

# **Glenside Public Library District**

Annual Financial Report

June 30, 2019



**Glenside Public Library District**  
**June 30, 2019**

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**Glenside Public Library District**  
**June 30, 2019**

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## **Introductory Section**

# **Glenside Public Library District**

## **Principal Officials**

**June 30, 2019**

### **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, 2019, 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, 2019, 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 supplemental information 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 supplemental information 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  
November 21, 2019

## **GLENSIDE PUBLIC LIBRARY DISTRICT**

### **Management's Discussion and Analysis**

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As management of the Glenside Public Library District, this narrative overview and analysis is provided of the Library District's financial performance for the fiscal year ended June 30, 2019. 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 District'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.)

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#### 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 \$6,241,063 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, 2019		June 30, 2018	
	Balances	Percent of Total Assets	Balances	Percent of Total Assets
Assets				
Current Assets	\$ 5,229,413	54 %	\$ 4,868,984	51 %
Capital Assets	4,435,847	46	4,596,330	49
Total Assets	<u>9,665,260</u>	<u>100</u>	<u>9,465,314</u>	<u>100</u>
Deferred Outflows of Resources				
Outflows Related to Pensions (IMRF)	<u>592,767</u>	<u>6</u>	<u>220,295</u>	<u>2</u>
Liabilities				
Current Liabilities	411,953	4	416,268	4
Noncurrent Liabilities	3,489,909	36	3,068,066	32
Total Liabilities	<u>3,901,862</u>	<u>40</u>	<u>3,484,334</u>	<u>37</u>
Deferred Inflows of Resources				
Inflows Related to Pensions (IMRF)	<u>115,102</u>	<u>1</u>	<u>377,115</u>	<u>4</u>
Net Position				
Net Investment in Capital Assets	1,720,847	19	1,636,330	18
Restricted	142,121	1	167,569	2
Unrestricted	<u>4,378,095</u>	<u>45</u>	<u>4,020,261</u>	<u>42</u>
Total Net Position	<u>\$ 6,241,063</u>	<u>66 %</u>	<u>\$ 5,824,160</u>	<u>63 %</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 and equipment of \$242,299 is not included because this cost is capitalized and depreciated over the expected life of the assets. For the year ended June 30, 2019, the Library District’s Net Position increased by \$416,903. 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 decreased by \$133,335.

*Overview of the Statement of Activities*

	Fiscal Year 2019		Fiscal Year 2018	
	Balances	Percent of Total Revenues	Balances	Percent of Total Revenues
<b>Revenues</b>				
Taxes	\$ 3,767,415	96 %	\$ 3,900,750	98 %
Fines	30,742	1	15,889	0
State Grant	45,324	1	28,153	1
Interest	60,715	2	29,107	1
Miscellaneous	6,915	0	12,584	1
<b>Total Revenues</b>	<b>3,911,111</b>	<b>100</b>	<b>3,986,483</b>	<b>100</b>
<b>Expenses</b>				
Culture	2,967,721	76	3,038,480	76
Interest	123,705	3	134,143	3
Depreciation	402,782	10	378,171	9
<b>Total Expenses</b>	<b>3,494,208</b>	<b>89</b>	<b>3,550,794</b>	<b>89</b>
Change in Net Position	416,903	<u>11 %</u>	435,689	<u>11 %</u>
Net Position, Beginning of Year	<u>5,824,160</u>		<u>5,388,471</u>	
Net Position, End of Year	<u>\$ 6,241,063</u>		<u>\$ 5,824,160</u>	

**Revenue**

The Library District receives 96% of its operating revenue from property taxes, while the remaining amount is comprised of overdue fines and miscellaneous fees revenue, state per capita grant, interest income and other miscellaneous items.

The library is a conscientious steward of tax payer money and was able to reduce expenses allowing the intentional reduction of money collected through the 2018 levy. This resulted in a decrease of property tax revenue in the amount of \$133,335.

