

ROLLING MEADOWS LIBRARY
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Rolling Meadows Library
Rolling Meadows, Illinois

We have audited the accompanying financial statements of the governmental activities and each major fund of Rolling Meadows Library, a component unit of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 2016, and the related notes to the 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 from 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 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.

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 and each major fund of the Rolling Meadows Library, as of December 31, 2016, 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 management's discussion and analysis and other required supplementary information on pages 3 through 5 and 21 through 24 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 financial statements. The accompanying financial information listed as Additional Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relate 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 information is fairly stated in all material respects, in relation to the financial statements as a whole.

June 15, 2017

McClure, Inseena & Co., Chtd.

ROLLING MEADOWS LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2016

Management of the Rolling Meadows Library (Library) provides this narrative overview and analysis for the fiscal year ended December 31, 2016. It is recommended that readers consider this information in conjunction with the financial statements as a whole.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the Library's financial statements. The statements presented include a Governmental Funds Balance Sheet and Statement of Net Position, a Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities, and notes to the financial statements. The Library qualifies as a special-purpose government engaged in only one governmental type activity allowing it to combine the fund and government-wide financial statements. This is done through the use of an adjustment column, on the face of the statements, which reconciles the fund based financial statements to the government-wide statements.

Financial Highlights

The Library's total net position as of December 31, 2016 and 2015 were \$4,157,194 and \$4,191,304 respectively. For the years ended December 31, 2016 and 2015, net position decreased \$34,110 and \$1,049,634, respectively. The term "net position" represents the difference between total assets/deferred outflows and total liabilities/deferred inflows of resources. The decrease in 2015 is due to the expense incurred from the change in the IMRF pension liability.

Financial Statements

The financial statements of the Library are intended to provide the reader with an understanding of the financial position of the Library as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a private-sector business.

The Governmental Funds Balance Sheet and Statement of Net Position provides information on the Library's assets/deferred outflows and liabilities/deferred inflows of resources. The difference between these two represents governmental fund balances for the current financial resources reporting and net position for the government-wide reporting. Increases in fund balances and net position occur when revenues exceed expenditures/expenses. Information is presented for each major fund and shows any restrictions on the fund or net position.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities reflects the results of the Library's revenues, expenditures/expenses and activities during the year and the corresponding effect on fund and net position balances. This statement shows the source of Library revenues and how those revenues were used to provide Library services.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements. Required Supplementary Information consists of a comparison of budget to actual, revenues and expenditures, IMRF pension information, and other post-employment benefits plan.

Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. The Library's assets/deferred outflows exceed liabilities/deferred inflows by \$4,157,194 as of the close of the year. Of the net position balance, \$325,655 is unrestricted, \$278,206 is restricted and \$3,553,333 is the net investment in capital assets.

Condensed Statement of Net Position

	December 31,	
	2016	2015
Current Assets	\$ 6,507,381	\$ 6,161,151
Capital Assets, net of accumulated depreciation	3,553,333	3,597,572
Total Assets	10,060,714	9,758,723
Deferred Outflows of Resources	678,750	992,684
Current Liabilities	341,411	273,439
Non-Current Liabilities	2,383,453	2,501,659
Total Liabilities	2,724,864	2,775,098
Deferred Inflows of Resources	3,857,406	3,785,005
Net Position		
Net Investment in Capital Assets	3,553,333	3,597,572
Restricted	278,206	265,875
Unrestricted	325,655	327,857
Total Net Position	\$ 4,157,194	\$ 4,191,304

Condensed Statement of Activities

	For the Years Ended December 31,	
	2016	2015
Revenues		
Property and Replacement Taxes	\$ 3,737,594	\$ 3,657,088
Fines, Fees and Rentals	33,058	35,207
Intergovernmental Grants	18,577	30,124
Interest Income	6,512	1,144
Gifts and Donations	15,554	10,810
Miscellaneous	1,882	1,772
Total Revenues	3,813,177	3,736,145
Expenses		
Salaries and Employee Benefits	2,696,571	3,592,247
Library Materials and Services	142,892	169,679
Operational Costs	265,996	256,348
Maintenance	261,414	260,063
Capital Projects (Non-Capitalized)	28,446	54,285
Other	78	2,095
Depreciation	451,890	451,062
Total Expenses	3,847,287	4,785,779
Increase (Decrease) in Net Position	(34,110)	(1,049,634)
Net Position		
Beginning of Year, As Originally Stated	4,191,304	5,630,314
Cumulative Effect of Change in Accounting Principle	-	(389,376)
Beginning of Year, As Restated	4,191,304	5,240,938
End of Year	\$ 4,157,194	\$ 4,191,304

