

Glenside Public Library District

Annual Financial Report

June 30, 2016

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, 2016

BOARD OF TRUSTEES

Constance Barreras, President

Isabelle Baldwin, Vice President

Saverio “Sam” Lucente, Trustee

Linda Fagan, Secretary

Chodri Khokhar, Trustee

Altha Milnes, Treasurer

Mariann Evans, Trustee

ADMINISTRATION

Tom Bartenfelder, Library Director

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 and the aggregate remaining fund information of Glenside Public Library District as of and for the year ended June 30, 2016, and the related notes to the basic 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, 2016, 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 information listed in the table of contents 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 District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements as a whole.

Board of Trustees
Glenside Public Library District
Page 3

The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

BKD, LLP

Oakbrook Terrace, Illinois
November 14, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

GLENSIDE PUBLIC LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016. 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, liabilities and deferred outflows/inflows of resources of the Library District. Assets and deferred outflows that exceed liabilities and deferred inflows 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 10 through 16.

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, liabilities and deferred outflows/inflows of resources 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 major fund, the General 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 Changes in Net Pension Liability and Contributions.

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

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 and deferred outflows exceeded liabilities and deferred inflows by \$4,751,873 at the close of this fiscal year. A large portion of the Library District's assets reflects its net 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.

Summary of Net Position

The following table summarizes the Statement of Net Position using the full accrual basis of accounting.

	June 30, 2016		June 30, 2015	
	Balances	Percent of Total Assets	Balances	Percent of Total Assets
Assets				
Current Assets	\$ 4,173,697	47 %	\$ 4,160,697	50 %
Capital Assets	4,799,718	53	4,198,972	50
Total Assets	<u>8,973,415</u>	<u>100</u>	<u>8,359,669</u>	<u>100</u>
Deferred Outflows of Resources				
Outflows Related to Pensions (IMRF)	<u>438,590</u>	<u>5</u>	<u>249,879</u>	<u>3</u>
Liabilities				
Current Liabilities	687,686	8	318,825	4
Noncurrent Liabilities	<u>3,889,126</u>	<u>43</u>	<u>3,879,107</u>	<u>46</u>
Total Liabilities	<u>4,576,812</u>	<u>51</u>	<u>4,197,932</u>	<u>50</u>
Deferred Inflows of Resources				
Inflows Related to Pensions (IMRF)	<u>83,320</u>	<u>1</u>	<u>100,883</u>	<u>1</u>
Net Position				
Net Investment in Capital Assets	1,079,718	13	563,972	7
Restricted	194,181	2	162,635	2
Unrestricted	<u>3,477,974</u>	<u>39</u>	<u>3,584,126</u>	<u>40</u>
	<u>\$ 4,751,873</u>	<u>54 %</u>	<u>\$ 4,310,733</u>	<u>52 %</u>

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

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 \$184,714, furniture and equipment of \$131,265, and building improvements of \$687,205 are not included because these costs are capitalized and depreciated over the expected life of the assets. For the year ended June 30, 2016, the Library District's Net Position increased by \$441,140. 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 and lower, while property taxes increased by \$32,329.

Overview of the Statement of Activities

	Fiscal Year 2016		Fiscal Year 2015	
	Balances	Percent of Total Revenues	Balances	Percent of Total Revenues
Revenues				
Taxes	\$ 3,777,864	98 %	\$ 3,746,093	97 %
Fines	49,814	1	55,252	1
State Grant			60,753	2
Interest	3,362		345	
Miscellaneous	20,755	1	1,771	
Total Revenues	3,851,795	100	3,864,214	100
Expenses				
General Government	293,406	8	288,931	7
Culture	1,932,332	50	2,345,478	61
Building and Site Maintenance	833,602	22	317,711	8
Interest	158,475	4	160,766	4
Depreciation	192,840	5	189,504	5
Total Expenses	3,410,655	89	3,302,390	85
Change in Net Position	441,140	<u>12 %</u>	561,824	<u>15 %</u>
Net Position, Beginning of Year	<u>4,310,733</u>		<u>3,748,909</u>	
Net Position, End of Year	<u>\$ 4,751,873</u>		<u>\$ 4,310,733</u>	

Revenue

The Library District receives 98% 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.

