

Glenside Public Library District

Annual Financial Report

June 30, 2018

Glenside Public Library District
June 30, 2018

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June 30, 2018

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Introductory Section

Glenside Public Library District

Principal Officials

June 30, 2018

BOARD OF TRUSTEES

Saverio “Sam” Lucente, President

Isabelle Baldwin, Vice President

Constance Barreras, Secretary

Altha Milnes, Treasurer

Chodri Khokhar, Trustee

Jessica Breede, Trustee

Mariann Evans, Trustee

ADMINISTRATION

Tom Bartenfelder, Library Director

Financial Section

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, 2018, 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, 2018, 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 introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Board of Trustees
Glenside Public Library District
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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.

BKD, LLP |

Oakbrook Terrace, Illinois
December 20, 2018

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, 2018. 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 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 \$5,824,160 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, 2018		June 30, 2017	
	Balances	Percent of Total Assets	Balances	Percent of Total Assets
Assets				
Current Assets	\$ 4,868,984	51 %	\$ 4,477,239	48 %
Capital Assets	4,596,330	49	4,772,801	52
Total Assets	<u>9,465,314</u>	<u>100</u>	<u>9,250,040</u>	<u>100</u>
Deferred Outflows of Resources				
Outflows Related to Pensions (IMRF)	<u>220,295</u>	<u>2</u>	<u>491,418</u>	<u>5</u>
Liabilities				
Current Liabilities	416,268	4	490,491	5
Noncurrent Liabilities	3,068,066	32	3,812,838	41
Total Liabilities	<u>3,484,334</u>	<u>37</u>	<u>4,303,329</u>	<u>47</u>
Deferred Inflows of Resources				
Inflows Related to Pensions (IMRF)	<u>377,115</u>	<u>4</u>	<u>49,658</u>	<u>1</u>
Net Position				
Net Investment in Capital Assets	1,636,330	18	1,577,801	18
Restricted	167,569	2	226,766	2
Unrestricted	<u>4,020,261</u>	<u>42</u>	<u>3,583,904</u>	<u>39</u>
	<u>\$ 5,824,160</u>	<u>63 %</u>	<u>\$ 5,388,471</u>	<u>59 %</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 \$201,700 is not included because this cost is capitalized and depreciated over the expected life of the assets. For the year ended June 30, 2018, the Library District's Net Position increased by \$435,689. 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 \$77,039.

Overview of the Statement of Activities

	Fiscal Year 2018		Fiscal Year 2017	
	Balances	Percent of Total Revenues	Balances	Percent of Total Revenues
Revenues				
Taxes	\$ 3,900,750	98 %	\$ 3,823,711	96 %
Fines	15,889	0	43,324	1
State Grant	28,153	1	87,846	2
Interest	29,107	1	10,071	0
Miscellaneous	12,584	0	10,225	1
Total Revenues	<u>3,986,483</u>	<u>100</u>	<u>3,975,177</u>	<u>100</u>
Expenses				
Culture	3,038,480	76	2,793,054	70
Interest	134,143	3	142,821	4
Depreciation	378,171	10	402,704	10
Total Expenses	<u>3,550,794</u>	<u>89</u>	<u>3,338,579</u>	<u>84</u>
Change in Net Position	435,689	<u>11 %</u>	636,598	<u>16 %</u>
Net Position, Beginning of Year	<u>5,388,471</u>		<u>4,751,873</u>	
Net Position, End of Year	<u>\$ 5,824,160</u>		<u>\$ 5,388,471</u>	

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.

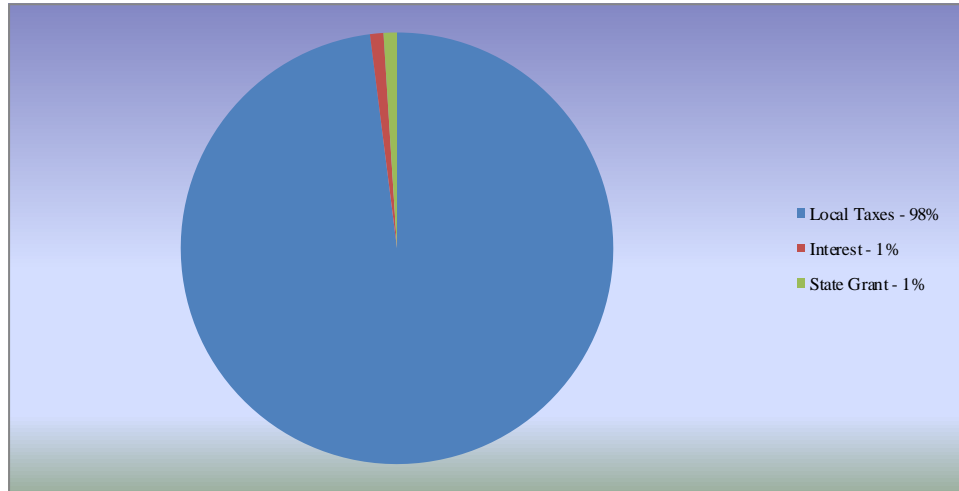
The increase in property tax revenue of \$77,039 from the prior year is due to a 6.8% increase in District valuation.