The following is a summary of changes in fund balances for the year ended December 31, 2016:

<u>Governmental Funds</u>	<u>Fund Balance December 31, 2015</u>	<u>Increase (Decrease)</u>	<u>Fund Balance December 31, 2016</u>
General	\$ 1,760,147	\$ 130,177	\$ 1,890,324
Working Cash	265,875	-	265,875
Capital Projects	289,991	59,481	349,472
	<u>\$ 2,316,013</u>	<u>\$ 189,658</u>	<u>\$ 2,505,671</u>

The General Fund includes the board designated funds of \$280,000 (Assigned). During 2016, the General Fund transferred \$130,000 to the Capital Projects Fund.

Budgetary Highlight

The Library's General Fund expended \$3,553,000, which was \$77,293 less than the budget of \$3,630,293, for the year ended December 31, 2016. These amounts do not include the intrafund transfer of \$20,000 to the board designated fund or the operating transfer of \$130,000 to the Capital Projects Fund.

Capital Assets

The following is a summary of capital assets as of December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 608,893	\$ 608,893
Construction-In-Progress	71,369	-
Building and Improvements	4,457,127	4,451,776
Furniture and Equipment	600,295	594,999
Books and Other Library Materials	2,507,734	2,532,944
Audio Visual Materials	535,316	548,665
Cost of Capital Assets	8,780,734	8,737,277
Less Accumulated Depreciation	<u>(5,227,401)</u>	<u>(5,139,705)</u>
Net Capital Assets	<u>\$ 3,553,333</u>	<u>\$ 3,597,572</u>

Major capital expenditures for the year ended December 31, 2016 includes books and audiovisual materials, and construction-in-progress towards an \$850,000 West Wing expansion to the Library. Periodicals are not capitalized. See Note 4 on page 12 for a more complete disclosure.

Description of Current or Expected Conditions

Presently, 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 Library in the near future.

Requests for Information

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Rolling Meadows Library, 3110 Martin Lane, Rolling Meadows, Illinois 60008.

BASIC FINANCIAL STATEMENTS

ROLLING MEADOWS LIBRARY

GOVERNMENTAL FUNDS BALANCE SHEET
AND
STATEMENT OF NET POSITION

DECEMBER 31, 2016

	GENERAL FUND	WORKING CASH FUND	CAPITAL PROJECTS FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF NET POSITION
ASSETS						
Cash and Deposits	\$ 2,096,245	\$ 265,875	\$ 404,441	\$ 2,766,561	\$ -	\$ 2,766,561
Property Taxes Receivable, Net of Allowance	3,740,820	-	-	3,740,820	-	3,740,820
Capital Assets, Net of Accumulated Depreciation	-	-	-	-	3,553,333	3,553,333
Total Assets	5,837,065	265,875	404,441	6,507,381	3,553,333	10,060,714
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Items Related to Pension (IMRF)	-	-	-	-	678,750	678,750
Total Assets and Deferred Outflows of Resources	\$ 5,837,065	\$ 265,875	\$ 404,441	\$ 6,507,381	4,232,083	10,739,464
LIABILITIES						
Accounts Payable	\$ 105,743	\$ -	\$ 54,969	\$ 160,712	-	160,712
Accrued Payroll	100,178	-	-	100,178	-	100,178
Compensated Absences	-	-	-	-	80,521	80,521
Long-Term Liabilities						
Due After One Year	-	-	-	-	2,383,453	2,383,453
Total Liabilities	205,921	-	54,969	260,890	2,463,974	2,724,864
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	3,740,820	-	-	3,740,820	-	3,740,820
Deferred Items Related to Pension (IMRF)	-	-	-	-	116,586	116,586
Total Liabilities and Deferred Inflows of Resources	3,946,741	-	54,969	4,001,710	2,580,560	6,582,270
FUND BALANCES / NET POSITION						
Fund Balances						
Restricted for Statutory Purposes	12,331	265,875	-	278,206	(278,206)	-
Committed for Capital Projects	-	-	349,472	349,472	(349,472)	-
Assigned	280,000	-	-	280,000	(280,000)	-
Unassigned	1,597,993	-	-	1,597,993	(1,597,993)	-
Total Fund Balances	1,890,324	265,875	349,472	2,505,671	(2,505,671)	-
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 5,837,065	\$ 265,875	\$ 404,441	\$ 6,507,381		
Net Position						
Net Investment in Capital Assets					3,553,333	3,553,333
Restricted					278,206	278,206
Unrestricted					325,655	325,655
Total Net Position					\$ 4,157,194	\$ 4,157,194