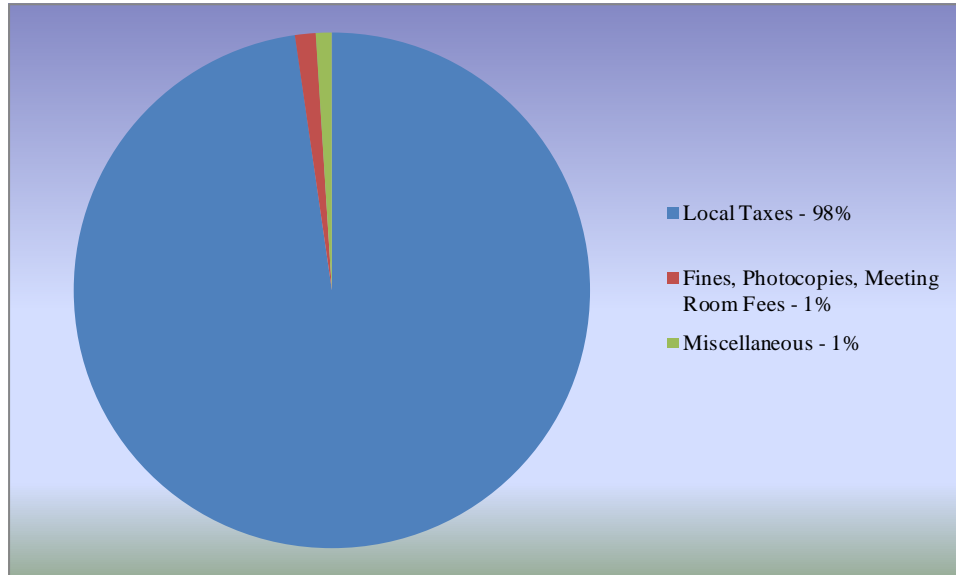
The increase in property tax revenue of \$32,329 from the prior year is due to two factors: (1) a new development in the District, and (2) the consumer price index increase of 1.7%.

During the year ended June 30, 2015, the Library District received the Illinois Library Per Capita Grant in the amount of \$45,324. Per Capita Grant funds are spent on library materials. There were no grant funds received during the year ended June 30, 2016.

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

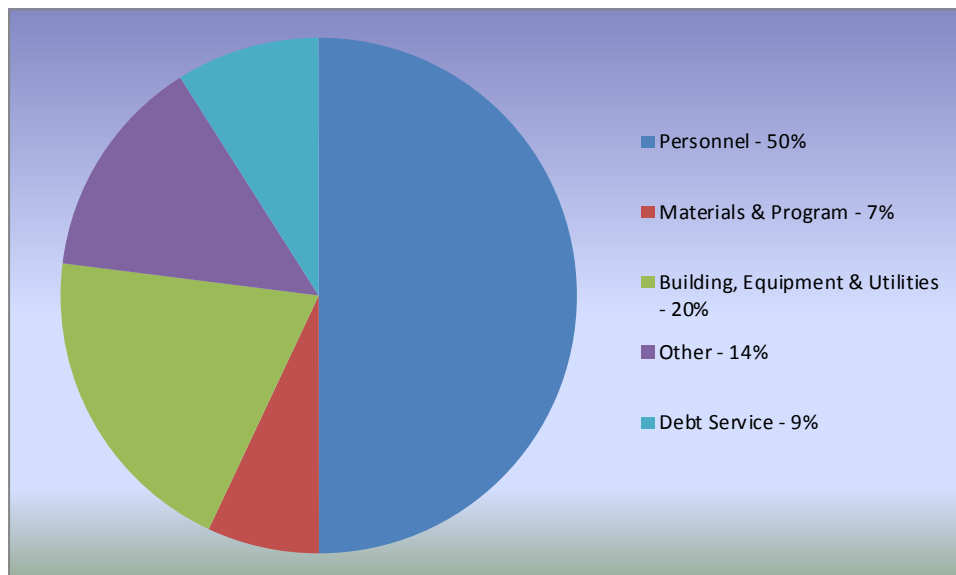
Revenue by Source – Governmental Activities



Expenditures

Expenditures for all library materials and programming were \$309,209. Continuing to provide excellent library services to our residents of all ages requires a dedicated, professional, and trained staff. Staff-related expenditures are 50% 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 decrease in personnel related expenditures was 4%.

Expenditures – General Fund



GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

General Fund Budgetary Highlights

The General Fund had revenues of \$3,859,311, which was \$2,241 under budget, and expenditures of \$4,139,061, which was \$200,897 under budget. The result was a net income budget variance of \$198,656, before transfers. Expenses were under budget mainly due to the following: employee benefits under budget by \$55,827, utilities under budget by \$29,653, automated system expenditures under budget by \$26,140, and building/equipment maintenance under budget by \$29,272. Budget amendments increasing the budget by \$104,025 were approved in fiscal year 2016. The amendment increased the budgeted expenditures for facilities maintenance and renovation.

Programs and Services

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

Continuing to utilize the newly renovated space, the District maintained 2014-15 previously reported increases in programming to all ages. In-house special events were held such as How-To-Fest, Halloween Family Event, and Southeast Asia: A Celebration of Culture. Special outreach events were also coordinated with schools and Parks and Recreation such as a multi-school district Author event, Basketball Jones – Character Building for Kids, and the Jesse White Tumblers. “Over the last five years, library program attendance (in-house and through outreach) has increased by 52%.”