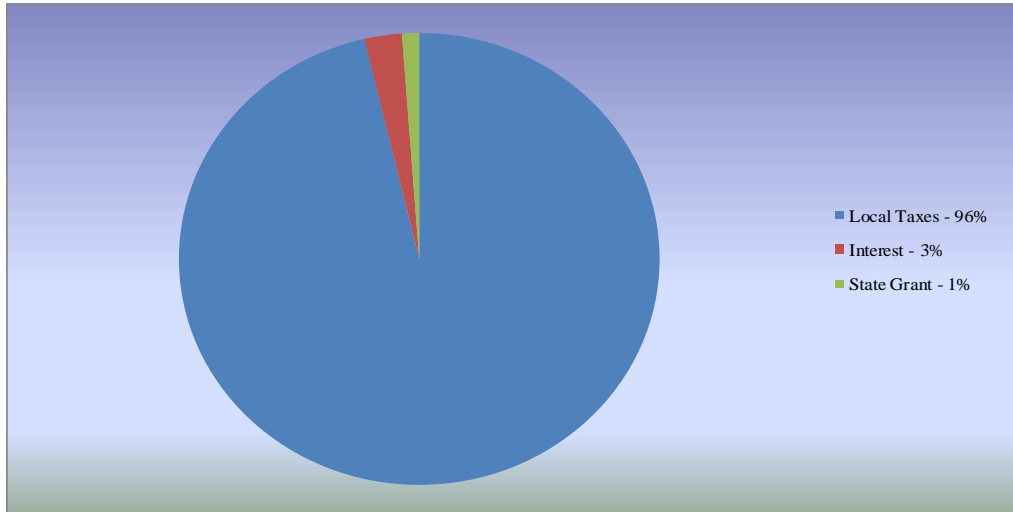
During the year ended June 30, 2019, the Library District received the Illinois Library Per Capita Grant in the amount of \$45,324. Per Capita Grant funds are spent on library materials. There were no other grant funds received during the year ended June 30, 2019.

**GLENSIDE PUBLIC LIBRARY DISTRICT**

**Management’s Discussion and Analysis (Cont.)**

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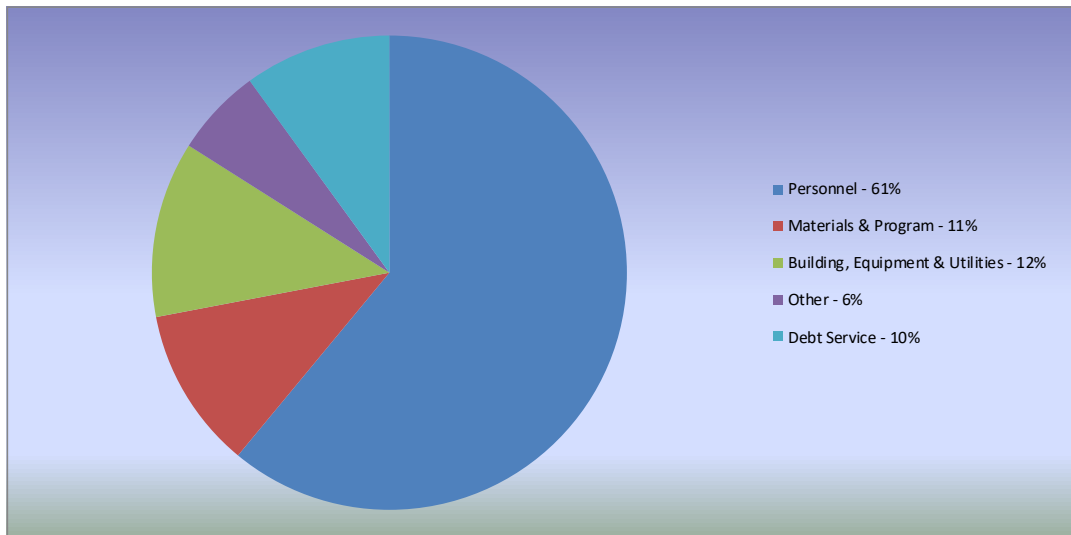
Revenue by Source – Governmental Activities



**Expenditures**

Expenditures for all library materials and programming were \$384,655. 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 workers’ compensation insurance, and employee retirement benefits.

Expenditures – General Fund



## GLENSIDE PUBLIC LIBRARY DISTRICT

### Management's Discussion and Analysis (Cont.)

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#### General Fund Budgetary Highlights

The General Fund had revenues of \$4,044,909, which was \$16,945 over budget, and expenditures of \$3,523,769, which was \$104,283 under budget. The result was a net income budget variance of \$121,228.

