



**PALATINE PUBLIC LIBRARY
DISTRICT, ILLINOIS**

*Annual Financial Report
With Supplementary Information*

Year Ended June 30, 2014

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

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Year ended June 30, 2014

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PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the President and Members of the Board of Trustees
of the Palatine Public Library District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Palatine Public Library District, Illinois as of and for the year ended June 30, 2014, which collectively comprise the Palatine Public Library District, Illinois' basic financial statements as listed in the accompanying 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 of 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 financial statement 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.

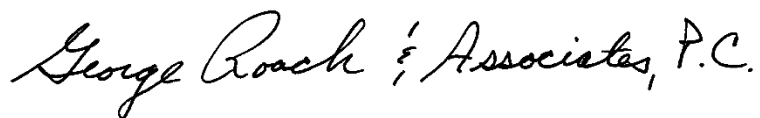
Opinions

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 Palatine Public Library District, Illinois as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise Palatine Public Library District, Illinois financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

A handwritten signature in cursive script that reads "George Roach & Associates, P.C.".

George Roach & Associates, P.C.
Crystal Lake, Illinois
July 28, 2014

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

As management of the Palatine Public Library District, Illinois (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2014 by \$17,019,050 (*net position*). Of this amount, \$3,292,364 (*unrestricted net position*) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$663,675.
- At June 30, 2014, the Library's governmental funds reported combined ending fund balances of \$5,032,629, a decrease of \$52,980 from the prior year.
- At June 30, 2014, the fund balance for the General Fund was \$3,438,128.
- The Library's total fixed assets decreased by \$593,040 during the year ended June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Library's basic financial statements. The Library's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements –

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Fund financial statements –

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Governmental funds –

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the financial statements–

Notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the basic financial statements. Required supplementary information consists of more detailed data on budget to actual revenues and expenditures.

Other information –

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

The Library adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities and deferred inflows by \$17,019,050 at June 30, 2014. Of the Library's net position, \$12,132,185 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

An additional portion of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,292,364) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2014, the Library is able to report positive balances in all three categories of net position. The Library's net position decreased by \$663,675 during the year ended June 30, 2014.

Palatine Library District's Net Position

	<u>6/30/2014</u>	<u>6/30/2013</u>
Current and Other Assets	\$ 8,058,528	\$ 8,208,815
Fixed Assets	<u>12,132,185</u>	<u>12,725,225</u>
Total Assets	<u>\$ 20,190,713</u>	<u>\$ 20,934,040</u>
Other Liabilities	<u>\$ 331,170</u>	<u>\$ 340,450</u>
Total Liabilities	<u>331,170</u>	<u>340,450</u>
Deferred Inflows -- property taxes	<u>2,840,493</u>	<u>2,910,865</u>
Net Position		
Net Investment in Capital Assets	12,132,185	12,725,225
Restricted - net position	1,594,501	1,651,137
Unrestricted - net position	<u>3,292,364</u>	<u>3,306,363</u>
Total Net Position	<u>\$ 17,019,050</u>	<u>\$ 17,682,725</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2014

Governmental activities—

Governmental activities decreased the Library's net position by \$663,675. Key elements of the changes to net position by governmental activities are as follows:

	Governmental Activities	
	6/30/2014	6/30/2013
Revenues		
Program Revenues		
Charges for Services	\$ 187,872	\$ 148,816
Operating Grants and Contributions	142,359	-
General Revenues		
Property Taxes	5,817,502	5,655,430
Replacement Taxes	65,134	62,151
TIF Taxes	55,616	55,957
Gifts and Donations	19,787	35,792
Other	23,463	58,635
Interest	11,701	15,722
Total Revenues	6,323,434	6,032,503
Total Governmental Expenses	6,987,109	6,531,809
Increase/(Decrease) in Net Assets	(663,675)	(499,306)
Net Assets - Beginning of Year	17,682,725	18,182,031
Net Assets - End of Year	\$ 17,019,050	\$ 17,682,725

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds –

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Library's net resources available for spending at the end of the fiscal year.