During the year ended June 30, 2018, the Library District received the Illinois Library Per Capita Grant in the amount of \$28,153. Per Capita Grant funds are spent on library materials. There were no other grant funds received during the year ended June 30, 2018.

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

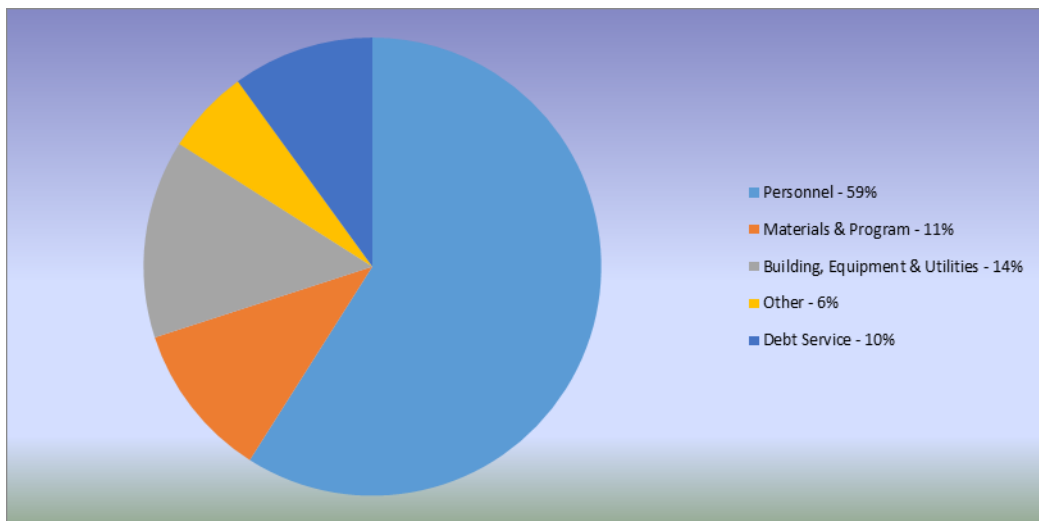
Revenue by Source – Governmental Activities



Expenditures

Expenditures for all library materials and programming were \$396,790. Continuing to provide excellent library services to our residents of all ages requires a dedicated, professional, and trained staff. Staff-related expenditures are 59% 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.

Expenditures – General Fund



GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

General Fund Budgetary Highlights

The General Fund had revenues of \$3,903,686, which was \$9,150 over budget, and expenditures of \$3,545,300, which was \$62,832 under budget. The result was a net income budget variance of \$71,982.

Expenses were under budget mainly due to the following:

- 1) Salaries under budget by \$4,826 and employee benefits under budget by \$5,579. Salaries and benefits were on target throughout the year. This small variance is likely a combination of some over estimation at the beginning of the year combined with the net elimination of 1 full time position that received health insurance benefits.
- 2) The following three categories are difficult to predict and were over-estimated intentionally to avoid shortfalls: materials processing and automation under budget by \$7,999, technology hardware, software and support under budget by \$19,166, and building and maintenance under budget by \$8,096.

Amendments increasing the expense budget by \$15,060 were approved in fiscal year 2018. The amendments increased the budgeted expenditures for maintenance and renovation and equipment.

Capital Assets

At the end of fiscal 2018, the Library District had total capital assets (net of accumulated depreciation) of \$4,596,330 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,	
	2018	2017
Land	\$ 175,000	\$ 175,000
Construction in Progress	-	-
Building and Improvements	6,598,761	6,598,761
Furniture and Equipment	570,143	570,143
Books and Library Materials	1,273,353	1,241,125
Cost of Capital Assets	8,617,257	8,585,029
Less Accumulated Depreciation	(4,020,927)	(3,812,228)
Net Capital Assets	<u>\$ 4,596,330</u>	<u>\$ 4,772,801</u>

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

Long-Term Debt

The Library District maintains \$2,960,000 in long-term debt. In the current year, the Library District reduced its outstanding bonds by \$235,000.