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

ROLLING MEADOWS LIBRARY

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	GENERAL FUND	WORKING CASH FUND	CAPITAL PROJECTS FUND	TOTAL	ADJUSTMENTS (Note 10)	STATEMENT OF ACTIVITIES
REVENUES						
Property Taxes	\$ 3,672,778	\$ -	\$ -	\$ 3,672,778	\$ -	\$ 3,672,778
Personal Property Replacement Taxes	64,816	-	-	64,816	-	64,816
Fines, Fees and Rentals	33,058	-	-	33,058	-	33,058
Intergovernmental Grants	18,577	-	-	18,577	-	18,577
Interest Income	6,512	-	-	6,512	-	6,512
Gifts and Donations	15,554	-	-	15,554	-	15,554
Miscellaneous	1,882	-	-	1,882	-	1,882
Total Revenues	3,813,177	-	-	3,813,177	-	3,813,177
EXPENDITURES / EXPENSES						
Salaries and Employee Benefits	2,517,042	-	-	2,517,042	179,529	2,696,571
Library Materials and Services	468,527	-	-	468,527	(325,635)	142,892
Operational Costs	265,996	-	-	265,996	-	265,996
Maintenance	261,414	-	-	261,414	-	261,414
Capital Projects	39,943	-	70,519	110,462	(82,016)	28,446
Other	78	-	-	78	-	78
Depreciation	-	-	-	-	451,890	451,890
Total Expenditures / Expenses	3,553,000	-	70,519	3,623,519	223,768	3,847,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	260,177	-	(70,519)	189,658	-	-
Other Financing Sources (Uses)						
Operating Transfers In (Out)	(130,000)	-	130,000	-	-	-
Net Change in Fund Balances	130,177	-	59,481	189,658	(189,658)	
Change in Net Position					(34,110)	(34,110)
FUND BALANCES / NET POSITION						
Beginning of Year	1,760,147	265,875	289,991	2,316,013	1,875,291	4,191,304
End of Year	\$ 1,890,324	\$ 265,875	\$ 349,472	\$ 2,505,671	\$ 1,651,523	\$ 4,157,194

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

ROLLING MEADOWS LIBRARY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Rolling Meadows Library (Library) have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. 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's reporting entity includes all entities for which the Library exercised oversight responsibility as defined by the GASB.

The Library has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Library (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). Using these criteria, the Library has not included in its financial statements the activities of any other entity.

The Library is a component unit of the City of Rolling Meadows (City).

B. Basis of Presentation

The government-wide and fund financial statements are combined, with a reconciliation shown between them. The Governmental Funds Balance Sheet and Statement of Net Position and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combine information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Library functions or activities.

All of the funds of the Library are considered major and are reported as separate columns in the fund financial statements.

Governmental funds are used to account for all or most of a Library's general activities, including the collection and disbursement of earmarked monies for working cash (special revenue fund), and the acquisition or construction of general capital assets (capital projects fund). The general fund is used to account for all activities of the Library not accounted for in some other fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the current financial measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general fund. All annual budget amounts lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

E. Deposits and Investments

Illinois Revised Statutes authorize the Library to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing savings accounts, certificates of deposit or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ILCS 30, 235-2, e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks that are insured by the Federal Deposit Insurance Corporation. The Library is guided by the Illinois Revised Statutes and has a written investment policy.

