

**Glenside Public Library  
District, Illinois**

**Annual Financial Report**

**For the Year Ended  
June 30, 2014**

**Wolf & Company LLP**  
Certified Public Accountants

# GLENSIDE PUBLIC LIBRARY DISTRICT

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**GLENSIDE PUBLIC LIBRARY DISTRICT**

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**INTRODUCTORY SECTION**

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Principal Officials  
June 30, 2014

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**BOARD OF TRUSTEES**

Constance Barreras, President

Isabelle Baldwin, Vice President

Maria Rellinger, Trustee

Elizabeth Minicz, Secretary

Linda Fagan, Trustee

Altha Milnes, Treasurer

Mariann Evans, Trustee

**ADMINISTRATION**

Lizbeth Fitzgerald, Team Administrator

Kathryn Schueman, Team Administrator

**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
Glenside Public Library District  
Glendale Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparison for the General Fund, and the aggregate remaining fund information of Glenside Public Library District (the District) as of and for the year ended June 30, 2014, 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 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, each major fund, and the aggregate remaining fund information of the Glenside Public Library District as of June 30, 2014, and the respective changes in financial position and budgetary comparison for the General Fund 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 pension funding related information on pages 3-8 and page 28 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 Glenside Public Library District's basic financial statements. The introductory section, individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The nonmajor fund and individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 nonmajor fund and individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Wolf + Company LLP*

Oakbrook Terrace, Illinois  
November 13, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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As management of the Glenside Public Library District, this narrative overview and analysis is provided of the Library District's financial performance for the fiscal year ended June 30, 2014. We recommend readers consider this information in conjunction with the financial statements as a whole.

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

The major components of the financial statements are the Statement of Net Position and the Statement of Activities. The Statement of Net Position shows the total assets and liabilities of the Library District. Assets that exceed liabilities would be considered the current value or net worth of the Library District. The Statement of Activities reflects the total operations of the Library District for the past year, shown first net of revenues from taxes, interest and miscellaneous items, and then in total.

**Basic Financial Statements**

Government-wide and fund financial statements are presented on pages 9 through 15.

The government-wide financial statements are designed to provide readers with a broad overview of the Library District's finances in a manner similar to a private-sector business. They are prepared using the full accrual basis of accounting.

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

The Statement of Activities presents information showing how the Library District's net position changed during the current fiscal year.

Fund financial statements tell how library services were paid for as well as what remains for future spending. Fund financial statements report the Library's operations in more detail than the government-wide statements by providing information about the Library District's two major funds, the General Fund and the Special Reserve Fund.

Notes to the Financial Statements provide additional information that is essential to develop a full understanding of the information provided in the financial statements. The Required Supplementary Information consists of retirement fund Schedules of Funding Progress and Contributions.

**Financial Analysis**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Glenside Public Library District, assets exceeded liabilities by \$3,907,376 at the close of this fiscal year. A large portion of the Library District's assets reflects its investment in capital assets. The Library District uses these capital assets to provide services and, consequently, these assets are not available to liquidate liabilities or for other spending.

**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**Management's Discussion and Analysis (Cont.)**

*Summary of Net Position*

	June 30, 2014		June 30, 2013	
	Balances	Percent of Total Assets	Balances	Percent of Total Assets
<b>Assets</b>				
Current Assets	\$ 4,188,048	52 %	\$ 4,127,009	55 %
Capital Assets	3,930,595	48	3,404,826	45
Total Assets	<u>8,118,643</u>	<u>100</u>	<u>7,531,835</u>	<u>100</u>
<b>Liabilities</b>				
Current Liabilities	576,267	7	379,945	5
Noncurrent Liabilities	3,635,000	45	3,840,000	51
Total Liabilities	<u>4,211,267</u>	<u>52</u>	<u>4,219,945</u>	<u>56</u>
<b>Net Position</b>				
Net Investment in Capital Assets	90,595	1	(630,174)	(8)
Restricted	118,740	1	117,330	2
Unrestricted	3,698,041	46	3,824,734	51
	<u>\$ 3,907,376</u>	<u>48 %</u>	<u>\$ 3,311,890</u>	<u>44 %</u>

The following table summarizes the Statement of Activities using the full accrual basis of accounting. All costs incurred by the District are presented; however, the purchase of Library materials of \$179,253, furniture and equipment of \$61,810 and construction in progress of \$616,817 are not included because these costs are capitalized and depreciated over the expected life of the assets. For the year ended June 30, 2014, the Library District's Net Position increased by \$595,486. As shown in the following table, the net increase was primarily due to an effort by the Library District to hold costs at prior year levels, while property taxes increased slightly.

*Overview of the Statement of Activities*

	Fiscal Year 2014		Fiscal Year 2013	
	Balances	Percent of Total Revenues	Balances	Percent of Total Revenues
<b>Revenues</b>				
Taxes	\$ 3,599,406	97 %	\$ 3,229,626	97 %
Fines	72,943	2	52,651	2
State Grant	53,169	1	41,834	1
Interest	446		1,757	
Miscellaneous	12,196		2,603	
Total Revenues	<u>3,738,160</u>	<u>100</u>	<u>3,328,471</u>	<u>100</u>
<b>Expenses</b>				
General Government	297,064	8	288,280	9
Culture	1,863,198	50	2,153,249	65
Building and Site Maintenance	481,986	13	152,249	5
Interest	168,315	4	166,695	5
Depreciation	332,111	9	332,527	10
Total Expenses	<u>3,142,674</u>	<u>84</u>	<u>3,093,000</u>	<u>93</u>
Change in Net Position	595,486	<u>17 %</u>	235,471	<u>7 %</u>
Net Position, Beginning of Year	<u>3,311,890</u>		<u>3,076,419</u>	
Net Position, End of Year	<u>\$ 3,907,376</u>		<u>\$ 3,311,890</u>	