After School Service Statistics, 2015-2016:

- 226 programs for grades 6-8 (4,613 children)*
- 82 programs for grades 1-5 (1,152 children)
- 31,920 combined hours of teen and kids computer use
- 21,817 reference answers for teens and kids

*Reporting methods for teen programs changed dramatically with the introduction of the Teen Room. While the Library continues to staff the Teen Room, and provide a variety of activities each day, it was decided not to include its participants in programming statistics. This resulted in a significant decrease of statistical use but such loss does not represent an actual decrease in Library services.

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

Capital Assets

At the end of fiscal 2016, the Library District had total capital assets (net of accumulated depreciation) of \$4,799,718 invested in computers, a large collection of books and other library materials, building improvements, and the land and building which houses the library operations.

	June 30,	
	2016	2015
Land	\$ 175,000	\$ 175,000
Construction in Progress		46,233
Building and Improvements	6,406,130	5,672,692
Furniture and Equipment	570,143	438,878
Books and Library Materials	1,219,318	1,216,322
Cost of Capital Assets	8,370,591	7,549,125
Less Accumulated Depreciation	(3,570,873)	(3,350,153)
Net Capital Assets	<u>\$ 4,799,718</u>	<u>\$ 4,198,972</u>

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

Long-Term Debt

The Library District maintains \$3,420,000 in long-term debt. In the current year, the Library District reduced its outstanding bonds by \$215,000. In 2016, the District entered into an agreement for \$300,000 for roof repairs. This loan was paid back in full in July of 2016.

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:

Tom Bartenfelder
Library Director
25 East Fullerton Avenue
Glendale Heights, Illinois 60139

BASIC FINANCIAL STATEMENTS

GLENSIDE PUBLIC LIBRARY DISTRICT

Statement of Net Position

June 30, 2016

Assets	
Current Assets	
Cash and Investments	\$ 2,291,700
Receivables	
Property Taxes	1,881,997
Total Current Assets	<u>4,173,697</u>
Noncurrent Assets	
Capital Assets	
Capital Assets Not Being Depreciated	175,000
Other Capital Assets, Net of Depreciation	4,624,718
Total Noncurrent Assets	<u>4,799,718</u>
Total Assets	<u>8,973,415</u>
Deferred Outflows of Resources	
Outflows Related to Pensions (IMRF)	<u>438,590</u>
Liabilities	
Current Liabilities	
Accounts Payable	36,165
Accrued Liabilities	74,286
Loans Payable	300,000
Current Portion of Accrued Vacation and Sick Pay	52,235
Current Portion of Bonds Payable	225,000
Total Current Liabilities	<u>687,686</u>
Noncurrent Liabilities	
Accrued Vacation and Sick Pay	5,804
Bonds Payable, Less Current Portion	3,195,000
Net Pension Liability	688,322
Total Noncurrent Liabilities	<u>3,889,126</u>
Total Liabilities	<u>4,576,812</u>
Deferred Inflows of Resources	
Inflows Related to Pensions (IMRF)	<u>83,320</u>
Net Position	
Net Investment in Capital Assets	1,079,718
Restricted for	
Social Security	64,111
IMRF	11,729
Liability Insurance	5,265
Workers' Compensation Insurance	2,674
Building and Equipment Maintenance	20,189
Working Cash - Permanent (Non-expendable)	90,213
Unrestricted	<u>3,477,974</u>
Total Net Position	<u>\$ 4,751,873</u>

GLENSIDE PUBLIC LIBRARY DISTRICT

Statement of Activities
For the Year Ended June 30, 2016

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	\$ 3,252,180	49,814		(3,202,366)
Interest on Long-Term Debt	158,475			(158,475)
Total Governmental Activities	<u>\$ 3,410,655</u>	<u>49,814</u>	<u>-</u>	<u>(3,360,841)</u>
General Revenues				
Taxes				
Property Taxes				3,771,398
Replacement Taxes				6,466
Interest				3,362
Miscellaneous				20,755
Total General Revenues				<u>3,801,981</u>
Increase in Net Position				441,140
Net Position				
Beginning of Year				<u>4,310,733</u>
Ending				<u><u>4,751,873</u></u>

GLENSIDE PUBLIC LIBRARY DISTRICT

Balance Sheet - Governmental Funds

June 30, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and Investments	\$ 2,201,468	90,232	2,291,700
Receivables			
Property Taxes	1,881,997		1,881,997
Total Assets	\$ 4,083,465	90,232	4,173,697
Liabilities			
Accounts Payable	\$ 36,165		36,165
Accrued Payroll and Related Taxes	67,926		67,926
Total Liabilities	104,091	-	104,091
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	3,795,673		3,795,673
Fund Balances			
Nonspendable			
Working Cash - Permanent		90,213	90,213
Restricted			
Social Security	64,111		64,111
IMRF	11,729		11,729
Liability Insurance	5,265		5,265
Workers' Compensation Insurance	2,674		2,674
Unemployment	396		396
Building and Equipment Maintenance	20,189		20,189
Assigned			
Special Reserve		19	19
Unassigned	79,337		79,337
Total Fund Balances	183,701	90,232	273,933
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,083,465	90,232	4,173,697