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

GLENSIDE PUBLIC LIBRARY DISTRICT

Management's Discussion and Analysis (Cont.)

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

Glenside Public Library District
Statement of Net Position
June 30, 2018

Assets

Current Assets

Cash and investments	\$ 2,941,881
Receivables	
Property taxes	1,885,032
Prepays	42,071
Total current assets	4,868,984

Noncurrent Assets

Capital Assets	
Capital assets not being depreciated	175,000
Other capital assets, net of depreciation	4,421,330
Total noncurrent assets	4,596,330
Total assets	9,465,314

Deferred Outflows of Resources

Outflows related to pensions (IMRF)	220,295
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Liabilities

Current Liabilities

Accounts payable	76,841
Accrued liabilities	67,554
Current portion of accrued vacation and sick pay	26,873
Current portion of bonds payable	245,000
Total current liabilities	416,268

Noncurrent Liabilities

Accrued vacation and sick pay	2,986
Bonds payable, less current portion	2,715,000
Net pension liability	350,080
Total noncurrent liabilities	3,068,066
Total liabilities	3,484,334

Deferred Inflows of Resources

Inflows related to pensions (IMRF)	377,115
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Net Position

Net investment in capital assets	1,636,330
Restricted for	
IMRF	15,655
Liability insurance	10,871
Audit	695
Workers' compensation insurance	5,238
Unemployment	4,353
Building and equipment maintenance	8,180
FICA	27,540
Working cash - permanent (nonexpendable)	95,037
Unrestricted	4,020,261
Total net position	\$ 5,824,160

Glenside Public Library District
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Culture	\$ 3,416,651	\$ 15,889	\$ 28,153	\$ (3,372,609)
Interest on long-term debt	134,143	-	-	(134,143)
Total governmental activities	<u>\$ 3,550,794</u>	<u>\$ 15,889</u>	<u>\$ 28,153</u>	<u>(3,506,752)</u>
General Revenues				
Taxes				
Property taxes				3,894,739
Replacement taxes				6,011
Interest				29,107
Miscellaneous				<u>12,584</u>
Total general revenues				<u>3,942,441</u>
Increase in Net Position				435,689
Net Position, Beginning of Year				<u>5,388,471</u>
Net Position, End of Year				<u>\$ 5,824,160</u>

Glenside Public Library District
Governmental Funds Balance Sheet
June 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 2,846,571	\$ 95,310	\$ 2,941,881
Receivables			
Property taxes	1,885,032	-	1,885,032
Prepays	42,071	-	42,071
Total assets	\$ 4,773,674	\$ 95,310	\$ 4,868,984
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 76,841	\$ -	\$ 76,841
Accrued payroll and related taxes	67,554	-	67,554
Total liabilities	144,395	-	144,395
Deferred Inflows of Resources			
Unavailable revenue - property taxes	3,904,115	-	3,904,115
Fund Balances			
Nonspendable			
Prepaid items	42,071	-	42,071
Working cash - permanent	-	95,037	95,037
Restricted			
Audit	695	-	695
IMRF	15,655	-	15,655
Liability insurance	10,871	-	10,871
Workers' compensation insurance	5,238	-	5,238
Unemployment	4,353	-	4,353
Building and equipment maintenance	8,180	-	8,180
FICA	27,540	-	27,540
Assigned			
Special reserve	-	273	273
Unassigned	610,561	-	610,561
Total fund balances	725,164	95,310	820,474
Total liabilities, deferred inflows of resources and fund balances	\$ 4,773,674	\$ 95,310	\$ 4,868,984

Glenside Public Library District
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total Fund Balances - Governmental Funds	\$ 820,474
<p>Amounts reported for governmental activities in the statement of net position are different because</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,596,330
Property tax revenue from current levies is reported in the statement of net position, but is deferred in the governmental funds.	3,904,115
Bonds payable do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	(2,960,000)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(350,080)
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.	220,295
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.	(377,115)
Accrued vacation and sick pay are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(29,859)</u>
Net Position of Governmental Activities	<u><u>\$ 5,824,160</u></u>