**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**Management's Discussion and Analysis (Cont.)**

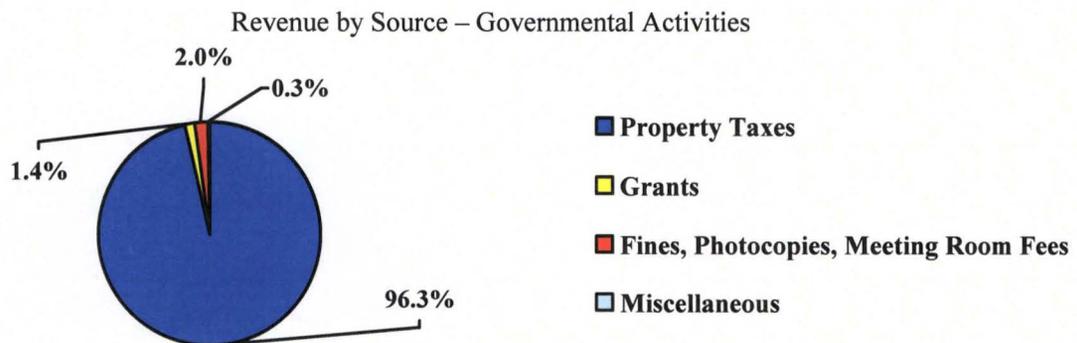
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**Revenue**

The Library District receives 97% of its operating revenue from property taxes, while the remaining amount is comprised of overdue fines and miscellaneous fees revenue, state per capita grant, interest income and other miscellaneous items.

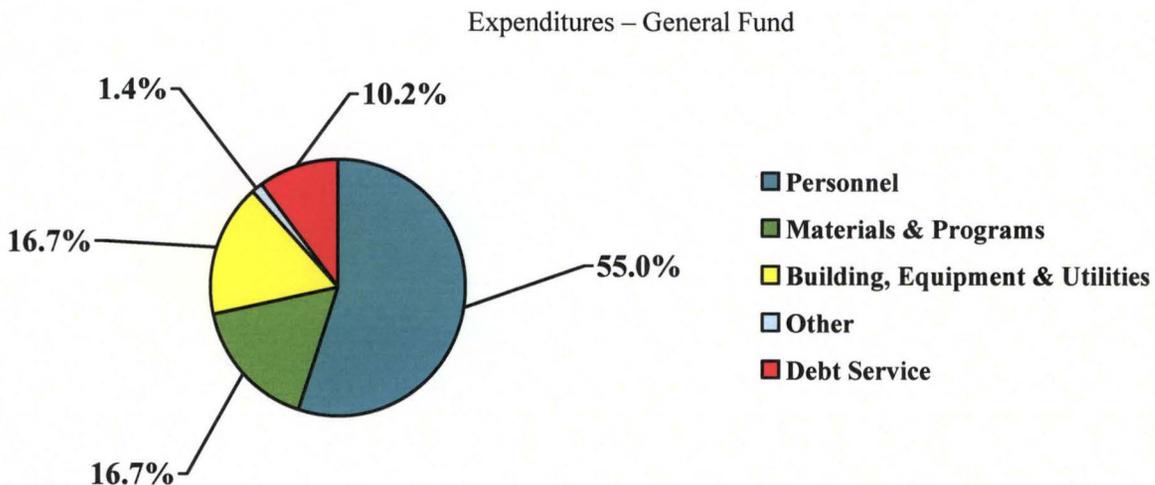
The Library District received the Illinois Library Per Capita Grant in the amount of \$37,262. Per Capita Grant funds are spent on library materials.

In fiscal year 2014, taxes were withheld by the County due to required repayment to Glen Oaks Hospital in the amount of \$62,914. Glen Oaks Hospital historically was tax exempt; however they were assessed taxes for the new Emergency Room. The ruling decided that the new construction was tax exempt. The library was not notified and so the funding was not placed in escrow and resulted in the taxes withheld for payment in fiscal year 2014.



**Expenditures**

Expenditures for all library materials and programming were \$595,175, an increase of 22.2%. Continuing to provide excellent library services to our residents of all ages requires a dedicated, professional, and trained staff. Staff-related expenditures are 55.0% of the District's total expenditures and include salaries and wages, health insurance benefits, training and development, unemployment and worker's compensation insurance, and employee retirement benefits. The increase in personnel related expenditures was 2.8%.



**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**Management's Discussion and Analysis (Cont.)**

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**General Fund Budgetary Highlights**

The General Fund had revenues of \$3,302,552, which was \$26,527 under budget, and expenditures of \$3,560,649, which were \$231,570 over budget. The result was a deficit net budget variance of \$205,043. The deficit net budget variance was mainly due to the construction and renovation project.

**Programs and Services**

Direct services to the public include print resources, multimedia and electronic resources, reference and interlibrary loans, and programs and outreach.

**Building Repairs and Space Renovation**

The following improvements were made possible using Operating Funds and the Special Reserve Fund:

The primary focus of the Board and administration this year was to plan for repairs and renovation and to study use of space in order to more readily accommodate a wider range of ages and activities within the public space of the building. The renovation, the Library's first major upgrade since its expansion in 2002, started in late March. Input from observing program use, seating capacity, and staff feedback from the public contributed to the development of professional design plans. Construction management services were also obtained.

- Floor coverings in all public areas of the building were deteriorating and required replacement. The Library had installed a combination of marmoleum and carpeting throughout the building in 2002. The marmoleum flooring did not withstand high use over the past ten years: flooring near windows and doors became cracked and brittle, seams began to separate, creating gaps and buckles in high traffic areas, and it became difficult to maintain and/or patch. Carpeting was beginning to show wear typical of its age. High traffic carpeted areas were becoming threadbare and discolored. In multiple locations, glue was used to repair tears in the carpet caused by constant chair movement. Marmoleum was also a hard surface that did not absorb sound and caused noise to carry throughout the building.

Project Solution: Marmoleum was removed and carpeting replaced. Carpet squares were used throughout the first floor. This eliminated the hard surfaces and significantly reduced noise levels.

- Library spaces were repurposed to better meet the changing needs of the community while maintaining traditional quiet study areas. Library space assigned to young adult usage was severely lacking. The Library struggled with disruptions caused by a very active after school population. The Library is less than one-half mile from both an elementary school and a middle school. The community relies on the Library as an after school resource. Door counts indicate that 90-100 middle school students and 50-60 elementary students enter the Library in the hour immediately following dismissal. As a result, the Library has been extremely successful developing young adult services. Since 2002, young adult programming has skyrocketed with attendance increasing 625% (2002-03 attendance: 911 vs. 2012-13 attendance: 6,613).