GLENSIDE PUBLIC LIBRARY DISTRICT

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

June 30, 2016

Total Fund Balances - Governmental Funds	\$ 273,933
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.	4,799,718
Property tax revenue from current levies is reported in the Statement of Net Position, but is deferred in the governmental funds.	3,795,673
Bonds payable do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	(3,420,000)
Loans payable do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	(300,000)
Accrued interest payable reported in the Statement of Net Position, is not reported in the governmental funds.	(6,360)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(688,322)
The IMRF deferred outflows of resources do not require the use of current financial resources and, therefore, are not reported as asset in governmental funds.	438,590
The IMRF deferred inflows of resources do not require the use of current financial resources and, therefore, are not reported as liability in governmental funds.	(83,320)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(58,039)</u>
Net Position of Governmental Activities	<u>\$ 4,751,873</u>

GLENSIDE PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 3,734,185		3,734,185
Replacement Taxes	6,466		6,466
Grants	45,324		45,324
Interest	2,767	595	3,362
Fines and Other	49,814		49,814
Miscellaneous	20,755		20,755
Total Revenues	<u>3,859,311</u>	<u>595</u>	<u>3,859,906</u>
Expenditures			
Current			
General Government	293,406		293,406
Culture	2,854,536		2,854,536
Building and Site Maintenance	624,004		624,004
Debt Service			
Principal	215,000		215,000
Interest	152,115		152,115
Total Expenditures	<u>4,139,061</u>	<u>-</u>	<u>4,139,061</u>
Excess (Deficiency) of Revenues over Expenditures	(279,750)	595	(279,155)
Other Financing Sources			
Loan Proceeds	300,000		300,000
Net Change in Fund Balances	20,250	595	20,845
Fund Balances			
Beginning	163,451	89,637	253,088
Ending	<u>\$ 183,701</u>	<u>90,232</u>	<u>273,933</u>

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, 2016

Net Change in Fund Balances - Governmental Funds	\$ 20,845
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 \$1,003,184 exceeded depreciation of (\$402,438).	600,746
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.	37,213
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.	215,000
Loan proceeds are reported as other financing revenues in the fund financial statements but are reported as liability in the governmental activities.	(300,000)
Interest on loans payable is shown as fund expenditure when paid, but it accrued in the governmental activities.	(6,360)
Changes in the net pension liability and the IMRF deferred outflow of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(92,377)
The change in compensated absences is not a source or use of a financial resource.	<u>11,397</u>
Change in Net Position of Governmental Activities	<u>\$ 441,140</u>

GLENSIDE PUBLIC LIBRARY DISTRICT

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property Taxes				
Corporate	\$ 2,938,861	2,937,444	2,937,444	
Property Taxes Special Levies				
Audit	7,432	7,337	7,004	(333)
Social Security	147,805	147,738	137,738	(10,000)
Illinois Municipal Retirement	149,315	149,244	148,244	(1,000)
Liability Insurance	9,707	8,682	7,004	(1,678)
Workers' Compensation Insurance	7,007	7,004	7,004	
Unemployment Insurance	5,839	5,836	5,836	
Building and Equipment Maintenance	117,883	126,648	116,727	(9,921)
Bond	367,285	367,107	367,108	1
Prior Levies	50	38	76	38
Replacement Taxes	6,200	6,200	6,466	266
Grants	45,324	45,324	45,324	
Interest	1,025	950	2,767	1,817
Fines and Other	41,500	41,500	49,814	8,314
Miscellaneous	5,000	10,500	20,755	10,255
Total Revenues	<u>3,850,233</u>	<u>3,861,552</u>	<u>3,859,311</u>	<u>(2,241)</u>
Expenditures				
General Government	327,105	325,985	293,406	(32,579)
Culture	2,894,389	2,980,619	2,854,536	(126,083)
Building and Site Maintenance	647,154	666,189	624,004	(42,185)
Debt Service	367,285	367,165	367,115	(50)
Total Expenditures	<u>4,235,933</u>	<u>4,339,958</u>	<u>4,139,061</u>	<u>(200,897)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(385,700)</u>	<u>(478,406)</u>	<u>(279,750)</u>	<u>198,656</u>
Other Financing Sources				
Loan Proceeds	300,000	300,000	300,000	
Transfer In	89,600	89,600		(89,600)
Total Other Financing Sources	<u>389,600</u>	<u>389,600</u>	<u>300,000</u>	<u>(89,600)</u>
Net Change in Fund Balance	<u>\$ 3,900</u>	<u>(88,806)</u>	<u>20,250</u>	<u>109,056</u>
Fund Balance				
Beginning			<u>163,451</u>	
Ending			<u><u>183,701</u></u>	

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Glenside Public Library District (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, 2016

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 fund:

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.