Glenside Public Library District
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 3,815,182	\$ -	\$ 3,815,182
Replacement taxes	6,011	-	6,011
Grants	28,153	-	28,153
Interest	25,867	3,240	29,107
Fines and other	15,889	-	15,889
Miscellaneous	12,584	-	12,584
Total revenues	<u>3,903,686</u>	<u>3,240</u>	<u>3,906,926</u>
Expenditures			
Culture	3,176,157	-	3,176,157
Debt service			
Principal	235,000	-	235,000
Interest	134,143	-	134,143
Total expenditures	<u>3,545,300</u>	<u>-</u>	<u>3,545,300</u>
Net Change in Fund Balances	358,386	3,240	361,626
Fund Balances			
Beginning	<u>366,778</u>	<u>92,070</u>	<u>458,848</u>
Ending	<u>\$ 725,164</u>	<u>\$ 95,310</u>	<u>\$ 820,474</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, 2018

Net Change in Fund Balances - Governmental Funds	\$	361,626
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
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 difference between capital outlays of \$201,700 and depreciation of \$378,171.		(176,471)
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.		79,557
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.		235,000
Changes in the net pension liability and the IMRF deferred outflow and inflow of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(102,673)
The change in compensated absences is not a source or use of a financial resource.		38,650
Change in Net Position of Governmental Activities	\$	435,689

Glenside Public Library District
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Revenues				
Property taxes				
Corporate	\$ 3,075,256	\$ 3,067,714	\$ 3,067,714	\$ -
Property taxes special levies				
Audit	11,240	11,212	11,212	-
Social Security	89,916	89,696	89,696	-
Illinois municipal retirement	129,879	129,560	129,560	-
Liability insurance	9,991	9,966	9,966	-
Workers' compensation insurance	4,995	4,983	4,983	-
Unemployment insurance	6,244	6,229	6,229	-
Building and equipment maintenance	124,884	124,577	124,577	-
Bond	372,153	371,240	371,240	-
Prior levies	-	-	5	5
Replacement taxes	3,000	2,848	6,011	3,163
Grants	28,153	28,153	28,153	-
Interest	3,000	23,160	25,867	2,707
Fines and other	31,000	14,000	15,889	1,889
Miscellaneous	7,000	11,198	12,584	1,386
Total revenues	<u>3,896,711</u>	<u>3,894,536</u>	<u>3,903,686</u>	<u>9,150</u>
Expenditures				
Culture	3,225,249	3,240,309	3,176,157	(64,152)
Debt service	367,823	367,823	369,143	1,320
Total expenditures	<u>3,593,072</u>	<u>3,608,132</u>	<u>3,545,300</u>	<u>(62,832)</u>
Net Change in Fund Balance	<u>\$ 303,639</u>	<u>\$ 286,404</u>	358,386	<u>\$ 71,982</u>
Fund Balance				
Beginning			<u>366,778</u>	
Ending			<u>\$ 725,164</u>	

Glenside Public Library District

Notes to the Financial Statements

June 30, 2018

Note 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.

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.

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

Glenside Public Library District

Notes to the Financial Statements

June 30, 2018

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.

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, deferred inflows of resources, fund balance, 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.

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.

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

Glenside Public Library District

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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.

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.

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 noncurrent) 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.

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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.

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, 2018.

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.

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

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historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their acquisition 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.

Deferred Outflows/Inflows of Resources

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.

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.

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.

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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.

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 2017 levy proceeds are not considered “available” as defined earlier in Note 1 and are, therefore, considered deferred inflows at June 30, 2018. 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 2017 Levy	Actual 2017 Levy	Actual 2016 Levy
Library	0.4716	0.4716	0.4925
Bond and interest	0.0559	0.0559	0.0596
Illinois municipal retirement	0.0195	0.0195	0.0208
Audit	0.0017	0.0017	0.0018
Building and equipment maintenance	0.0200	0.0200	0.0200
Tort judgments	0.0003	0.0003	0.0016
Social Security	0.0150	0.0150	0.0144
Unemployment insurance	0.0010	0.0010	0.0010
Workers’ compensation insurance	0.0007	0.0007	0.0008
	<u>0.5857</u>	<u>0.5857</u>	<u>0.6125</u>

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Notes to the Financial Statements
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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.