Expenses were under budget mainly due to the following:

- 1) Utility Expenses are intentionally overestimated to assure the library can operate. This resulted in approximately \$10,000 remaining in the Utility budget lines at the end of the year.
- 2) Two large capital projects involving library signage were budgeted for but were delayed until the 2019-2020 fiscal year. This accounted for approximately \$35,000 remaining in the capital improvement budget line.
- 3) The library shifted from a 3-year PC replacement plan to a 4-year PC replacement plan resulting in a savings of approximately \$8,000 in the hardware replacement budget lines.

Amendments decreasing the expense budget by \$2,935 were approved in fiscal year 2019. The most significant amendment to the budget was the elimination of the overnight cleaning contract for \$30,000. This money was transferred into the custodial salary and staff benefit lines.

#### Capital Assets

At the end of fiscal year 2019, the Library District had total capital assets (net of accumulated depreciation) of \$4,435,847 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,	
	2019	2018
Land	\$ 175,000	\$ 175,000
Building and Improvements	6,598,761	6,598,761
Furniture and Equipment	607,397	570,143
Books and Library Materials	1,297,818	1,273,353
Cost of Capital Assets	8,678,976	8,617,257
Less Accumulated Depreciation	(4,243,129)	(4,020,927)
Net Capital Assets	<u>\$ 4,435,847</u>	<u>\$ 4,596,330</u>

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

#### Long-Term Debt

The Library District maintains \$2,715,000 in long-term debt. In the current year, the Library District reduced its outstanding bonds by \$245,000.

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

**GLENSIDE PUBLIC LIBRARY DISTRICT**

**Management's Discussion and Analysis (Cont.)**

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**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, 2019**

**Assets**

**Current Assets**

Cash and investments	\$ 3,312,092
Receivables	
Property taxes	1,864,959
Prepays	52,362
Total current assets	5,229,413

**Noncurrent Assets**

Capital assets	
Capital assets not being depreciated	175,000
Other capital assets, net of depreciation	4,260,847
Total noncurrent assets	4,435,847

Total assets	9,665,260
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**Deferred Outflows of Resources**

Outflows related to pensions (IMRF)	592,767
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**Liabilities**

**Current Liabilities**

Accounts payable	48,844
Accrued liabilities	68,638
Current portion of accrued vacation and sick pay	39,471
Current portion of bonds payable	255,000
Total current liabilities	411,953

**Noncurrent Liabilities**

Accrued vacation and sick pay	4,386
Bonds payable, less current portion	2,460,000
Net pension liability	1,025,523
Total noncurrent liabilities	3,489,909

Total liabilities	3,901,862
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**Deferred Inflows of Resources**

Inflows related to pensions (IMRF)	115,102
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**Net Position**

Net investment in capital assets	1,720,847
Restricted for	
IMRF	11,372
Liability insurance	8,141
Audit	15
Workers' compensation insurance	5,323
Unemployment	7,958
Building and equipment maintenance	6,602
FICA	2,717
Working cash - permanent (nonexpendable)	99,993
Unrestricted	4,378,095
Total net position	\$ 6,241,063



**Glenside Public Library District**  
**Statement of Activities**  
**Year Ended June 30, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expenses) Revenues and Changes in Net Position Governmental Activities</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
Culture	\$ 3,370,503	\$ 30,742	\$ 45,324	\$ (3,294,437)
Interest on long-term debt	123,705	-	-	(123,705)
Total governmental activities	<u>\$ 3,494,208</u>	<u>\$ 30,742</u>	<u>\$ 45,324</u>	<u>(3,418,142)</u>
<b>General Revenues</b>				
Taxes				
Property taxes				3,760,912
Replacement taxes				6,503
Interest				60,715
Miscellaneous				6,915
Total general revenues				<u>3,835,045</u>
<b>Increase in Net Position</b>				416,903
<b>Net Position, Beginning of Year</b>				<u>5,824,160</u>
<b>Net Position, End of Year</b>				<u>\$ 6,241,063</u>