The District reports the following nonmajor governmental funds:

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

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, 2016

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 unearned/unavailable revenues on its Governmental Funds Balance Sheet. For governmental fund financial statements, unearned/unavailable 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 unearned/unavailable 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 Statement of Net Position and 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. The District has only two items that qualifies for reporting in this category; it is the deferred inflows of resources related to the IMRF plan reported in the government-wide Statement of Net Position and the unavailable revenue relating to property taxes in the Governmental Funds Balance Sheet. The deferred inflows of resources result from the following transactions: the variance between expected and actual experience of the total pension liability and property tax revenues that do not provide for current financial resources.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

D. Measurement Focus (Cont.)

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has only one item that qualifies for reporting in this category; it is the deferred outflows of resources related to the IMRF plan report in the government-wide Statement of Net Position. The deferred outflows of resources result from two transactions: contributions to the defined benefit pension plan subsequent to the plan's year end through the District's fiscal year end and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

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.

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).

The District passed a budget for the General Fund. 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

No funds had an excess of actual expenditures over amended budget for the year ended June 30, 2016.

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. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations, terminations or retirements, and are payable with expendable resources.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

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.

I. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities. 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 2015 levy proceeds are not considered "available" as defined earlier in Note 1 and are, therefore, considered deferred inflows at June 30, 2016. In the entity-wide financial statements, property taxes are recognized when levied.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

J. Property Taxes (Cont.)

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

	Maximum 2015 Levy	Actual 2015 Levy	Actual 2014 Levy
Library	0.5151	0.5167	0.5033
Bond and Interest	0.0636	0.0636	0.0629
Illinois Municipal Retirement	0.2380	0.0251	0.0254
Audit	0.0013	0.0014	0.0012
Building and Equipment Maintenance	0.0177	0.0200	0.0200
Tort Judgments	0.0023	0.0012	0.0012
Social Security	0.0239	0.0200	0.0236
Unemployment Insurance	0.0010	0.0011	0.0010
Workers' Compensation Insurance	0.0017	0.0013	0.0012
	0.8646	0.6504	0.6398

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 does 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 defines 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.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

1. Summary of Significant Accounting Policies (Cont.)

K. Equity Classifications (Cont.)

Fund Financial Statements (Cont.)

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.

The following details the changes in restricted fund balances during the year ended June 30, 2016, within the General Fund:

	Balance June 30, 2015	Property Tax Revenues	Expenditures	Balance June 30, 2016
Audit	\$ 333	7,004	7,337	
Social Security	50,513	137,738	124,140	64,111
Illinois Municipal Retirement	6,090	148,244	142,605	11,729
Liability Insurance	5,268	7,004	7,007	5,265
Workers' Compensation Insurance	872	7,004	5,202	2,674
Unemployment Insurance		5,836	5,440	396
Building and Equipment Maintenance	9,922	116,727	106,460	20,189
Bond and Interest		367,108	367,108	
	<u>\$ 72,998</u>	<u>796,665</u>	<u>765,299</u>	<u>104,364</u>

L. Defined Benefit Pension Plan

The District provides pension benefits to its employees through an agent multiple-employer defined benefit pension plan (agent pension plan), the Illinois Municipal Retirement Fund (the Plan). 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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 \$69,027 and the bank balances totaled \$78,918. 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, 2016, the entire bank balance of \$78,918 was insured, therefore, not subject to the aforementioned custodial credit risk.

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, 2016, was \$2,222,193.

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 AAA from Standard and Poor's. 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, 2016, was 0.340%. 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.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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
Capital Assets Not Being Depreciated				
Land	\$ 175,000			175,000
Construction in Progress	46,233		46,233	
	<u>221,233</u>	-	<u>46,233</u>	<u>175,000</u>
Capital Assets Being Depreciated				
Building and Improvements	5,672,692	733,438		6,406,130
Furniture and Equipment	438,878	131,265		570,143
Library Materials	1,216,322	184,714	181,718	1,219,318
	<u>7,327,892</u>	<u>1,049,417</u>	<u>181,718</u>	<u>8,195,591</u>
Less Accumulated Depreciation for				
Building and Improvements	2,656,870	182,732		2,839,602
Furniture and Equipment	38,853	26,866		65,719
Library Materials	654,430	192,840	181,718	665,552
	<u>3,350,153</u>	<u>402,438</u>	<u>181,718</u>	<u>3,570,873</u>
Total Capital Assets Being Depreciated, Net	<u>3,977,739</u>	<u>646,979</u>		<u>4,624,718</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,198,972</u>	<u>646,979</u>	<u>(46,233)</u>	<u>4,799,718</u>

Total depreciation expense for the year charged to Library Services was \$402,438.