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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

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The following details the changes in restricted fund balances during the year ended June 30, 2018, within the General Fund:

	Balance June 30, 2017	Property Tax Revenues	Expenditures	Balance June 30, 2018
Audit	\$ 493	\$ 11,212	\$ 11,010	\$ 695
Social Security	59,414	89,696	121,570	27,540
Illinois municipal retirement	21,906	129,560	135,811	15,655
Liability insurance	5,305	9,966	4,400	10,871
Workers' compensation insurance	4,942	4,983	4,687	5,238
Unemployment insurance	2,567	6,229	4,443	4,353
Building and equipment maintenance	40,165	124,577	156,562	8,180
Bond and interest	-	371,240	371,240	-
	<u>\$ 134,792</u>	<u>\$ 747,463</u>	<u>\$ 809,723</u>	<u>\$ 72,532</u>

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 (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.

Note 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.

Glenside Public Library District
Notes to the Financial Statements
June 30, 2018

Deposits

At year-end, the carrying amount of the District's deposits totaled \$302,306 and the bank balances totaled \$452,730. 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, 2018, all of the District's cash accounts were insured or fully collateralized by investments held by an independent third party in the District's name.

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, 2018, was \$2,639,095.

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 but does operate in a manner consistent with Rule 2a7 of the *Investment Company Act of 1940*, 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, 2018, was 1.32%. 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, 2018

Note 3: Capital Assets

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

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Capital assets not being depreciated				
Land	\$ 175,000	\$ -	\$ -	\$ 175,000
Capital assets being depreciated				
Building and improvements	6,598,761	-	-	6,598,761
Furniture and equipment	570,143	-	-	570,143
Library materials	1,241,125	201,700	169,472	1,273,353
	<u>8,410,029</u>	<u>201,700</u>	<u>169,472</u>	<u>8,442,257</u>
Less accumulated depreciation for				
Building and improvements	3,029,188	196,570	-	3,225,758
Furniture and equipment	94,226	28,507	-	122,733
Library materials	688,814	153,093	169,472	672,435
	<u>3,812,228</u>	<u>378,171</u>	<u>169,472</u>	<u>4,020,927</u>
Total capital assets being depreciated, net	<u>4,597,801</u>	<u>(176,471)</u>	<u>-</u>	<u>4,421,330</u>
Governmental activities capital assets, net	<u>\$ 4,772,801</u>	<u>\$ (176,471)</u>	<u>\$ -</u>	<u>\$ 4,596,330</u>

Total depreciation expense for the year charged to Library Services was \$378,171.

Note 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.

Note 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

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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.

Note 6: Long-Term Debt

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

	<u>Balance July 1</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30</u>	<u>Due Within One Year</u>
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.	\$ 3,195,000	\$ -	\$ 235,000	\$ 2,960,000	\$ 245,000
Accrued vacation and sick pay	<u>68,509</u>	<u>23,008</u>	<u>61,658</u>	<u>29,859</u>	<u>26,873</u>
	<u>\$ 3,263,509</u>	<u>\$ 23,008</u>	<u>\$ 296,658</u>	<u>\$ 2,989,859</u>	<u>\$ 271,873</u>

The annual requirements on all general obligation debt to maturity as of June 30, 2018, are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 245,000	\$ 123,705	\$ 368,705
2020	255,000	113,495	368,495
2021	265,000	102,680	367,680
2022	275,000	91,340	366,340
2023	290,000	79,685	369,685
2024-2028	<u>1,630,000</u>	<u>201,279</u>	<u>1,831,279</u>
	<u>\$ 2,960,000</u>	<u>\$ 712,184</u>	<u>\$ 3,672,184</u>

Note 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

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Note 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.

Note 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 multiemployer 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

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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.

Employees Covered by Benefit Terms

As of December 31, 2017, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	35
Active plan members	26
	26
Total	88

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 2017 and 2018 was 10.47% and 11.31%, respectively. For the fiscal year ended June 30, 2018, the District contributed \$135,811 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, 2017, for the year ended June 30, 2018, 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, 2017:

- The actuarial cost method was entry age normal.
- The asset valuation method was market value of assets.
- The inflation rate was assumed to be 2.50%.