**Glenside Public Library District**  
**Balance Sheet – Governmental Funds**  
**June 30, 2019**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and investments	\$ 3,211,514	\$ 100,578	\$ 3,312,092
Receivables			
Property taxes	1,864,959	-	1,864,959
Prepays	52,362	-	52,362
	<u>5,128,835</u>	<u>100,578</u>	<u>5,229,413</u>
Total assets	<u>\$ 5,128,835</u>	<u>\$ 100,578</u>	<u>\$ 5,229,413</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 48,844	\$ -	\$ 48,844
Accrued payroll and related taxes	68,638	-	68,638
Total liabilities	<u>117,482</u>	<u>-</u>	<u>117,482</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	<u>3,765,049</u>	<u>-</u>	<u>3,765,049</u>
<b>Fund Balances</b>			
Nonspendable			
Prepaid items	52,362	-	52,362
Working cash - permanent	-	99,993	99,993
Restricted			
Audit	15	-	15
IMRF	11,372	-	11,372
Liability insurance	8,141	-	8,141
Workers' compensation insurance	5,323	-	5,323
Unemployment	7,958	-	7,958
Building and equipment maintenance	6,602	-	6,602
FICA	2,717	-	2,717
Assigned			
Special reserve	-	585	585
Unassigned	1,151,814	-	1,151,814
Total fund balances	<u>1,246,304</u>	<u>100,578</u>	<u>1,346,882</u>
	<u>\$ 5,128,835</u>	<u>\$ 100,578</u>	<u>\$ 5,229,413</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,128,835</u>	<u>\$ 100,578</u>	<u>\$ 5,229,413</u>

**Glenside Public Library District**  
**Reconciliation of Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2019**

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,346,882
<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.	4,435,847
Property tax revenue from current levies is reported in the statement of net position, but is deferred in the governmental funds.	3,765,049
Bonds payable do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.	(2,715,000)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(1,025,523)
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.	592,767
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.	(115,102)
Accrued vacation and sick pay are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(43,857)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 6,241,063</u></u>

**Glenside Public Library District**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Governmental Funds**  
**Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 3,899,978	\$ -	\$ 3,899,978
Replacement taxes	6,503	-	6,503
Grants	45,324	-	45,324
Interest	55,447	5,268	60,715
Fines and other	30,742	-	30,742
Miscellaneous	6,915	-	6,915
Total revenues	<u>4,044,909</u>	<u>5,268</u>	<u>4,050,177</u>
<b>Expenditures</b>			
Culture	3,155,064	-	3,155,064
Debt service			
Principal	245,000	-	245,000
Interest	123,705	-	123,705
Total expenditures	<u>3,523,769</u>	<u>-</u>	<u>3,523,769</u>
<b>Net Change in Fund Balances</b>	521,140	5,268	526,408
<b>Fund Balances</b>			
Beginning	<u>725,164</u>	<u>95,310</u>	<u>820,474</u>
Ending	<u>\$ 1,246,304</u>	<u>\$ 100,578</u>	<u>\$ 1,346,882</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, 2019**

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	526,408
<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 \$242,299 and depreciation of \$402,782.		(160,483)
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.		(139,066)
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.		245,000
Changes in the net pension liability and the IMRF deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(40,958)
The change in compensated absences is not a source or use of a financial resource.		(13,998)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>416,903</u></b>

**Glenside Public Library District**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance – Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
<b>Revenues</b>				
Property taxes				
Corporate	\$ 3,143,555	\$ 3,139,055	\$ 3,140,224	\$ 1,169
Property taxes special levies				
Audit	11,332	11,332	11,320	(12)
Social Security	99,986	99,986	99,880	(106)
Illinois municipal retirement	129,982	129,982	129,844	(138)
Liability insurance	2,000	2,000	1,998	(2)
Workers' compensation insurance	4,666	4,666	4,661	(5)
Unemployment insurance	6,666	6,666	6,659	(7)
Building and equipment maintenance	133,314	133,314	133,173	(141)
Bond and interest	372,614	372,614	372,219	(395)
Prior levies				
Replacement taxes	-	3,500	6,503	3,003
Grants	28,153	45,324	45,324	-
Interest	15,000	50,000	55,447	5,447
Fines and other	5,500	23,775	30,742	6,967
Miscellaneous	-	5,750	6,915	1,165
Total revenues	<u>3,952,768</u>	<u>4,027,964</u>	<u>4,044,909</u>	<u>16,945</u>
<b>Expenditures</b>				
Culture	3,257,987	3,255,052	3,155,064	(99,988)
Debt service	373,000	373,000	368,705	(4,295)
Total expenditures	<u>3,630,987</u>	<u>3,628,052</u>	<u>3,523,769</u>	<u>(104,283)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 321,781</u>	<u>\$ 399,912</u>	521,140	<u>\$ 121,228</u>
<b>Fund Balance</b>				
Beginning			<u>725,164</u>	
Ending			<u>\$ 1,246,304</u>	

# **Glenside Public Library District**

## **Notes to the Financial Statements**

### **June 30, 2019**

#### **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 (GASB) 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, 2019

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**

## **Notes to the Financial Statements**

### **June 30, 2019**

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.