F. Capital Assets

The accounting treatment over property, furniture, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and Improvements	15-45 years
Furniture and Equipment	5-10 years
Audio Visual Materials	5 years
Books and Other Library Materials	7 years

The Library adopted a minimum capitalization threshold of any item with a total cost greater than \$5,000, except for audio visual, books and other library materials.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments. See Note 6 for additional information on these deferred outflows.

Deferred inflows of resources consists of two items. Deferred inflows relating to property taxes do not fit the definition of a liability, that is, the use of resources to satisfy an obligation. Rather deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions represent differences between expected and actual experience.

H. Fund Equity

The Library follows 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 resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as prepaid expense) 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 its 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;

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

intent can be expressed by the governing body or by an official or body to which 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 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 adoption or amendment of the budget as intended for specific purpose (designated by the Board for working cash purposes) but is neither restricted nor committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available (i.e. patron donations), the Library's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

I. Compensated Absences

It is the Library's policy to permit employees to accumulate earned but unused vacation pay benefits (not to exceed one year's accumulation as of December 31). No liability is reported for unpaid accumulated sick leave. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a current liability in the government-wide statements.

J. Defined Benefit Pension Plan (IMRF)

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 position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position 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.

K. Interfund Transactions

Investment interest associated with the Working Cash Fund and the Capital Projects Fund is administratively assigned and allocated to the General Fund.

Interfund transfers are reported as operating transfers, the principal purpose of which is to set aside funds for future needs.

L. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - DEPOSITS

Deposits. At year-end, the carrying amount of the Library's deposits, excluding petty cash of \$522, was \$2,766,039 and the bank balance was \$2,766,357. Of the bank balance, \$500,000 was covered by federal depository insurance and \$2,266,357 was collateralized with securities held by the pledging financial institution's agent in the City of Rolling Meadows' name.

NOTE 3 - PROPERTY TAXES

The City of Rolling Meadows passed the 2016 Tax Levy Ordinance on November 22, 2016, which included the Library's tax levy. Property Taxes for 2016 attached as an enforceable lien on property as of January 1, 2016. Taxes are payable in two installments on or around March 1 and August 1. As such, significant tax monies are received between March and September. The County of Cook collects such taxes and remits them periodically. The 2016 property tax levy is established to fund the 2017 budget and therefore is reflected as both a receivable and as a deferred inflow of resources. The Library estimates the loss and cost of the 2016 levy at zero.

Property tax revenue is budgeted and recognized based upon prior year's levy. The receipts from the 2015 levy are reported as property tax revenue in the financial statements. Substantially all of the 2015 taxes were collected by year end and within 60 days after year end.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance December 31, 2015	Increases	Decreases	Balance December 31, 2016
Capital assets, not being depreciated				
Land	\$ 608,893	\$ -	\$ -	\$ 608,893
Capital assets, being depreciated				
Construction-In-Progress	-	71,369	-	71,369
Building and Improvements	4,451,776	5,351	-	4,457,127
Furniture and Equipment	594,999	5,296	-	600,295
Books and Other Library Materials	2,532,944	260,623	(285,833)	2,507,734
Audio Visual Materials	548,665	65,012	(78,361)	535,316
Total capital assets being depreciated	8,128,384	407,651	(364,194)	8,171,841
Less accumulated depreciation for:				
Building and Improvements	2,610,724	99,679	-	2,710,403
Furniture and Equipment	518,013	25,834	-	543,847
Books and Other Library Materials	1,620,110	262,240	(285,833)	1,596,517
Audio Visual Materials	390,858	64,137	(78,361)	376,634
Total accumulated depreciation	5,139,705	451,890	(364,194)	5,227,401
Total capital assets being depreciated, net	2,988,679	(44,239)	-	2,944,440
Capital assets, net	\$ 3,597,572	\$ (44,239)	\$ -	\$ 3,553,333

NOTE 5 – LONG TERM LIABILITIES

Changes in long-term liabilities during the year were as follows:

Type of Debt	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016	Amounts Due Within One Year
Net Pension Obligation	\$ 2,391,634	\$ -	\$ (118,206)	\$ 2,273,428	\$ -
Net Other Post- Employment Benefit Obligation	<u>110,025</u>	<u>-</u>	<u>-</u>	<u>110,025</u>	<u>-</u>
	<u>\$ 2,501,659</u>	<u>\$ -</u>	<u>\$ (118,206)</u>	<u>\$ 2,383,453</u>	<u>\$ -</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description: The Library’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. It is a cost-sharing plan with the City of Rolling Meadows. 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 on-line at www.imrf.org. The Library participates in IMRF through the City of Rolling Meadows.