At June 30, 2014, the Library's governmental funds reported combined ending fund balances of \$5,032,629, a decrease of \$52,980 in comparison with the prior year.

The General Fund is the chief operating fund of the Library. At June 30, 2014, the fund balance of the General Fund was \$3,438,128. This represents an increase of \$3,656 compared to the prior fiscal year.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

General Fund Budgetary Highlights–

There were no differences between the original budget and the final budget for the year ended June 30, 2014. Total differences between the final budget and the actual revenues and expenditures are summarized as follows:

- The difference between the General Fund estimated revenues and the actual revenues was \$210,766 (favorable).
- The difference between the General Fund estimated expenditures and the actual expenditures was \$1,393,010 (favorable).

FIXED ASSETS

The Library's fixed assets for its governmental activities as of June 30, 2014 amount to \$12,132,185 (net of accumulated depreciation). This investment in fixed assets includes land, buildings, improvements, furniture, fixtures, and equipment.

Major fixed asset events during the current fiscal year included the following:

Fixed Assets	Balance	Increases	Decreases	Balance
	July 1, 2013			June 30, 2014
General Fund:				
Buildings and Improvements	\$ 19,952,613	\$ 126,031	\$ -	\$ 20,078,644
Building -- construction in progress	-	21,628	-	21,628
Land	926,032	-	-	926,032
Furniture, Fixtures, and Equipment	1,347,757	17,760	-	1,365,517
Total Fixed Assets	\$ 22,226,402	\$ 165,419	\$ -	\$ 22,391,821
Less: Accumulated Depreciation	9,501,177	758,459	-	10,259,636
Fixed Assets (Net)	\$ 12,725,225	\$ (593,040)	\$ -	\$ 12,132,185

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Library for 2013 is \$2,046,738,728. That represents a decrease in EAV of \$322,428,128 over the prior year's EAV. Taxes recorded in these financial statements are from the 2012 and 2013 levies. A summary of the assessed valuations and extensions for tax years 2013, 2012, and 2011 is as follows:

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

*ASSESSED VALUATIONS, EXTENDED TAX RATES
 PERCENTAGE ALLOCATIONS AND AMOUNTS BY FUNDS*

Tax Levy year	2013	2012	2011
Assessed Valuation			
Cook County	\$ 2,046,738,728	\$ 2,369,166,856	\$ 2,553,590,915

**Tax Rates and Percentage
 Allocations by Fund**

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.2524	0.8632	0.2149	86.7232	0.1915	65.4925
I. M. R. F.	0.0142	0.0486	0.0106	4.2776	0.0097	3.3174
Social Security	0.0095	0.0325	0.0081	3.2688	0.0074	2.5308
Audit	0.0002	0.0007	0.0002	0.0807	0.0002	0.0684
Tort Immunity	0.0038	0.0130	0.0034	1.3721	0.0030	1.0260
Building & Maintenance	0.0123	0.0421	0.0106	4.2776	0.0094	3.2148
Totals	0.2924	1.0000	0.2478	100.0000	0.2212	75.6498

Property Tax Extensions

Funds	2013	2012	2011
General Fund	\$ 5,165,968	\$ 5,091,339	\$ 4,890,126
I. M. R. F.	290,636	251,131	247,698
Social Security	194,440	191,902	188,965
Audit	4,093	4,738	5,107
Tort Immunity	77,776	80,551	76,607
Building & Maintenance	251,748	251,131	240,037
Totals	\$ 5,984,661	\$ 5,870,792	\$ 5,648,540

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Library in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director, Palatine Public Library District, 700 N. North Court, Palatine, Illinois, 60067.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Government-wide Statement of Net Position