# Glenside Public Library District

## Notes to the Financial Statements

### June 30, 2019

#### ***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, 2019.

#### ***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

# Glenside Public Library District

## Notes to the Financial Statements

June 30, 2019

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.

**Glenside Public Library District**  
**Notes to the Financial Statements**  
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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 2018 levy proceeds are not considered “available” as defined earlier in Note 1 and are, therefore, considered deferred inflows at June 30, 2019. 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:

	<b>Maximum 2018 Levy</b>	<b>Actual 2018 Levy</b>	<b>Actual 2017 Levy</b>
Library	0.4124	0.4124	0.4716
Bond and interest	0.0519	0.0519	0.0559
Illinois municipal retirement	0.0195	0.0195	0.0195
Audit	0.0016	0.0016	0.0017
Building and equipment maintenance	0.0190	0.0190	0.0200
Tort judgments	0.0008	0.0008	0.0003
Social Security	0.0173	0.0173	0.0150
Unemployment insurance	0.0011	0.0011	0.0010
Workers’ compensation insurance	0.0007	0.0007	0.0007
	<u>0.5243</u>	<u>0.5243</u>	<u>0.5857</u>

**Glenside Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2019**

***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.

**Glenside Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2019**

The following details the changes in restricted fund balances during the year ended June 30, 2019, within the General Fund:

	<b>Balance July 1, 2018</b>	<b>Property Tax Revenues</b>	<b>Expenditures</b>	<b>Balance June 30, 2019</b>
Audit	\$ 695	\$ 11,320	\$ 12,000	\$ 15
Social Security	27,540	99,880	124,703	2,717
Illinois municipal retirement	15,655	129,844	134,127	11,372
Liability insurance	10,871	1,998	4,728	8,141
Workers' compensation insurance	5,238	4,661	4,576	5,323
Unemployment insurance	4,353	6,659	3,054	7,958
Building and equipment maintenance	8,180	133,173	134,751	6,602
Bond and interest	-	368,705	368,705	-
	<u>\$ 72,532</u>	<u>\$ 756,240</u>	<u>\$ 786,644</u>	<u>\$ 42,128</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, 2019**

***Deposits***

At year-end, the carrying amount of the District's deposits totaled \$148,141 and the bank balances totaled \$184,275. 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, 2019, 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, 2019, was \$3,163,471.

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, 2019, was 2.27%. 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, 400 W. Monroe Street, Springfield, Illinois 62702.

**Glenside Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2019**

**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	37,254	-	607,397
Library materials	1,273,353	205,045	180,580	1,297,818
	<u>8,442,257</u>	<u>242,299</u>	<u>180,580</u>	<u>8,503,976</u>
Less accumulated depreciation for				
Building and improvements	3,225,758	185,146	-	3,410,904
Furniture and equipment	122,733	32,233	-	154,966
Library materials	672,436	185,403	180,580	677,259
	<u>4,020,927</u>	<u>402,782</u>	<u>180,580</u>	<u>4,243,129</u>
Total capital assets being depreciated, net	<u>4,421,330</u>	<u>(160,483)</u>	<u>-</u>	<u>4,260,847</u>
Governmental activities capital assets, net	<u>\$ 4,596,330</u>	<u>\$ (160,483)</u>	<u>\$ -</u>	<u>\$ 4,435,847</u>

Total depreciation expense for the year charged to library services was \$402,782.