Glenside Public Library District
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- Salary increases were expected to be 3.39% to 14.25%, average, including inflation.
- The investment rate of return was assumed to be 7.50%, 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 2017 valuation according to an experience study of the period 2014 to 2016.
- For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives.
- For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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 as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65 - 7.35%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

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Discount Rate

A single discount rate (SDR) of 7.50% (same as prior year) 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 3.31%, and the resulting SDR is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, beginning of year	<u>\$ 5,562,116</u>	<u>\$ 4,716,129</u>	<u>\$ 845,987</u>
Changes for the year			
Service cost	131,198	-	131,198
Interest	412,978	-	412,978
Differences between expected and actual experience	91,242	-	91,242
Changes in assumptions	(192,156)	-	(192,156)
Contributions - employer	-	131,943	(131,943)
Contributions - employee	-	56,709	(56,709)
Net investment income	-	836,515	(836,515)
Benefit payments, including refunds of Employees contributions	(242,676)	(242,676)	-
Administrative expenses	-	-	-
Other (net transfer)	-	(85,998)	85,998
Net changes	<u>200,586</u>	<u>696,493</u>	<u>(495,907)</u>
Balance, end of year	<u><u>\$ 5,762,702</u></u>	<u><u>\$ 5,412,622</u></u>	<u><u>\$ 350,080</u></u>

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

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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 7.50%, 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 (6.50%)	Current Discount Rate (7.50)	1% Increase (8.50)
Net pension liability	\$ 1,143,044	\$ 350,080	\$ (292,814)

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

For the year ended June 30, 2018, the District recognized pension expense of \$238,627. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 150,239	\$ 4,372
Changes in assumptions	1,092	143,277
Net differences between projected and actual earnings on plan investments	-	229,466
Total deferred amounts to be recognized in pension expense in future periods	151,331	377,115
Pension contributions made subsequent to the measurement date	68,964	-
Total	\$ 220,295	\$ 377,115

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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 December 31,	Amount
2018	\$ 6,400
2019	(32,178)
2020	(102,394)
2021	(97,612)
	\$ (225,784)

Note 10: Recent Accounting Pronouncements

GASB Statement No. 82, *Pension Issues*, (GASB 82) provides amendments to pension guidance in GASB 67 and 68 based on three issues raised during implementation of those standards. It changes the payroll amount presented in required supplementary information back to covered payroll, being the amount on which contributions to the pension plan are based. It specifies that an actuarial valuation is not in conformity with the pension standards if it includes a deviation from the Actuarial Standards of Practice in the selection of assumptions. GASB 82 also specifies that payments made by employers to satisfy employee contribution requirements should be considered employee contributions and recognized as expense or expenditure in the same manner as other compensation. GASB 82 is effective for financial statements for fiscal years beginning after June 15, 2016, with the exception of the provision related to a deviation from Actuarial Standards of Practice, which will be effective for fiscal years in which the measurement date is on or after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 87, *Leases*, (GASB 87) establishes a single approach to accounting for and reporting leases by state and local governments. The standard addresses the reporting for governments that are lessors or lessees. GASB 87 is effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

The District will begin assessing the potential impacts on the financial statements of these statements and begin the process of communicating the impact with those charged with governance and other stakeholders.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, (GASB 89) requires that interest costs incurred before the end of a construction period be recognized as expenses in the period in which the costs are incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Glenside Public Library District
Notes to the Financial Statements
June 30, 2018

GASB 89 is effective for financial statements for fiscal years beginning after December 15, 2019. Earlier application is encouraged. GASB 89 will be applied prospectively to interest incurred after the date of adoption.

Required Supplementary Information

Glenside Public Library District
Required Supplementary Information
Schedule of Changes in the District's Pension Liability and Related Ratios
June 30, 2018