After School Service Statistics, 2013-2014:

- 160 programs for grades 6-8 (5,481 children)
- 117 programs for grades 1-5 (1,945 children)
- 31,807 combined hours of teen and kids computer use
- 13,909 reference answers for teens and kids

While this programming was successful, it remained difficult for adults and families to find areas in the Library free from disruption.

**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**Management's Discussion and Analysis (Cont.)**

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Project Solution: Department locations were switched and the Adult Services collection was moved to two adjoining spaces to the right of the entrance which provides for a gradual decrease in sound level. The popular materials, public computers and the high use audio-visual collections of CDs and DVDs are in a more spacious setting. The Adult Services collection is now separated from the adjacent Youth Services collection by a full height sound proof partition wall. The relocated Youth Services Department has the additional square footage required for a properly sized and defined teen room, a larger, colorful, light-filled storytime room, and adjacent preschool area with new picturebook browsing bins that is welcoming to families and their children.

- Audio-visual and picture book shelving was outdated and impractical. Audio-visual materials such as CDs and DVDs were held in “drawer-style” shelving. The increase in popularity of audio-visual items in the previous decade far surpassed the browsing the shelving permitted. Browsing was limited to one person at a time when a drawer was opened. Warehouse style picture-book shelving at an adult height limited the access by children.

Project Solution: Face-out audio-visual shelving was installed in Adult and Youth Services Departments. Picturebook face-out bins installed at a lower profile that children can reach to see the colorful book covers. Picturebooks are now organized by topic.

- Interior and Exterior structural remediation projects completed:

The exterior structure surrounding the chiller equipment was causing it to malfunction. In October 2012, a mechanical consultant report identified that intermittent shut downs and malfunctions of the AC chiller unit were caused by insufficient air flow.

Project Solution: A plan was approved to modify the chiller enclosure to include additional venting. Specifically, five aluminum sills with end dams were inserted into the existing split-face block screen walls. The sills are covered with extruded aluminum through louvers with clear anodized finish. These vents now allow hot air to escape the structure, preventing it from recycling into the chiller and causing it to overheat.

Exterior walls of public meeting rooms were insufficiently insulated causing condensation. In March, 2012, a Building consultant report identified the problem.

Project Solution: To solve this issue permanently, the Library rebuilt the interior walls installing a properly insulated cavity at the back side of the existing masonry walls. Additional insulation was also added to the new interior wall assembly which required the Library to replace existing drywall, modify portions of the ceiling grid and replace all ceiling tiles that were damaged by the humidity.

**Total Outcome:**

The new floor plan has created multiple new environments to benefit Library users of all ages. Replacing floor coverings and increasing insulation and improving air conditioning operation will maintain the functionality of the Library facility for years to come. The new floor plan has addressed major service needs and enhanced the Library reputation in the community as a service driven institution. The positive impact on patron satisfaction has been immediate.

**GLENSIDE PUBLIC LIBRARY DISTRICT**  
**Management's Discussion and Analysis (Cont.)**

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**Capital Assets**

At the end of fiscal 2014, the Library District had total capital assets (net of accumulated depreciation) of \$3,930,595 invested in computers, a large collection of books and other library materials, construction in progress related to building renovations, and the building which houses the library operations.

	June 30,	
	<u>2014</u>	<u>2013</u>
Land	\$ 175,000	\$ 175,000
Construction in Progress	625,487	8,670
Building and Improvements	4,879,584	4,879,584
Furniture and Equipment	266,890	205,080
Books and Library Materials	<u>1,193,493</u>	<u>1,176,284</u>
Cost of Capital Assets	7,140,454	6,444,618
Less Accumulated Depreciation	<u>(3,209,859)</u>	<u>(3,039,792)</u>
Net Capital Assets	<u>\$ 3,930,595</u>	<u>\$ 3,404,826</u>

Additional information about capital assets can be found in Note 3.

**Long-Term Debt**

The Library District maintains \$3,840,000 in long-term debt. In the current year, the Library District reduced its outstanding bonds by \$195,000.

Additional information about long-term debt can be found in Note 6.

**CONTACTING THE GLENSIDE PUBLIC LIBRARY DISTRICT'S ADMINISTRATION**

This financial report is designed to provide a general overview of the Glenside Public Library District's finances for those with an interest in the District's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Kathryn Schueman  
 Team Administrator  
 25 East Fullerton Avenue  
 Glendale Heights, IL 60139

**BASIC FINANCIAL STATEMENTS**

# GLENSIDE PUBLIC LIBRARY DISTRICT

## Statement of Net Position

June 30, 2014

Assets	
Current Assets	
Cash and Investments	\$ 2,303,443
Receivables	
Property Taxes	1,878,933
Prepays	5,672
Total Current Assets	<u>4,188,048</u>
Noncurrent Assets	
Capital Assets	
Capital Assets Not Being Depreciated	800,487
Other Capital Assets, Net of Depreciation	3,130,108
Total Noncurrent Assets	<u>3,930,595</u>
Total Assets	<u>8,118,643</u>
Liabilities	
Current Liabilities	
Accounts Payable	249,611
Current Portion of Bonds Payable	205,000
Accrued Liabilities	65,018
Accrued Vacation and Sick Pay	56,638
Total Current Liabilities	<u>576,267</u>
Noncurrent Liabilities	
Bonds Payable, Less Current Portion	<u>3,635,000</u>
Total Liabilities	<u>4,211,267</u>
Net Position	
Net Investment in Capital Assets	90,595
Restricted for	
Social Security	24,736
Liability Insurance	2,971
Workers' Compensation Insurance	303
Building and Equipment Maintenance	1,099
Working Cash - Permanent (Non-expendable)	89,631
Unrestricted	<u>3,698,041</u>
Total Net Position	<u>\$ 3,907,376</u>