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.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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.	\$ 3,635,000		215,000	3,420,000	225,000
Accrued vacation and sick pay	69,435	51,096	62,492	58,039	52,235
Loan payable - \$300,000, interest rate of 2.12%; principal and interest payable July 21, 2016; proceeds were used for roof repairs.		300,000		300,000	300,000
	<u>\$ 3,704,435</u>	<u>351,096</u>	<u>277,492</u>	<u>3,778,039</u>	<u>577,235</u>

The annual requirements on all general obligation debt to maturity as of June 30, 2016, are as follows:

Year Ended June 30	Principal	Interest	Total
2017	\$ 225,000	142,715	367,715
2018	235,000	133,443	368,443
2019	245,000	123,705	368,705
2020	255,000	113,495	368,495
2021	265,000	102,680	367,680
2022-2026	1,500,000	334,020	1,834,020
2027-2028	695,000	38,282	733,282
	<u>\$ 3,420,000</u>	<u>988,340</u>	<u>4,408,340</u>

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.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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. Employee Retirement System - Illinois Municipal Retirement Fund

Plan Description

The District's agent pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" described below. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 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 consecutive 48 months within the last 10 years of service, 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 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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 one-half of the increase in the Consumer Price Index of the original pension amount.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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

Employees Covered by Benefit Terms

As of December 31, 2015, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	31
Active Plan Members	<u>27</u>
Total	<u><u>78</u></u>

Contributions

As set by statute, the District's 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 District's annual contribution rate for calendar years 2015 and 2016 was 10.89% and 10.90%, respectively. For the fiscal year ended June 30, 2016, the District contributed \$142,605 to the plan. The District 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2015, for the year ended June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine the net pension liability as of December 31, 2015:

- The actuarial cost method was entry age normal.
- The asset valuation method was market value of assets.
- The inflation rate was assumed to be 2.75%.
- Salary increases were expected to be 3.75% to 14.50%, average, including inflation.
- The investment rate of return was assumed to be 7.48%, net of pension plan expense, including inflation.
- Projected retirement age was from the Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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

Actuarial Assumptions (Cont.)

- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75 - 8.15%
Cash Equivalents	1%	2.25%
Total	100%	

Discount Rate

A single discount rate (SDR) of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine the SDR 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 SDR 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 recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting SDR is 7.48%.

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, Beginning of Year	\$ 4,737,453	4,350,790	386,663
Changes for the Year			
Service Cost	139,931		139,931
Interest	353,699		353,699
Differences Between Expected and Actual Experience	(26,488)		(26,488)
Changes in Assumptions	6,618		6,618
Contributions - Employer		141,257	(141,257)
Contributions - Employee		58,371	(58,371)
Net Investment Income		21,827	(21,827)
Benefit Payments, Including Refunds of Employees Contributions	(170,264)	(170,264)	
Other (Net Transfer)		(49,354)	49,354
Net Changes	303,496	1,837	301,659
Balance, End of Year	\$ 5,040,949	4,352,627	688,322

Change in assumption related to investment rate of return was made since the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's net pension liability, calculated using a single discount rate of 7.48%, as well as what the District's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability	\$ 1,410,261	688,322	104,226

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

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

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

For the year ended June 30, 2016, the District recognized pension expense of \$233,634. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience Changes in Assumptions	\$ 91,076	83,320
Net Differences Between Projected and Actual Earnings on Plan Investments	276,279	
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	367,355	83,320
Pension Contributions Made Subsequent to the Measurement Date	71,235	
Total	\$ 438,590	83,320

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

Year Ending June 30,	
2017	\$ 78,938
2018	75,786
2019	68,566
2020	60,745
	<u>\$ 284,035</u>

10. Commitments

The District has the following commitments which include those as of year-end and those entered into subsequent year-end through the report date:

Project	June 30, 2016
2nd Floor Renovation	\$ 70,842

GLENSIDE PUBLIC LIBRARY DISTRICT

Notes to the Financial Statements
June 30, 2016

11. Accounting Pronouncements

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The District is required to implement this pronouncement for the year ending June 30, 2017. Management is considering the impact this GASB statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The District is required to implement this pronouncement for the year ending June 30, 2017. Management is considering the impact this GASB statement will have on its financial statements.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*, is effective for periods beginning after June 15, 2016, except for certain of its provisions which are effective on or after June 15, 2017. GASB 82 addresses three issues: presentation of payroll-related measures in Required Supplementary Information, selection of assumptions and classification of employer-paid member contributions. Management is considering the impact this GASB statement will have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