Calendar Year Ended December 31,	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 131,198	\$ 137,645	\$ 139,931	\$ 155,288
Interest	412,978	375,454	353,699	326,705
Changes in benefit terms				
Differences between expected and actual experience	91,242	203,378	(26,488)	(137,562)
Change of assumptions	(192,156)	(14,647)	6,618	184,906
Benefit payments, including refunds of member contributions	<u>(242,676)</u>	<u>(180,663)</u>	<u>(170,264)</u>	<u>(140,613)</u>
Net change in total pension liability	200,586	521,167	303,496	388,724
Total pension liability - beginning	<u>5,562,116</u>	<u>5,040,949</u>	<u>4,737,453</u>	<u>4,348,729</u>
Total pension liability - ending	<u><u>\$ 5,762,702</u></u>	<u><u>\$ 5,562,116</u></u>	<u><u>\$ 5,040,949</u></u>	<u><u>\$ 4,737,453</u></u>
Plan fiduciary net position				
Contributions - District	\$ 131,943	\$ 141,954	\$ 141,257	\$ 138,619
Contributions - members	56,709	58,605	58,371	58,298
Net investment income	836,515	282,184	21,827	252,190
Benefit payments, including refunds of member contributions	(242,676)	(180,663)	(170,264)	(140,613)
Other (net transfer)	<u>(85,998)</u>	<u>61,422</u>	<u>(49,354)</u>	<u>(63,815)</u>
Net change in plan fiduciary net position	696,493	363,502	1,837	244,679
Plan net position - beginning	<u>4,716,129</u>	<u>4,352,627</u>	<u>4,350,790</u>	<u>4,106,111</u>
Plan net position - ending	<u><u>\$ 5,412,622</u></u>	<u><u>\$ 4,716,129</u></u>	<u><u>\$ 4,352,627</u></u>	<u><u>\$ 4,350,790</u></u>
District's net pension liability	<u><u>\$ 350,080</u></u>	<u><u>\$ 845,987</u></u>	<u><u>\$ 688,322</u></u>	<u><u>\$ 386,663</u></u>
Plan fiduciary net position as a percentage of the total pension liability	93.93%	84.79%	86.35%	91.84%
Covered employee payroll	1,260,209	1,302,335	1,297,128	1,234,700
Net pension liability as a percentage of covered employee payroll	27.78%	64.96%	53.07%	31.32%

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, 2018

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Excess/ (Deficiency)	Covered - Employee Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
6/30/2018	\$ 135,811	\$ 135,811	-	\$ 1,247,638	10.89%
6/30/2017	135,818	135,818	-	1,272,436	10.67%
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 2017 Contribution Rates:

Actuarial cost method	Aggregate entry age normal.
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	26-year closed period.
Asset valuation method	5-year smoothed market; 20% corridor.
Wage growth	3.50%
Price inflation	2.75% approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	3.75% to 14.50% including inflation.
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of ten 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

Glenside Public Library District
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Capital Projects Special Reserve Fund	Permanent Working Cash	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 273	\$ 95,037	\$ 95,310
Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Nonspendable - Permanent Fund	-	95,037	95,037
Assigned - Special Reserve Fund	273	-	273
Total fund balances	273	95,037	95,310
Total liabilities and fund balances	\$ 273	\$ 95,037	\$ 95,310

Glenside Public Library District
Nonmajor Governmental Funds
Statement of Revenues, Expenditures and Changes in
Fund Balances
Year Ended June 30, 2018

	<u>Capital Projects Special Reserve Fund</u>	<u>Permanent Working Cash</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues			
Interest	\$ 177	\$ 3,063	\$ 3,240
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditure	<u>177</u>	<u>3,063</u>	<u>3,240</u>
Net Change in Fund Balance	177	3,063	3,240
Fund Balance			
Beginning of year	<u>96</u>	<u>91,974</u>	<u>92,070</u>
End of year	<u>\$ 273</u>	<u>\$ 95,037</u>	<u>\$ 95,310</u>

Glenside Public Library District
General Fund
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2018

	Original Budget	Final Budget	Actual
Culture			
Salaries	\$ 1,641,200	\$ 1,613,650	\$ 1,608,824
Benefits	466,795	466,795	461,216
Staff training, travel and recognition	17,550	14,300	10,888
Library information	41,000	50,000	47,765
Public programs and community outreach	43,000	57,500	58,249
Library materials			
Print	149,170	146,170	144,985
Audio/visual	54,000	56,000	56,094
Digital items and online services	75,500	90,500	89,697
Department and office supplies	24,800	28,300	27,665
Professional services	41,500	34,750	30,555
Technology hardware, software and support	81,500	83,000	63,834
Materials processing and automation	119,950	112,950	104,951
Custodial contract and supplies	55,000	55,000	54,925
Building and maintenance	139,900	147,400	139,304
Capital improvements	100,000	125,000	124,235
Utilities	130,000	120,500	118,646
Contingency	8,100	5,000	4,608
Insurance	36,284	33,494	29,716
Total culture	<u>3,225,249</u>	<u>3,240,309</u>	<u>3,176,157</u>
Debt Service			
Principal	235,000	235,000	235,000
Interest	132,823	132,823	134,143
Total debt service	<u>367,823</u>	<u>367,823</u>	<u>369,143</u>
 Total expenditures	 <u>\$ 3,593,072</u>	 <u>\$ 3,608,132</u>	 <u>\$ 3,545,300</u>