See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Library Services	\$ 2,974,359	72,943	53,169	(2,848,247)
Interest on Long-Term Debt	168,315			(168,315)
Total Governmental Activities	<u>\$ 3,142,674</u>	<u>72,943</u>	<u>53,169</u>	<u>(3,016,562)</u>
General Revenues				
Taxes				
				3,592,695
				6,711
				446
				<u>12,196</u>
				<u>3,612,048</u>
				Increase in Net Position 595,486
Net Position				
				<u>3,311,890</u>
				<u><u>3,907,376</u></u>

See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Balance Sheet - Governmental Funds

June 30, 2014

	General Fund	Special Reserve Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Assets</b>				
Cash and Investments	\$ 2,303,412		31	2,303,443
Receivables				
Property Taxes	1,878,933			1,878,933
Prepays	5,672			5,672
Due from Other Funds	22,237		89,600	111,837
	<hr/>			
Total Assets	\$ 4,210,254	-	89,631	4,299,885
<hr/>				
<b>Liabilities</b>				
Accounts Payable	\$ 249,611			249,611
Accrued Payroll and Related Taxes	65,018			65,018
Unearned Revenue - Grants	45,324			45,324
Due to Other Funds	89,600	22,237		111,837
Total Liabilities	449,553	22,237	-	471,790
<hr/>				
<b>Deferred Inflows of Resources</b>				
Unearned Revenue - Property Taxes	3,692,842			3,692,842
<hr/>				
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Prepaid Items	5,672			5,672
Working Cash - Permanent			89,631	89,631
<b>Restricted</b>				
Social Security	24,736			24,736
Liability Insurance	2,971			2,971
Workers' Compensation Insurance	303			303
Building and Equipment Maintenance	1,099			1,099
Unassigned	33,078	(22,237)		10,841
Total Fund Balances	67,859	(22,237)	89,631	135,253
<hr/>				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,210,254	-	89,631	4,299,885
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See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Reconciliation of Balance Sheet - Governmental Funds  
to the Statement of Net Position

June 30, 2014

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Total Fund Balances - Governmental Funds \$ 135,253

Amounts reported for governmental activities in the Statement of Net Position are  
different because:

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds. 3,930,595

Property tax revenue from current levies is reported in the Statement of  
Net Position, but is deferred in the governmental funds. 3,692,842

Grant revenue is reported in the Statement of Net Position, but is deferred  
in the governmental funds. 45,324

Bonds payable do not require the use of current financial resources and,  
therefore, are not reported as liabilities in governmental funds. (3,840,000)

Compensated absences are not due and payable in the current period and,  
therefore, are not reported in the governmental funds. (56,638)

Net Position of Governmental Activities \$ 3,907,376

See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds

Year Ended June 30, 2014

	General Fund	Special Reserve Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$ 3,165,215			3,165,215
Replacement Taxes	6,711			6,711
Grants	45,107			45,107
Interest	380	50	16	446
Fines and Other	72,943			72,943
Miscellaneous	12,196			12,196
Total Revenues	<u>3,302,552</u>	<u>50</u>	<u>16</u>	<u>3,302,618</u>
<b>Expenditures</b>				
Current				
General Government	297,064			297,064
Culture	2,418,284			2,418,284
Building and Site Maintenance	103,396			103,396
Capital Outlay	378,590	300,037		678,627
Debt Service				
Principal	195,000			195,000
Interest	168,315			168,315
Total Expenditures	<u>3,560,649</u>	<u>300,037</u>	<u>-</u>	<u>3,860,686</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(258,097)</u>	<u>(299,987)</u>	<u>16</u>	<u>(558,068)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	16,750			16,750
Transfers Out			(16,750)	(16,750)
Total Other Financing Sources (Uses)	<u>16,750</u>	<u>-</u>	<u>(16,750)</u>	<u>-</u>
Net Change in Fund Balances	(241,347)	(299,987)	(16,734)	(558,068)
<b>Fund Balances</b>				
Beginning	<u>309,206</u>	<u>277,750</u>	<u>106,365</u>	<u>693,321</u>
Ending	<u>\$ 67,859</u>	<u>(22,237)</u>	<u>89,631</u>	<u>135,253</u>

See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2014

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Net Change in Fund Balances - Governmental Funds \$ (558,068)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures while  
governmental activities report depreciation expense to allocate  
those expenditures over the life of the assets. This is the amount  
by which capital outlays (\$857,880) exceeded depreciation (\$332,111)  
in the current period. 525,769

Property tax revenues in the Statement of Activities that do not provide  
current financial resources are reported as deferred property tax  
revenue in the fund financial statements. 427,480

Grant revenues in the Statement of Activities that do not provide current  
financial resources are reported as deferred revenue in the fund  
financial statements. 8,062

Debt service principal payments are reported as a reduction of a liability in  
governmental activities but are reported as an expenditure in the  
fund financial statements. 195,000

The change in compensated absences is not a source or use of a financial resource. (2,757)

Change in Net Position of Governmental Activities \$ 595,486

See accompanying Notes to the Financial Statements.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
<b>Revenues</b>				
Property Taxes				
Corporate	\$ 2,783,614	2,783,614	2,726,986	(56,628)
Property Taxes Special Levies				
Audit	6,916	6,916	6,448	(468)
Social Security	147,034	147,034	142,507	(4,527)
Illinois Municipal Retirement	149,030	149,030	144,442	(4,588)
Liability Insurance	8,749	8,749	8,383	(366)
Workers' Compensation Insurance	6,887	6,887	5,803	(1,084)
Unemployment Insurance	2,800	2,800	1,290	(1,510)
Building and Equipment Maintenance	135,063	135,063	128,966	(6,097)
Prior Levies	50	50	390	340
Replacement Taxes	5,300	5,300	6,711	1,411
Grants	41,111	41,111	45,107	3,996
Interest	1,025	1,025	380	(645)
Fines and Other	30,000	30,000	72,943	42,943
Miscellaneous	11,500	11,500	12,196	696
Total Revenues	<u>3,329,079</u>	<u>3,329,079</u>	<u>3,302,552</u>	<u>(26,527)</u>
<b>Expenditures</b>				
General Government	328,853	328,853	297,064	(31,789)
Culture	2,511,756	2,499,506	2,418,284	(81,222)
Building and Site Maintenance	127,155	137,405	103,396	(34,009)
Capital Outlay			378,590	378,590
Debt Service	363,315	363,315	363,315	
Total Expenditures	<u>3,331,079</u>	<u>3,329,079</u>	<u>3,560,649</u>	<u>231,570</u>
Excess (Deficiency) of Revenues over Expenditures	(2,000)	-	(258,097)	205,043
Other Financing Sources				
Transfers In			16,750	16,750
Net Change in Fund Balance	<u>\$ (2,000)</u>	<u>-</u>	<u>(241,347)</u>	<u>221,793</u>
Fund Balance				
Beginning			<u>309,206</u>	
Ending			<u><u>67,859</u></u>	

See accompanying Notes to the Financial Statements.