**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



**Glenside Public Library District**  
**Notes to the Financial Statements**  
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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:

	<b>Balance July 1</b>	<b>Issuances</b>	<b>Retirements</b>	<b>Balance June 30</b>	<b>Due Within One Year</b>
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.	\$ 2,960,000	\$ -	\$ 245,000	\$ 2,715,000	\$ 255,000
Accrued vacation and sick pay	29,859	40,871	26,873	43,857	39,471
	<u>\$ 2,989,859</u>	<u>\$ 40,871</u>	<u>\$ 271,873</u>	<u>\$ 2,758,857</u>	<u>\$ 294,471</u>

The annual requirements on all general obligation debt to maturity as of June 30, 2019, are as follows:

<b>Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	300,000	67,362	367,362
2025-2028	<u>1,330,000</u>	<u>133,913</u>	<u>1,463,913</u>
	<u>\$ 2,715,000</u>	<u>\$ 588,475</u>	<u>\$ 3,303,475</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

## Notes to the Financial Statements

June 30, 2019

### 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](http://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

**Glenside Public Library District**  
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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, 2018, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	25
	87
Total	87

***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 2018 and 2019 was 11.31% and 9.84%, respectively. For the fiscal year ended June 30, 2019, the District contributed \$134,127 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 at June 30, 2019, was measured as of December 31, 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 total pension liability as of December 31, 2018:

- 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%.
- Salary increases were expected to be 3.39% to 14.25%, average, including inflation.

# Glenside Public Library District

## Notes to the Financial Statements

June 30, 2019

- The investment rate of return was assumed to be 7.25%, 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, 2018:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	37%	7.15%
International Equity	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternative Investments	7%	3.20 - 8.50%
Cash Equivalents	1%	2.50%
Total	100%	

**Glenside Public Library District**  
**Notes to the Financial Statements**  
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**Discount Rate**

A single discount rate (SDR) of 7.25% (7.50% in 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 7.25%, the municipal bond rate is 3.71%, and the resulting SDR is 7.25%.

**Changes in the Net Pension Liability**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance, beginning of year	\$ 5,762,702	\$ 5,412,622	\$ 350,080
Changes for the year			
Service cost	124,715	-	124,715
Interest	425,935	-	425,935
Differences between expected and actual experience	(46,739)	-	(46,739)
Changes in assumptions	187,045	-	187,045
Contributions - employer	-	140,792	(140,792)
Contributions - employee	-	56,019	(56,019)
Net investment income	-	(286,445)	286,445
Benefit payments, including refunds of employees contributions	(291,845)	(291,845)	-
Other (net transfer)	-	105,147	(105,147)
Net changes	399,111	(276,332)	675,443
Balance, end of year	\$ 6,161,813	\$ 5,136,290	\$ 1,025,523

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

**Glenside Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2019**

***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 7.25%, 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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25)</b>	<b>1% Increase (8.25)</b>
Net pension liability	\$ 1,881,828	\$ 1,025,523	\$ 331,092

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

For the year ended June 30, 2019, the District recognized pension expense of \$175,081. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2019</b>	
<b>Deferred Amounts Related to Pensions</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 64,988	\$ 31,093
Changes in assumptions	124,430	84,009
Net differences between projected and actual earnings on plan investments	341,054	-
Total deferred amounts to be recognized in pension expense in future periods	530,472	115,102
Pension contributions made subsequent to the measurement date	62,295	-
Total	\$ 592,767	\$ 115,102

**Glenside Public Library District**  
**Notes to the Financial Statements**  
**June 30, 2019**

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:

<b>Year Ending December 31,</b>	<b>Amount</b>
2019	\$ 153,345
2020	82,528
2021	40,942
2022	138,555
	\$ 415,370

**Note 10: Recent Accounting Pronouncements**

GASB Statement No. 87, *Leases*, 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 financial statements for the District’s fiscal year ending June 30, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. GASB 89 is effective for financial statements for the District’s fiscal year ending June 30, 2021.

## **Required Supplementary Information**



**Glenside Public Library District**  
**Required Supplementary Information**  
**Schedule of Changes in the District's Net Pension Liability and Related Ratios**  
**June 30, 2019**