Statistical Section

Glenside Public Library District
Schedule of Assessed Valuations, Ratios and
Collections - Last Ten Levy Years
Year Ended June 30, 2018

Tax Levy Year	2017	2016	2015	2014
Equalized Assessed Valuation	<u>\$ 666,572,389</u>	<u>\$ 624,417,561</u>	<u>\$ 583,590,501</u>	<u>\$ 597,427,177</u>
Tax Rates				
General corporate	0.4716	0.4925	0.5167	0.5033
Bond & interest	0.0559	0.0596	0.0636	0.0629
Audit	0.0195	0.0208	0.0014	0.0012
Social security	0.0017	0.0018	0.0200	0.0236
Illinois municipal retirement	0.0200	0.0200	0.0251	0.0254
Liability insurance	0.0003	0.0016	0.0012	0.0012
Workers' compensation insurance	0.0150	0.0144	0.0013	0.0012
Building and equipment maintenance	0.0010	0.0010	0.0200	0.0200
Unemployment insurance	<u>0.0007</u>	<u>0.0008</u>	<u>0.0011</u>	<u>0.0010</u>
Total	<u>0.5857</u>	<u>0.6125</u>	<u>0.6504</u>	<u>0.6398</u>
Tax Collections				
2005	\$ -	\$ -	\$ -	\$ -
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	1,825,753
2015	-	-	1,913,675	1,908,355
2016	-	1,944,611	1,869,373	-
2017	<u>2,019,082</u>	<u>1,870,567</u>	<u>-</u>	<u>-</u>
Total collections	<u>\$ 2,019,082</u>	<u>\$ 3,815,178</u>	<u>\$ 3,783,048</u>	<u>\$ 3,734,108</u>
Percent Collected	<u>51.88%</u>	<u>98.82%</u>	<u>97.99%</u>	<u>97.69%</u>

2013	2012	2011	2010	2009	2008
<u>\$ 618,464,489</u>	<u>\$ 674,912,922</u>	<u>\$ 763,584,348</u>	<u>\$ 866,893,528</u>	<u>\$ 931,785,187</u>	<u>\$ 947,138,971</u>
0.4736	0.4229	0.3983	0.3141	0.2839	0.2792
0.0604	-	-	-	-	-
0.0012	0.0010	-	0.0008	0.0007	0.0007
0.0241	0.0221	-	0.0128	0.0116	0.0111
0.0248	0.0224	-	0.0166	0.0152	0.0146
0.0014	0.0013	-	0.0009	0.0009	0.0010
0.0010	0.0009	-	0.0005	0.0005	0.0005
0.0200	0.0200	0.0200	0.0168	0.0152	0.0147
0.0005	0.0002	-	0.0001	0.0001	-
<u>0.6070</u>	<u>0.4908</u>	<u>0.4183</u>	<u>0.3626</u>	<u>0.3281</u>	<u>0.3218</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,377,575
-	-	-	-	1,446,868	1,622,678
-	-	-	1,523,834	1,566,358	-
-	-	1,526,850	1,573,940	-	-
-	1,500,812	1,587,336	-	-	-
1,813,909	1,663,716	-	-	-	-
1,857,315	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,671,224</u>	<u>\$ 3,164,528</u>	<u>\$ 3,114,186</u>	<u>\$ 3,097,774</u>	<u>\$ 3,013,226</u>	<u>\$ 3,000,253</u>
<u>110.83%</u>	<u>100.26%</u>	<u>98.66%</u>	<u>99.66%</u>	<u>99.64%</u>	<u>99.50%</u>

Glenside Public Library District
Schedule of Insurance in Force
June 30, 2018

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	7/1/17 - 7/1/2018	Hanover/Citizens	OBCA612696
Workers' Compensation	\$500,000/\$500,000/\$500,000 Employee Benefits - General Aggregate	7/1/17 - 7/1/2018	Hanover/All American	W2CA612689
Directors and Officers	\$4,000,000 D&O & \$2,000,000 EPL	7/1/17 - 7/1/2018	Philadelphia	PHSD1245541
Crime	\$1,933,315	7/1/17 - 7/1/2019	Hanover	BDC1851994
Umbrella	\$6,000,000	7/1/17 - 7/1/2018	Hanover/Citizens	OBCA612696
Blanket Accident	\$100,000	7/1/17 - 7/1/2018	AIG	SRG0009137329A