GLENSIDE PUBLIC LIBRARY DISTRICT

Required Supplementary Information

Schedule of Changes in the District's Net Pension Liability and Related Ratios

June 30, 2016

Calendar Year Ended December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 139,931	155,288
Interest	353,699	326,705
Changes in Benefit Terms		
Differences Between Expected and Actual Experience	(26,488)	(137,562)
Change of Assumptions	6,618	184,906
Benefit Payments, Including Refunds of Member Contributions	(170,264)	(140,613)
Net Change in Total Pension Liability	303,496	388,724
Total Pension Liability - Beginning	4,737,453	4,348,729
Total Pension Liability - Ending	\$ 5,040,949	4,737,453
Plan Fiduciary Net Position		
Contributions - District	\$ 141,257	138,619
Contributions - Members	58,371	58,298
Net Investment Income	21,827	252,190
Benefit Payments, Including Refunds of Member Contributions	(170,264)	(140,613)
Other (Net Transfer)	(49,354)	(63,815)
Net Change in Plan Fiduciary Net Position	1,837	244,679
Plan Net Position - Beginning	4,350,790	4,106,111
Plan Net Position - Ending	\$ 4,352,627	4,350,790
District's Net Pension Liability	\$ 688,322	386,663
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.35%	91.8%
Covered Employee Payroll	\$ 1,297,128	1,234,700
Net Pension Liability as a Percentage of Covered Employee Payroll	53.07%	31.3%

Change in assumption related to investment rate of return was made since the prior measurement date.

GASB Statement No. 67 and No. 68 requires the presentation of 10 fiscal years of data, however, the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was enacted in fiscal year 2015.

GLENSIDE PUBLIC LIBRARY DISTRICT

Required Supplementary Information
Schedule of District Contributions

June 30, 2016

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered - Employee Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2016	\$ 142,605	142,605	-	1,308,901	10.90%

Notes to the Required Supplementary Information:

Valuation Date: 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 2015 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal.
Amortization Method	Level Percentage of Payroll, Closed.
Remaining Amortization Period	28-year Closed Period.
Asset Valuation Method	5-year Smoothed Market; 20% Corridor.
Wage Growth	4.00%
Price Inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% 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 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data, however, the fiscal years completed prior to the enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was enacted in fiscal year 2015.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

GOVERNMENTAL FUND TYPES

NONMAJOR GOVERNMENTAL FUND TYPES

GLENSIDE PUBLIC LIBRARY DISTRICT

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2016

	Capital Projects <u>Special</u> Reserve Fund	<u>Permanent</u> Working Cash	Total Nonmajor Governmental Funds
Assets			
Cash and Investments	\$ 19	90,213	90,232
Liabilities			
			\$
Fund Balance			
Nonspendable - Permanent Fund		90,213	90,213
Assigned - Special Reserve Fund	19		19
Total Liabilities and Fund Balances	\$ 19	90,213	90,232

GLENSIDE PUBLIC LIBRARY DISTRICT

Nonmajor Governmental Funds

Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2016

	<u>Capital Projects Special Reserve Fund</u>	<u>Permanent Working Cash</u>	Total Nonmajor Governmental Funds
Revenues			
Interest	\$ 19	576	595
Net Change in Fund Balance	19	576	595
Fund Balance			
Beginning of Year		89,637	89,637
End of Year	\$ 19	90,213	90,232

GENERAL FUND
(Major Fund)

GLENSIDE PUBLIC LIBRARY DISTRICT

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual
General Governmental			
Audit Services	\$ 7,432	7,337	7,337
Social Security Contribution	147,805	147,805	124,140
IMRF - Pension	149,315	149,315	142,605
Liability Insurance	9,707	8,682	8,682
Workers' Compensation Insurance	7,007	7,007	5,202
Unemployment Insurance	5,839	5,839	5,440
Total General Governmental	327,105	325,985	293,406
Culture			
Salaries	1,629,635	1,631,655	1,626,748
Employment Benefits			
Group Medical and Employee Recognition, Net of Staff Reimbursements	181,660	190,660	172,257
Training and Conference Expenditures	3,000	3,000	3,062
Travel Expenditure Reimbursement	10,550	11,550	10,484
Professional Dues		3,900	2,984
Utilities - Electric	85,000	71,000	62,809
Natural Gas	41,600	33,750	12,288
Trustee Expenditures	1,300	1,300	1,559
Legal Services	13,000	13,000	8,554
Legal Notice Publication	3,000	3,000	1,202
Accounting and Payroll Service	17,200	17,200	15,330
Collection Services	2,000	2,000	1,638
Insurance	20,000	18,000	17,359
Automated Systems Expenditures	193,305	193,305	167,165
Books	137,114	137,114	134,081
Periodicals	9,980	13,072	13,185
Non-print Materials	103,525	103,525	91,980
Processing of Materials			115
Supplies	27,750	26,750	20,347
Postage	4,800	4,800	4,941
Programs and Outreach Materials	65,370	66,370	69,848
Telephone	8,500	8,500	6,661
Friends Expenditures	350	350	567
Memorial Expenditures	5,250	8,600	8,208
Water	5,500	5,500	3,371
Maintenance and Renovation	25,000	112,718	99,541
Miscellaneous	300,000	300,000	298,252
Total Culture	2,894,389	2,980,619	2,854,536
Building and Site Maintenance			
Garbage Removal	4,060	4,060	1,744
Contract Custodial Services	27,959	27,959	25,145
Snow Removal Service	8,260	8,260	8,139
Maintenance and Renovation	506,611	516,611	487,339
Mechanical Maintenance	28,410	33,794	31,881
Grounds Maintenance	15,144	9,760	9,973

(Cont.)