Calendar Year Ended December 31,	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 124,715	\$ 131,198	\$ 137,645	\$ 139,931	\$ 155,288
Interest	425,935	412,978	375,454	353,699	326,705
Changes in benefit terms					
Differences between expected and actual experience	(46,739)	91,242	203,378	(26,488)	(137,562)
Change of assumptions	187,045	(192,156)	(14,647)	6,618	184,906
Benefit payments, including refunds of member contributions	(291,845)	(242,676)	(180,663)	(170,264)	(140,613)
Net change in total pension liability	399,111	200,586	521,167	303,496	388,724
Total pension liability - beginning	5,762,702	5,562,116	5,040,949	4,737,453	4,348,729
Total pension liability - ending	<u>\$ 6,161,813</u>	<u>\$ 5,762,702</u>	<u>\$ 5,562,116</u>	<u>\$ 5,040,949</u>	<u>\$ 4,737,453</u>
Plan fiduciary net position					
Contributions - District	\$ 140,792	\$ 131,943	\$ 141,954	\$ 141,257	\$ 138,619
Contributions - members	56,019	56,709	58,605	58,371	58,298
Net investment income	(286,445)	836,515	282,184	21,827	252,190
Benefit payments, including refunds of member contributions	(291,845)	(242,676)	(180,663)	(170,264)	(140,613)
Other (net transfer)	105,147	(85,998)	61,422	(49,354)	(63,815)
Net change in plan fiduciary net position	(276,332)	696,493	363,502	1,837	244,679
Plan net position - beginning	5,412,622	4,716,129	4,352,627	4,350,790	4,106,111
Plan net position - ending	<u>\$ 5,136,290</u>	<u>\$ 5,412,622</u>	<u>\$ 4,716,129</u>	<u>\$ 4,352,627</u>	<u>\$ 4,350,790</u>
District's net pension liability	<u>\$ 1,025,523</u>	<u>\$ 350,080</u>	<u>\$ 845,987</u>	<u>\$ 688,322</u>	<u>\$ 386,663</u>
Plan fiduciary net position as a percentage of the total pension liability	83.36%	93.93%	84.79%	86.35%	91.84%
Covered payroll	1,244,858	1,260,209	1,302,335	1,297,128	1,234,700
Net pension liability as a percentage of covered employee payroll	82.38%	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 Statements 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.



## **Combining and Individual Fund Statements and Schedules**

## **Governmental Fund Types**

**Glenside Public Library District**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	<u>Capital Projects Special Reserve Fund</u>	<u>Permanent Working Cash</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 585	\$ 99,993	\$ 100,578
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balance</b>			
Nonspendable - Permanent Fund	-	99,993	99,993
Assigned - Special Reserve Fund	585	-	585
Total fund balances	585	99,993	100,578
 Total liabilities and fund balances	 \$ 585	 \$ 99,993	 \$ 100,578

**Glenside Public Library District**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in**  
**Fund Balances**  
**Year Ended June 30, 2019**

	<u>Capital Projects Special Reserve Fund</u>	<u>Permanent Working Cash</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Interest	\$ 312	\$ 4,956	\$ 5,268
<b>Expenditures</b>	-	-	-
<b>Excess of Revenues Over Expenditure</b>	312	4,956	5,268
<b>Net Change in Fund Balance</b>	312	4,956	5,268
<b>Fund Balance</b>			
Beginning of year	273	95,037	95,310
End of year	<u>\$ 585</u>	<u>\$ 99,993</u>	<u>\$ 100,578</u>

**Glenside Public Library District**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual**  
**Year Ended June 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Culture</b>			
Salaries	\$ 1,649,367	\$ 1,685,432	\$ 1,683,025
Benefits	436,000	463,500	454,975
Staff training, travel and recognition	50,300	31,800	24,463
Library information	51,000	39,000	38,205
Public programs and community outreach	52,000	61,000	55,951
Library materials			
Print	139,170	135,170	135,171
Audio/visual	63,000	68,500	67,061
Digital items and online services	83,700	88,200	88,267
Department and office supplies	36,000	34,000	26,938
Professional services	44,000	42,500	40,911
Technology hardware, software and support	84,800	84,800	75,957
Materials processing and automation	117,500	107,500	99,405
Custodial contract and supplies	55,000	20,000	20,028
Building and maintenance	155,900	156,900	157,149
Capital improvements	75,000	75,000	40,301
Utilities	132,000	129,000	117,099
Contingency	-	2,000	1,021
Insurance	33,250	30,750	29,137
Total culture	<u>3,257,987</u>	<u>3,255,052</u>	<u>3,155,064</u>
<b>Debt Service</b>			
Principal	245,000	245,000	245,000
Interest	128,000	128,000	123,705
Total debt service	<u>373,000</u>	<u>373,000</u>	<u>368,705</u>
 Total expenditures	 <u>\$ 3,630,987</u>	 <u>\$ 3,628,052</u>	 <u>\$ 3,523,769</u>