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements  
June 30, 2014

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### 1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Glenside Public Library District (the District) relating to the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### A. Reporting Entity

The District follows the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus*. As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The District has concluded that no entities meet the criteria of Statement No. 61 for inclusion as a component unit. Likewise, the District is not required to be included as a component unit of any other entity.

#### B. Government-wide and Fund Financial Statements

##### *Government-wide Financial Statements*

The government-wide Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The financial activities of the District consist entirely of governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The District allocates indirect expenses to functions in the Statement of Activities in cases where a clear and direct connection exists. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements  
June 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### B. Government-wide and Fund Financial Statements (Cont.)

##### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or nonmajor funds within the governmental statements.

Governmental fund types are those through which the governmental functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.

The District administers the following major governmental funds:

**General Fund** - This is the District's primary operating fund. It accounts for all financial resources of the general government except those required, legally or by sound financial management, to be accounted for in another fund.

**Special Reserve Fund** - This fund is used to account for the acquisition and construction of major capital facilities, equipment, and capital asset replacements.

The District reports the following nonmajor governmental fund:

The **Working Cash Fund** (Permanent Fund) – This fund is used to account for financial resources held by the District to be used for temporary interfund loans to certain other funds.

#### C. Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the District's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements

June 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### C. Basis of Accounting (Cont.)

Property taxes, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The District reports deferred revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, deferred revenues occur when potential revenue either does not meet both the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Funds Balance Sheet and revenue is recognized accordingly.

#### D. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included in the Statement of Net Position and the operating statements present increases and decreases in net total assets.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from the governmental funds financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

The District reports deferred inflows of resources on its Governmental Funds Balance Sheet. Deferred inflows of resources arise when resources are received by the District that represent an acquisition of an asset that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. In subsequent periods, when the District has a legal claim to the resources, the deferred inflow of resources is removed from the balance sheet and revenue is recognized.

#### E. Accounting Estimates

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

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Notes to the Financial Statements  
June 30, 2014

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1. Summary of Significant Accounting Policies (Cont.)

F. Budgetary Data and Budgetary Accounting

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

- 1) The Board of Trustees passes a motion approving an operating budget.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) Prior to the fourth Tuesday of September, the budget is legally adopted.
- 4) The budget may be amended by the Board of Trustees.
- 5) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Within the annual financial report, the budgeted amounts represent the working budget figures of the District. The legally enacted appropriated amounts differ from these amounts.

Excess of Expenditures over Budget

The following funds had an excess of actual expenditures over amended budget for the year ended June 30, 2014:

Fund	Amount
General Fund	\$ 231,570
Special Revenue Fund	40,047

G. Accrued Vacation and Sick Pay

Vested or accumulated vacation pay and sick leave that is expected to be paid from expendable available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay and sick leave that are not expected to be paid from expendable available financial resources are reported only on the government-wide financial statements.

H. Capital Assets

In the government-wide financial statements, the District has adopted a capitalization threshold of \$25,000 (except for Library materials) for capital asset additions. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Depreciation of capital assets is recorded as an 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. This range of estimated useful lives by type of asset is as follows:

Building and Improvements	15 to 40 years
Furniture and Equipment	5 to 20 years
Library Materials	3 to 7 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included as capital assets.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Notes to the Financial Statements  
June 30, 2014

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1. Summary of Significant Accounting Policies (Cont.)

I. Long-term Liabilities

In the government-wide financial statements, long-term debt is reported as a liability. Bond premiums and discounts, if any, are deferred and amortized over the life of the bonds using the outstanding bonds method. Issuance costs are expensed when paid.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

J. Property Taxes

Property taxes attach as an enforceable lien on January 1. They are levied the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the 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 Library receives significant distributions of tax receipts within one month after these due dates. It is the Library's policy to consider proceeds from a given tax levy as being available to finance operations of the fiscal year for which it is budgeted. Accordingly, the 2013 levy proceeds are not considered "available" as defined earlier in Note 1 and are, therefore, considered deferred revenue at June 30, 2014. In the entity-wide financial statements, property taxes are recognized when levied.

The following are the tax rates applicable to the various levies per \$100 of assessed valuations:

	Maximum 2013 Levy	Actual 2013 Levy	Actual 2012 Levy
Library	0.4802	0.4736	0.4229
Bond and Interest	0.0604	0.0604	
Illinois Municipal Retirement	0.0224	0.0248	0.0224
Audit	0.0013	0.0012	0.0010
Building and Equipment Maintenance	0.0173	0.0200	0.0200
Tort Judgments	0.0022	0.0014	0.0013
Social Security	0.0208	0.0241	0.0221
Unemployment Insurance	0.0008	0.0005	0.0002
Workers Compensation Insurance	0.0016	0.0010	0.0009
	0.6070	0.6070	0.4908

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements

June 30, 2014

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### 1. Summary of Significant Accounting Policies (Cont.)

#### K. Equity Classifications

##### *Government-wide Financial Statements*

Equity is classified as net position and displayed in three components:

**Net Investment in Capital Assets** - consists of capital assets, net of accumulated depreciation and net of related debt.

**Restricted Net Position** - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - consists of all other net position that do not meet the definition of restricted or invested in capital assets.

##### *Fund Financial Statements*

The Library has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which define how fund balances of governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable Fund Balance** - amounts that are not in nonspendable form (such as prepaid items) 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 the Library itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Library takes the same highest level action to remove or change the constraint.