Benefits Provided: IMRF has three benefit plans. The Library participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of services, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms. As of December 31, 2016, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	13
Active Plan Members	<u>41</u>
Total	<u><u>71</u></u>

Contributions: As set by statute, the Library's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual required contribution rate for calendar year 2016 was 16.28%. For calendar year 2016, the Library contributed \$275,461 to the plan. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: At December 31, 2016, the Library reported a liability of \$2,284,395 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of the contributions to the pension plan relative to the projected contributions the IMRF plan of the City of Rolling Meadows actuarially determined. At December 31, 2016, the Library's proportion was 22.79 percent.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016 using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Interest Rate	7.50%
Inflation	2.75%
Salary increases	3.75% to 14.50%

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period 2011-2013.

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

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

Long-Term Expected Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17	6.75%
Fixed Income	27	3.00%
Real Estate	8	2.65%-7.35%
Alternative Investments	9	5.08%
Cash Equivalents	1	2.25%
Total	<u>100%</u>	

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
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%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.50%)	Current (7.50%)	1% Higher (8.50%)
Library's proportionate share of Net Pension Liability	<u>\$ 4,150,820</u>	<u>\$ 2,273,428</u>	<u>\$ 720,258</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended December 31, 2016, the Library recognized pension expense of \$445,704. At December 31, 2016, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,682	\$ 70,29
Changes of assumptions	11,001	46,29
Net difference between projected and actual earnings on pension plan investments	<u>657,067</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 678,750</u>	<u>\$ 116,58</u>

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

Year ended December 31:	
2017	\$ 148,550
2018	208,299
2019	191,514
2020	13,801
2021	-
Thereafter	<u>-</u>
	<u>\$ 562,164</u>

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

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described above, the City of Rolling Meadows (City) provides post-employment health care and life insurance benefits (OPEB) for retired employees of the Library through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund; as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library's General Fund. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits for retired employees of the Library are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2016, retirees contributed \$20,055. Active employees do not contribute to the plan until retirement.

At December 31, 2016, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	4
Active Employees	<u>18</u>
	<u><u>22</u></u>

Annual OPEB Costs and Net OPEB Obligation

The City had a two-year actuarial valuation performed for the plan as of December 31, 2014 to determine the funded status of the plan as of those dates as well as the employer's annual required contribution (ARC) for the years then ended. The Library retirees are included in the actuarial valuation.

The net OPEB obligation (NOPEBO) as of December 31, 2015, per the last actuarial valuation, was calculated as follows:

	<u>Governmental Activities</u>
Annual Required Contribution	\$ 15,084
Adjustment to the ARC, net	<u>659</u>
Annual OPEB Cost	15,743
Expected Contribution	<u>(4,569)</u>
Increase in the NPO	11,174
NOPEBO – Beginning of Year	<u>98,851</u>
NOPEBO – End of Year	<u><u>\$ 110,025</u></u>

The funded status and funding progress of the plan as of December 31, 2015, per the last actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 154,086
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	154,086
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	1,225,541
UAAL as a percentage of covered payroll	12.57%

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding statements, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4% discount rate, a 3% price inflation assumption, a 4% wage inflation assumption as well as a healthcare cost trend rate of 4.5%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

NOTE 8 – DEFERRED COMPENSATION PLAN

The Library offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees with one year of service, permits them to defer a portion of their salary until future years.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. An outside trustee holds all amounts of compensation in trust. The deferred compensation is not subject to the claims of the Library's creditors.

Investments are managed by the plan's administrator under one of seven investment options, or combination thereof. The choice of the investment option(s) is made by the participants. The Library does not contribute to the plan.

NOTE 9 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; natural disasters; and injuries to the government's employees. These risks along with medical claims for employees and retirees are provided for through the Library's participation in the Intergovernmental Risk Management Agency and the Intergovernmental Personnel Benefit Cooperative. The Library currently reports all its risk management activities in its General Fund. There has

NOTE 9 - RISK MANAGEMENT (Continued)

been no significant reduction in coverage from the prior year, and settled claims have not exceeded coverage for any of the past three years.