## **Supplemental Information**



**Glenside Public Library District**  
**Schedule of Assessed Valuations, Rates and**  
**Collections – Last Ten Levy Years**  
**Year Ended June 30, 2019**

Tax Levy Year	2018	2017	2016	2015
Equalized Assessed Valuation	<u>\$ 718,109,532</u>	<u>\$ 666,572,389</u>	<u>\$ 624,417,561</u>	<u>\$ 583,590,501</u>
Tax Rates				
General corporate	0.4124	0.4124	0.4716	0.5167
Bond & interest	0.0519	0.0519	0.0559	0.0636
Audit	0.0195	0.0195	0.0195	0.0014
Social security	0.0016	0.0016	0.0017	0.0200
Illinois municipal retirement	0.0190	0.0190	0.0200	0.0251
Liability insurance	0.0008	0.0008	0.0003	0.0012
Workers' compensation insurance	0.0173	0.0173	0.0150	0.0013
Building and equipment maintenance	0.0011	0.0011	0.0010	0.0200
Unemployment insurance	0.0007	0.0007	0.0007	0.0011
Total	<u>0.5243</u>	<u>0.5243</u>	<u>0.5857</u>	<u>0.6504</u>
Tax Collections				
2005	\$ -	\$ -	\$ -	\$ -
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	1,913,675
2016	-	-	1,944,611	1,869,373
2017	-	2,019,082	1,870,567	-
2018	<u>1,900,089</u>	<u>1,880,895</u>	<u>-</u>	<u>-</u>
Total collections	<u>\$ 1,900,089</u>	<u>\$ 3,899,977</u>	<u>\$ 3,815,178</u>	<u>\$ 3,783,048</u>
Percent Collected	<u>48.67%</u>	<u>100.20%</u>	<u>98.82%</u>	<u>97.99%</u>

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<u>\$ 597,427,177</u>	<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>
0.5033	0.4736	0.4229	0.3983	0.3141	0.2839
0.0629	0.0604	-	-	-	-
0.0012	0.0012	0.0010	-	0.0008	0.0007
0.0236	0.0241	0.0221	-	0.0128	0.0116
0.0254	0.0248	0.0224	-	0.0166	0.0152
0.0012	0.0014	0.0013	-	0.0009	0.0009
0.0012	0.0010	0.0009	-	0.0005	0.0005
0.0200	0.0200	0.0200	0.0200	0.0168	0.0152
0.0010	0.0005	0.0002	-	0.0001	0.0001
<u>0.6398</u>	<u>0.6070</u>	<u>0.4908</u>	<u>0.4183</u>	<u>0.3626</u>	<u>0.3281</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,446,868
-	-	-	-	1,523,834	1,566,358
-	-	-	1,526,850	1,573,940	-
-	-	1,500,812	1,587,336	-	-
-	1,813,909	1,663,716	-	-	-
1,825,753	1,857,315	-	-	-	-
1,908,355	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,734,108</u>	<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>97.69%</u>	<u>110.83%</u>	<u>100.26%</u>	<u>98.66%</u>	<u>99.66%</u>	<u>99.64%</u>

**Glenside Public Library District**  
**Schedule of Insurance in Force**  
**June 30, 2019**

<b>Policy Type</b>	<b>Limit</b>	<b>Effective Date</b>	<b>Insurance Company</b>	<b>Policy Number</b>
Package	Blanket Property - \$14,382,287 General Liability - \$1,000,000/\$2,000,000 Fire Damage - \$1,000,000 Medical Expense - \$10,000	7/1/18 - 7/1/2019	Hanover/Citizens	OBCA612696
Workers' Compensation	\$500,000/\$500,000/\$500,000 Employee Benefits - General Aggregate	7/1/18 - 7/1/2019	Hanover/All American	W2CA612689
Directors and Officers	\$4,000,000 D&O & \$2,000,000 EPL	7/1/18 - 7/1/2019	Philadelphia	NPHSD1150952
Crime	\$1,933,315	7/1/17 - 7/1/2019	Hanover	BDC1851994
Umbrella	\$6,000,000	7/1/18 - 7/1/2019	Hanover/Citizens	OBCA612696