**Assigned Fund Balance** - amounts the Library intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

**Unassigned Fund Balance** - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Notes to the Financial Statements  
June 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

K. Equity Classifications (Cont.)

*Fund Financial Statements (Cont.)*

The following details the changes in restricted fund balances during the year ended June 30, 2014 within the General Fund.

	Balance June 30, 2013	Property Tax Revenues	Expenditures	Balance June 30, 2014
Audit	\$	6,448	6,448	
Social Security		142,507	117,771	24,736
Illinois Municipal Retirement		144,442	144,442	
Liability Insurance	2,973	8,383	8,385	2,971
Workers' Compensation Insurance		5,803	5,500	303
Unemployment Insurance	306	1,290	1,596	
Building and Equipment Maintenance	7,686	128,966	135,553	1,099
	<u>\$ 10,965</u>	<u>437,839</u>	<u>419,695</u>	<u>29,109</u>

2. Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Investments." In addition, investments are separately held by several of the District's funds. Cash on hand of \$480 has been excluded from the amounts shown below.

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

A. Deposits

At year-end, the carrying amount of the District's deposits totaled \$135,564 and the bank balances totaled \$159,915. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for credit risk. As of June 30, 2014, the entire bank balance of \$159,915 was insured, therefore, not subject to the aforementioned custodial credit risk.

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements  
June 30, 2014

### 2. Deposits and Investments (Cont.)

#### B. Investments

The District's investments are maintained within the Illinois Funds Money Market Fund. This investment is not subject to risk categorization as the fund provides perfected collateral for the entire balance. The carrying amount and fair value of the Illinois Funds Money Market Fund at June 30, 2014 was \$2,167,399.

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed rating of AAAM from Standard and Poors. The fair value of the position of this pool is the same as the value of the pool shares. The Fund offers two separate investment vehicles to public entities. The average yield on the Illinois Funds Money Market Fund for the year ending June 30, 2014 was 0.016%. The Fund issues a publicly available financial report. That report may be obtained by writing to Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

### 3. Capital Assets

A summary of changes in capital assets for governmental activities of the District is as follows:

	Balance July 1	Additions	Deletions	Balance June 30
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 175,000			175,000
Construction in Progress	8,670	616,817		625,487
	<u>183,670</u>	<u>616,817</u>	<u>-</u>	<u>800,487</u>
<b>Capital Assets Being Depreciated</b>				
Building and Improvements	4,879,584			4,879,584
Furniture and Equipment	205,080	61,810		266,890
Library Materials	1,176,284	179,253	162,044	1,193,493
	<u>6,260,948</u>	<u>241,063</u>	<u>162,044</u>	<u>6,339,967</u>
<b>Less Accumulated Depreciation for</b>				
Building and Improvements	2,413,802	127,694		2,541,496
Furniture and Equipment	25,345	10,769		36,114
Library Materials	600,645	193,648	162,044	632,249
	<u>3,039,792</u>	<u>332,111</u>	<u>162,044</u>	<u>3,209,859</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>3,221,156</u>	<u>(91,048)</u>	<u>-</u>	<u>3,130,108</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 3,404,826</u>	<u>525,769</u>	<u>-</u>	<u>3,930,595</u>

Total depreciation expense for the year charged to Library Services was \$332,111.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Notes to the Financial Statements  
June 30, 2014

4. Common Bank Account

Separate bank accounts are not maintained for all Library funds; instead, certain funds maintain their uninvested cash and investment balances in common checking and money market accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

5. Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Library has purchased commercial insurance from private insurance companies to cover these risks. Risks covered include general liability, workers' compensation, medical and other. Premiums have been recorded as expenditures in appropriate funds. The amount of coverage has not been decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years. A detailed listing of insurance coverage is included in the statistical section.

6. Long-Term Debt

The following is a summary of the changes in long-term debt:

	Balance July 1	Issuances	Retirements	Balance June 30	Due Within One Year
Series 2006 - \$4,580,000 General Obligation Refunding Library Bonds, due in annual installments beginning December 30, 2010 through June 30, 2028; interest payable semi-annually on June 30 and December 30 from 4.0% to 4.375%. Proceeds were used to refund a portion of the 1999 General Obligation Bonds and all of the 2001 General Obligation Bonds outstanding.	\$ 4,035,000		195,000	3,840,000	205,000

The annual requirements on all general obligation debt to maturity as of June 30, 2014 are as follows:

Year Ended June 30	Principal	Interest	Total
2015	\$ 205,000	159,715	364,715
2016	215,000	151,416	366,416
2017	225,000	142,716	367,716
2018	235,000	133,443	368,443
2019	245,000	123,705	368,705
2020-2024	1,385,000	454,563	1,839,563
2025-2028	1,330,000	133,916	1,463,916
	<u>\$ 3,840,000</u>	<u>1,299,474</u>	<u>5,139,474</u>

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements  
June 30, 2014

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### 7. Litigation

The District is not involved in any litigation nor is it aware of any contemplated litigation for which the potential liability would be expected to exceed insurance coverage.

### 8. Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time District employees, permits them 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.

The District's deferred compensation plan has been placed in a trust through its administrators. Since amounts held in trust are for the exclusive benefit of all participants, the District does not report the assets in its financial statements.

### 9. Commitments and Contingencies

In 2014, the District entered into a facility renovation project agreement in the amount of \$600,000 and an agreement for library furniture in the amount of \$196,524. As of the date of this report, the District has remaining committed funds relating to these projects in the amount of \$506,343.

### 10. Employee Retirement System - Illinois Municipal Retirement Fund

#### *Plan Description*

The District'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 employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer. 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 at [www.imrf.org](http://www.imrf.org).

#### *Funding Policy*

Employees participating in IMRF who retire at or after age 60 with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The Library is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the calendar year ended 2013 were 12.08% of covered payroll.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Notes to the Financial Statements  
June 30, 2014

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10. Employee Retirement System - Illinois Municipal Retirement Fund (Cont.)