The Library (through the City) participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts within Illinois, which have formed an association under the Illinois Intergovernmental Corporations Statute to pool their risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City is a direct member of IRMA, whereas the Library is not. The Library is covered under IRMA through the City's membership. The Library's payments for insurance coverage are displayed on the financial statements as expenditures/expenses in appropriate funds. The Library paid \$88,000 to the city for the Library's share of IRMA coverage. Because the Library is not a direct member of IRMA, it is not contractually obligated to fund any deficits of IRMA nor does it benefit from excesses in IRMA's terminal reserve account.

NOTE 10 - ADJUSTMENTS

Amounts reported in the statement of net position are different from the governmental funds balance sheet because:

Capital assets used in governmental activities are not financial resources and therefore are not capitalized in the funds.	\$ 3,553,333
Deferred Outflows related to Pensions	678,750
Accrued compensated absences are recognized in governmental activities as they accrue.	(80,521)
Other post-employment obligation is accrued in the statement of net position but is not recognized in the government funds.	(110,025)
The Net Pension Obligation for IMRF is accrued in the statement of net position but is not recognized in the government funds.	(2,273,428)
Deferred Inflows related to Pensions	<u>(116,586)</u>
	<u>\$ 1,651,523</u>

NOTE 10 – ADJUSTMENTS

Amounts reported on the statement of activities are different from governmental funds statement of revenues, expenditures and changes in fund balances because:

The government funds report capital outlays as expenditures; however, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded net capital asset purchases (\$451,890 less \$407,651)	\$ (44,239)
Recognizing the pension expense related to the change in the other post-employment obligation	-
Recognizing the pension revenue or expense relating to the change in the net pension obligations	(169,782)
Recognizing an increase in the accrual for compensated absences	<u>(9,747)</u>
	<u>\$ (223,768)</u>

NOTE 11 – OPERATING LEASE

As of December 31, 2016, the Library is committed under a four-year lease for computer equipment. Annual lease payments are due February 1. This lease is considered for accounting purposes to be an operating lease. Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	
2017	<u>\$ 7,500</u>

Rent expense under the lease obligation was \$7,500 for the year ended December 31, 2016.

NOTE 12 – COMMITMENT

In 2016, the Library entered into architectural contracts related to an addition on the West Wing of the Library. As of December 31, 2016, the Library has committed to \$102,399 for architectural costs and has paid \$67,000 towards these contracts.

REQUIRED SUPPLEMENTARY INFORMATION

ROLLING MEADOWS LIBRARY

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET COMPARED TO ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2016

	BUDGET - ORIGINAL AND FINAL	ACTUAL
REVENUES		
Property Taxes	\$ 3,647,473	\$ 3,672,778
Personal Property Replacement Taxes	50,700	64,816
Fines, Fees and Rentals	34,846	33,058
Intergovernmental Grants	25,000	18,577
Interest Income	440	6,512
Gifts and Donations	20,000	15,554
Miscellaneous	1,834	1,882
	<hr/>	<hr/>
Total Revenues	3,780,293	3,813,177
EXPENDITURES		
Salaries and Employee Benefits	2,616,045	2,517,042
Library Materials and Services	441,764	468,527
Operational Costs	273,605	265,996
Maintenance	248,254	261,414
Capital Projects	50,625	39,943
Other	-	78
	<hr/>	<hr/>
Total Expenditures	3,630,293	3,553,000
Excess of Revenues Over Expenditures	150,000	260,177
Other Financing Sources (Uses)		
Operating Transfer	(130,000)	(130,000)
	<hr/>	<hr/>
Net Change in Fund Balance	\$ 20,000	\$ 130,177
	<hr/> <hr/>	<hr/> <hr/>

Note: Budgets are adopted on the modified accrual basis of accounting. All appropriations lapse at fiscal year end.