GLENSIDE PUBLIC LIBRARY DISTRICT

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual
Building and Site Maintenance (Cont.)			
Equipment	51,399	60,222	56,319
Contingency	5,311	5,523	3,464
Total Building and Site Maintenance	<u>647,154</u>	<u>666,189</u>	<u>624,004</u>
Debt Service			
Principal	215,000	215,000	215,000
Interest	152,285	152,165	152,115
Total Debt Service	<u>367,285</u>	<u>367,165</u>	<u>367,115</u>
Total Expenditures	<u>\$ 4,235,933</u>	<u>4,339,958</u>	<u>4,139,061</u>

**STATISTICAL SECTION
(UNAUDITED)**

GLENSIDE PUBLIC LIBRARY DISTRICT

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

For the Year Ended June 30, 2016

Tax Levy Year	2015	2014	2013	2012	2011
Equalized Assessed Valuation	\$ 583,590,501	597,427,177	618,464,489	674,912,922	763,584,348
Tax Rates					
General Corporate	0.5167	0.5033	0.4736	0.4229	0.3983
Bond & Interest	0.0636	0.0629	0.0604		
Audit	0.0014	0.0012	0.0012	0.0010	
Social Security	0.0200	0.0236	0.0241	0.0221	
Illinois Municipal Retirement	0.0251	0.0254	0.0248	0.0224	
Liability Insurance	0.0012	0.0012	0.0014	0.0013	
Workers' Compensation Insurance	0.0013	0.0012	0.0010	0.0009	
Building and Equipment Maintenance	0.0200	0.0200	0.0200	0.0200	0.0200
Unemployment Insurance	0.0011	0.0010	0.0005	0.0002	
Total	0.6504	0.6398	0.6070	0.4908	0.4183
Tax Collections					
2005	\$				
2006					
2007					
2008					
2009					
2010					
2011					1,526,850
2012				1,500,812	1,587,336
2013			1,813,909	1,663,716	
2014		1,825,753	1,857,315		
2015	1,913,675	1,908,355			
Total Collections	\$ 1,913,675	3,734,108	3,671,224	3,164,528	3,114,186
Percent Collected	49.57%	97.69%	110.83%	100.26%	98.66%

2010	2009	2008	2007	2006
866,893,528	931,785,187	947,138,971	899,139,377	837,690,072
0.3141	0.2839	0.2792	0.2771	0.2904
0.0008	0.0007	0.0007	0.0007	0.0003
0.0128	0.0116	0.0111	0.0122	0.0125
0.0166	0.0152	0.0146	0.0148	0.0155
0.0009	0.0009	0.0010	0.0014	0.0008
0.0005	0.0005	0.0005	0.0008	0.0006
0.0168	0.0152	0.0147	0.0149	0.0155
0.0001	0.0001			
0.3626	0.3281	0.3218	0.3219	0.3356
				1,328,473
			1,318,484	1,457,137
		1,377,575	1,545,305	
	1,446,868	1,622,678		
1,523,834	1,566,358			
1,573,940				
3,097,774	3,013,226	3,000,253	2,863,789	2,785,610
99.66%	99.64%	99.50%	99.97%	99.82%

GLENSIDE PUBLIC LIBRARY DISTRICT

Schedule of Insurance in Force

June 30, 2016

Policy Type	Limit	Effective Date	Insurance Company	Policy Number
Package	Blanket Property - \$13,684,031 General Liability - \$1,000,000/\$2,000,000 Fire Damage - \$1,000,000 Medical Expense - \$10,000	7/1/15 - 7/1/2016	Hanover/Citizens	OBCA612696
Workers' Compensation	\$500,000/\$500,000/\$500,000 Employee Benefits - General Aggregate	7/1/15 - 7/1/2016	Hanover/All American	W2CA612689
Directors and Officers	\$4,000,000 D&O & \$1,000,000 EPL	7/1/15 - 7/1/2016	Philadelphia	NPHSD1150952
Crime	\$1,933,315	7/1/15 - 7/1/2016	Hanover	BDC1851994
Umbrella	\$6,000,000	7/1/15 - 7/1/2016	Hanover/Citizens	OBCA612696
Blanket Accident	\$100,000	7/1/15 - 7/1/2016	AIG	SRG0009137329A