*Annual Pension Cost*

For 2013, the District's annual pension cost of \$156,865 for the Regular plan was equal to the required and actual contributions.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	\$ 156,865	100%	0
12/31/2012	140,105	100%	0
12/31/2011	144,103	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.0% a year attributable to inflation; (c) additional projected increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of the District's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funding Status and Funding Progress*

As of December 31, 2013, the most recent actuarial valuation date, the plan was 79.76% funded. The actuarial accrued liability for benefits was \$2,748,557 and the actuarial value of assets was \$2,192,123, resulting in an underfunded actuarial accrued liability (UAAL) of \$556,434. The covered payroll (annual payroll of active employees covered by the plan) was \$1,298,553 and the ratio of the UAAL to the covered payroll was 42.85%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements  
June 30, 2014

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### 11. Other Individual Fund Disclosures

- A. Interfund receivable and payable balances as of June 30, 2014 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Reserve	\$ 22,237
Working Cash	General	89,600

The interfund balances between the General Fund and the Special Reserve Fund and the General Fund and the Working Cash Fund related to additional funds to help cover costs associated with the construction and renovation project.

- B. Interfund transfers for the year end June 30, 2014 were as follows:

<u>Receiving Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
General	Working Cash	\$ 16,750

\$16,750 was permanently transferred from the Working Cash Fund to the General Fund for additional funds to help cover costs associated with the construction and renovation project.

- C. Funds with deficit fund balances as of June 30, 2014 were as follows:

<u>Fund</u>	<u>Amount</u>
Special Reserve	\$ 22,237

The Special Reserve's deficit fund balance resulted from the additional costs associated with the construction and renovation project.

### 12. Future Accounting Pronouncements

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirement of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions of this Statement are effective for the District's financial year ending June 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Required Supplementary Information

Illinois Municipal Retirement Fund

Analysis of Funding Progress and Employer Contributions  
June 30, 2014

*Analysis of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liabilities (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/13	\$ 2,192,123	2,748,557	556,434	79.76 %	1,298,553	42.85 %
12/31/12	1,776,633	2,443,564	666,931	72.71	1,224,698	54.46
12/31/11	1,487,811	2,261,094	773,283	65.80	1,215,034	63.64
12/31/10	1,384,761	2,100,444	715,683	65.93	1,210,446	59.13
12/31/09	1,330,739	2,125,113	794,374	62.62	1,189,861	66.76
12/31/08	1,108,970	1,878,453	769,483	59.04	1,178,124	65.31

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$2,586,358. On a market basis, the funded ratio would be 94.10%.

*Employer Contributions*

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Made	Net Pension Obligation
12/31/13	\$ 156,865	100%	0
12/31/12	140,105	100%	0
12/31/11	144,103	100%	0
12/31/10	144,648	100%	0
12/31/09	129,576	100%	0
12/31/08	125,235	100%	0

**INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**GOVERNMENTAL FUND TYPES**

**NONMAJOR GOVERNMENTAL FUND TYPE**

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Nonmajor Governmental Fund

Balance Sheet

June 30, 2014

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	<u>Permanent Working Cash</u>
Assets	
Cash and Investments	\$       31
Due From Other Funds	<u>          89,600</u>
Total Assets	<u>\$   89,631</u>
Liabilities	\$
Fund Balance	
Nonspendable - Permanent Fund	<u>          89,631</u>
Total Liabilities and Fund Balances	<u>\$   89,631</u>

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Nonmajor Governmental Fund

Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
For the Year Ended June 30, 2014

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	<u>Permanent Working Cash</u>
Revenues	
Interest	\$      16
Other Financing Uses	
Transfers Out	<u>(16,750)</u>
Net Change in Fund Balance	(16,734)
Fund Balance	
Beginning of Year	<u>106,365</u>
End of Year	<u>\$   89,631</u>

**GENERAL FUND**  
**(Major Fund)**

**GLENSIDE PUBLIC LIBRARY DISTRICT**

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
<b>General Governmental</b>			
Audit Services	\$ 6,753	6,753	6,750
Social Security Contribution	147,000	147,000	117,771
IMRF - Pension	158,000	158,000	152,148
Liability Insurance	8,100	8,100	8,385
Workers' Compensation Insurance	6,400	6,400	5,567
Unemployment Insurance	2,600	2,600	6,443
Total General Governmental	328,853	328,853	297,064
<b>Culture</b>			
Salaries	1,564,055	1,558,555	1,540,545
Recruitment Expenditures	1,000	1,000	
Employment Benefits			
Group Medical and Employee Recognition, Net of Staff Reimbursements	146,450	146,450	128,456
Training and Conference Expenditures	4,000	4,000	2,300
Travel Expenditure Reimbursement	15,550	15,550	11,822
Professional Dues	4,000	4,000	4,945
Utilities - Electric	111,500	95,000	54,956
Natural Gas	55,500	42,000	29,125
Trustee Expenditures	1,300	1,300	848
Legal Services	16,000	16,000	21,869
Legal Notice Publication	3,600	3,600	1,875
Accounting and Payroll Service	16,700	16,700	13,998
Collection Services	2,850	2,850	1,924
Insurance	14,500	18,000	22,302
Automated Systems Expenditures	187,048	200,425	195,365
Books	137,051	137,051	126,317
Periodicals	10,330	10,330	6,815
Non-print Materials	100,425	100,425	98,888
Supplies	24,250	29,750	58,688
Postage	9,800	9,800	6,302
Programs and Outreach Materials	67,870	67,870	59,989
Telephone	8,500	8,500	9,986
Friends Expenditures	350	350	248
Gift Expenditures	100	100	3,654
Memorial Expenditures	100	100	
Water	5,100	5,100	4,562
Building and Equipment Maintenance	3,827	4,700	12,505
Total Culture	2,511,756	2,499,506	2,418,284
<b>Building and Site Maintenance</b>			
Garbage Removal	2,100	2,600	2,675
Contract Custodial Services	38,000	38,000	10,393
Custodial Supplies	3,800	3,800	4,645
Snow Removal Service	6,600	6,600	10,178
Landscaping Maintenance	8,430	8,430	8,055

(Cont.)