ROLLING MEADOWS LIBRARY

SCHEDULE OF THE LIBRARY'S PROPRTIONATE SHARE OF THE NET PENSION LIABILITY

CALENDAR YEAR ENDED DECEMBER 31,

	<u>2016</u>	<u>2015</u>
Library's Proportion of the Net Pension Liability	22.79%	22.40%
Library's Proportionate Share of the Net Pension Liability	<u>\$ 2,273,428</u>	<u>\$ 2,391,634</u>
Library's Covered-Employee Payroll	<u>\$ 1,692,021</u>	<u>\$ 1,638,898</u>
Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	134.36%	145.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.23%	83.72%

ROLLING MEADOWS LIBRARY

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 275,461	\$ 275,461	-	\$ 1,692,021	16.27%
2015	253,538	253,538	-	1,638,898	15.47%

Notes to the Required Supplementary Information*

Valuation Date

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 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	27-year closed period
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	7.50%
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.
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table and RP-2014 (base year 2012) Disabled 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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available

ROLLING MEADOWS LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN

DECEMBER 31, 2016

Actuarial Valuation Date January 1	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2016	-	\$ N/A	0.00%	\$ N/A	\$ N/A	N/A
2015	-	150,086	0.00%	150,086	1,225,541	12.25%
2014	-	140,853	0.00%	140,853	1,178,405	11.95%
2013	-	186,413	0.00%	186,413	1,182,710	15.76%
2012	-	170,529	0.00%	170,529	1,137,221	14.99%

The Library (as a department of the City of Rolling Meadows) is required to have an actuarial valuation performed bi-annually. No actuarial valuation was performed in 2016.

ADDITIONAL INFORMATION

ROLLING MEADOWS LIBRARY

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
SALARIES AND EMPLOYEE BENEFITS			
General Salaries and Wages	\$ 1,901,559	\$ 1,830,074	\$ 71,485
IMRF	276,840	275,922	918
FICA	142,861	137,638	5,223
Health Insurance	287,192	270,235	16,957
Dental Insurance	5,868	1,473	4,395
Employee Assistance Program	1,725	1,700	25
	<u>2,616,045</u>	<u>2,517,042</u>	<u>99,003</u>
LIBRARY MATERIALS AND SERVICES			
Books and Materials	239,877	260,622	(20,745)
Audio/Visual	77,692	65,011	12,681
Periodicals	20,874	29,183	(8,309)
Electronics	61,443	67,600	(6,157)
E-Materials	16,989	16,893	96
Programs	24,889	29,218	(4,329)
	<u>441,764</u>	<u>468,527</u>	<u>(26,763)</u>
OPERATIONAL COSTS			
Professional Development	11,732	5,528	6,204
Dues	1,779	1,315	464
Transportation	3,088	4,220	(1,132)
Circulation Services	1,000	954	46
Special Services	5,827	4,900	927
Technical Services	21,150	13,625	7,525
Supplies	19,601	31,167	(11,566)
City Services	42,448	42,448	-
Utilities	13,824	7,006	6,818
Liability Insurance and Unemployment Compensation	88,000	88,000	-
Professional Fees	12,322	15,199	(2,877)
Newsletter costs	12,382	7,740	4,642
Postage	4,807	5,514	(707)
OCLC Fee	31,566	31,745	(179)
Staff Vending Machines	1,279	1,670	(391)
Other	2,800	4,965	(2,165)
	<u>273,605</u>	<u>265,996</u>	<u>7,609</u>

(Continued)

ROLLING MEADOWS LIBRARY

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

(Continued)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
MAINTENANCE			
Telephone	\$ 8,000	\$ 6,349	\$ 1,651
Internet	15,217	23,729	(8,512)
System Maintenance	54,798	54,798	-
Other Equipment Maintenance	93,656	99,438	(5,782)
Alarms	4,500	4,631	(131)
Cleaning Services	22,236	21,588	648
HVAC	13,844	13,440	404
Carpet Cleaner	6,455	4,625	1,830
Other Building Maintenance	29,548	32,816	(3,268)
	<u>248,254</u>	<u>261,414</u>	<u>(13,160)</u>
CAPITAL PROJECTS			
Improvements to Building	39,000	23,225	15,775
Machinery and Equipment	11,625	16,718	(5,093)
	<u>50,625</u>	<u>39,943</u>	<u>10,682</u>
OTHER	-	78	(78)
	<u>\$ 3,630,293</u>	<u>\$ 3,553,000</u>	<u>\$ 77,293</u>