>	<u>8,653,864</u>	<u>8,516,899</u>
Percentage collected	<u>51.81%</u>	<u>99.73%</u>	<u>99.53%</u>

The accompanying notes are an integral part of the financial statements.