**GLENSIDE PUBLIC LIBRARY DISTRICT**

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Building and Site Maintenance (Cont.)			
Building/Equipment Maintenance	31,725	35,225	321,266
Mechanical Maintenance	31,000	34,500	40,370
Grounds Maintenance	5,500	5,500	6,472
Equipment			38,121
Contingency		2,750	39,811
Total Building and Site Maintenance	127,155	137,405	481,986
Less Capitalized Portions			(378,590)
Adjusted Total Building and Site Maintenance	127,155	137,405	103,396
Capital Outlay			378,590
Debt Service			
Principal	195,000	195,000	195,000
Interest	168,315	168,315	168,315
Total Debt Service	363,315	363,315	363,315
Total Expenditures	\$ 3,331,079	3,329,079	3,560,649

**SPECIAL RESERVE FUND**  
**(Major Fund)**

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Special Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Interest	\$		50	50
Expenditures				
Capital Outlay				
Consulting	87,800	78,000	68,570	(9,430)
Equipment	34,000	35,000	58,957	23,957
Library Building and Grounds	138,190	146,990	172,510	25,520
Total Expenditures	<u>259,990</u>	<u>259,990</u>	<u>300,037</u>	<u>40,047</u>
Net Change in Fund Balance	<u>\$ (259,990)</u>	<u>(259,990)</u>	(299,987)	<u>(39,997)</u>
Fund Balance				
Beginning			<u>277,750</u>	
Ending			<u>(22,237)</u>	

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Schedule of Assessed Valuations, Rates, and Collections  
Last Ten Fiscal Years

For the Year Ended June 30, 2014

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(See Following Page)

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Schedule of Assessed Valuations, Rates, and Collections  
Last Ten Fiscal Years

For the Year Ended June 30, 2014

Tax Levy Year	2013	2012	2011	2010	2009
Equalized Assessed Valuation	\$ 618,464,489	674,912,922	763,584,348	866,893,528	931,785,187
<b>Tax Rates</b>					
General Corporate	0.4736	0.4229	0.3983	0.3141	0.2839
Bond & Interest	0.0604				
Audit	0.0012	0.0010		0.0008	0.0007
Social Security	0.0241	0.0221		0.0128	0.0116
Illinois Municipal Retirement	0.0248	0.0224		0.0166	0.0152
Liability Insurance	0.0200	0.0013		0.0009	0.0009
Workers' Compensation Insurance	0.0010	0.0009		0.0005	0.0005
Building and Equipment Maintenance	0.0014	0.0200	0.0200	0.0168	0.0152
Unemployment Insurance	0.0005	0.0002		0.0001	0.0001
<b>Total</b>	<b>0.6070</b>	<b>0.4908</b>	<b>0.4183</b>	<b>0.3626</b>	<b>0.3281</b>
<b>Tax Collections</b>					
2004	\$				
2005					
2006					
2007					
2008					
2009					1,446,868
2010				1,523,834	1,566,358
2011			1,526,850	1,573,940	
2012		1,500,812	1,587,336		
2013	1,813,909	1,663,716			
<b>Total Collections</b>	<b>\$ 1,813,909</b>	<b>3,164,528</b>	<b>3,114,186</b>	<b>3,097,774</b>	<b>3,013,226</b>
<b>Percent Collected</b>	<b>57.47%</b>	<b>100.26%</b>	<b>98.66%</b>	<b>99.66%</b>	<b>99.64%</b>

2008	2007	2006	2005	2004
947,138,971	899,139,377	837,690,072	784,536,861	735,960,290
0.2792	0.2771	0.2904	0.2997	0.3112
0.0007	0.0007	0.0003	0.0006	0.0001
0.0111	0.0122	0.0125	0.0120	0.0114
0.0146	0.0148	0.0155	0.0146	0.0145
0.0010	0.0014	0.0008	0.0009	0.0005
0.0005	0.0008	0.0006	0.0004	0.0003
0.0147	0.0149	0.0155	0.0158	0.0156
0.3218	0.3219	0.3356	0.3440	0.3536
				1,254,205
			1,286,883	1,322,173
		1,328,473	1,382,303	
	1,318,484	1,457,137		
1,377,575	1,545,305			
1,622,678				
3,000,253	2,863,789	2,785,610	2,669,186	2,576,378
99.50%	99.97%	99.82%	99.89%	99.76%

**GLENSIDE PUBLIC LIBRARY DISTRICT**

Schedule of Insurance in Force

June 30, 2014

Description of Coverage	Type of Coverage	Amount of Coverage
Umbrella Liability	General Aggregate	\$ 6,000,000
	Each Occurrence	6,000,000
	Retention	10,000
Property	Building and Contents	11,726,812
	Employee Benefits - General Aggregate	2,000,000
	Employee Benefits - Each Claim	1,000,000
	Earthquake	1,000,000
	Increase Cost of Construction	500,000
	Computers and Media Coverage	250,000
General Liability	Liability and Medical Expenses	1,000,000
	General Aggregate	2,000,000
	Products/Completed Operations Aggregate	2,000,000
	Personal/Advertising Injury	1,000,000
	Damages to Premises Rented to You - Any One Premises	1,000,000
		10,000
	Employment Practices Liability - Each Claim Limit	10,000
	Aggregate Limit	10,000
	Hired/Non-Owned Auto Liability	1,000,000
	Employment Practices Liability - Each Claim Limit	1,000,000
Employment Practices Liability - Aggregate	2,000,000	
Government Crime Policy		1,802,623
Directors and Officers Liability		4,000,000
Employment Practices		2,000,000
Workers' Compensation	Each Accident	500,000
	Policy Limit	500,000
	Each Employee	500,000
Automobile	Business Auto	1,000,000
Flood		500,000
Volunteer Accident	General Aggregate	2,000,000

Expiration Date	Insurance Company	Number
7/1/2014	Hartford	83SBAF08588
7/1/2014	Hartford	83SBAF08588
7/1/2014	Hartford	83SBAF08588
6/30/2014	Arthur J Gallagher Risk	1851994
6/30/2014	Chubb Group	68047734
6/30/2014	Chubb Group	68047734
7/1/2014	Hartford	83WECJI1937
7/1/2014	Hartford	83SBAF08588
7/1/2014	Hartford	88706755782010
7/1/2014	Chartis	SRG0009137329