June 30, 2014

Assets		
Cash and Investments, at cost	\$	5,218,035
Property tax receivable		2,840,493
Fixed Assets		<u>12,132,185</u>
Total Assets	\$	<u><u>20,190,713</u></u>
Liabilities		
Accounts payable/accruals	\$	109,011
Accrued compensation		76,395
Deferred compensation		<u>145,764</u>
Total Liabilities		<u>331,170</u>
Deferred Inflows -- property taxes		<u>2,840,493</u>
Net Position		
Net investment in Capital Assets		12,132,185
Restricted -- Net Position		1,594,501
Unrestricted -- Net Position		<u>3,292,364</u>
Total Net Position	\$	<u><u>17,019,050</u></u>

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Balance Sheet

June 30, 2014

	Governmental Fund Types			
	Total	General	Nonmajor Funds	Capital Projects
Assets				
Cash and investments, at cost	\$ 5,218,035	\$ 3,608,336	\$ 375,169	\$ 1,234,530
Property tax receivable	2,840,493	2,570,215	270,278	-
Total Assets	\$ 8,058,528	\$ 6,178,551	\$ 645,447	\$ 1,234,530
Liabilities				
Accounts payable	\$ 109,011	\$ 93,813	\$ 15,198	\$ -
Accrued payroll	76,395	76,395	-	-
Total Liabilities	185,406	170,208	15,198	-
Deferred Inflows -- property taxes	2,840,493	2,570,215	270,278	-
Library Fund Balance				
Nonspendable	-	-	-	-
Restricted	359,971	-	359,971	-
Committed	-	-	-	-
Assigned -- for capital projects	1,234,530	-	-	1,234,530
Unassigned	3,438,128	3,438,128	-	-
Total Library Fund Balance	5,032,629	3,438,128	359,971	1,234,530
Total Liabilities and Fund Balance	\$ 8,058,528	\$ 6,178,551	\$ 645,447	\$ 1,234,530

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Combined Statement of Revenue, Expenditures and Changes in Fund Balance

Year Ended June 30, 2014

	Governmental Fund Types			
	Total	General	Nonmajor Funds	Capital Projects
Revenue				
Property taxes -- prior years	\$ 2,766,213	\$ 2,436,877	\$ 329,336	\$ -
Property taxes -- 2013 1st half	3,051,289	2,673,529	377,760	-
Replacement taxes	65,134	56,058	9,076	-
TIF taxes	55,616	1,000	54,616	-
Fines and fees	157,433	157,433	-	-
Nonresident fees	12,415	12,415	-	-
Gifts and donations	19,787	19,787	-	-
Interest	11,701	11,701	-	-
Grants	142,359	142,359	-	-
Book recovery service	18,024	18,024	-	-
Other	23,463	23,463	-	-
Total Revenue	6,323,434	5,552,646	770,788	-
Expenditures				
Salaries and benefits	3,273,387	3,273,387	-	-
Materials	954,132	954,132	-	-
Utilities	254,513	254,513	-	-
Equipment	157,090	157,090	-	-
Contractual services	253,337	253,337	-	-
Supplies	83,156	83,156	-	-
Operating expenses	1,165,062	292,224	872,838	-
Auxiliary projects	41,151	41,151	-	-
Capital expenses	194,586	-	-	194,586
Total Expenditures	6,376,414	5,308,990	872,838	194,586
Excess (Deficiency) of				
Revenue over Expenditures	(52,980)	243,656	(102,050)	(194,586)
Operational Transfers In (Out)	-	(240,000)	-	240,000
District Fund Balance				
Balance, beginning of year	5,085,609	3,434,472	462,021	1,189,116
Total District Fund Balance	\$ 5,032,629	\$ 3,438,128	\$ 359,971	\$ 1,234,530

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

*Reconciliation of the Governmental Fund Balance to the Statement
of Net Position and the Statement of Activities and Changes in Net Position
Year Ended June 30, 2014*

**Reconciliation of the Governmental Fund Balance to the
Statement of Net Position**

Total Fund Balances--Total Governmental Funds	\$ 5,032,629
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,132,185
Deferred Compensation is not reported in funds	<u>(145,764)</u>
Net Position of Governmental Activities	<u>\$ 17,019,050</u>

**Reconciliation of the Governmental Fund Statement of Revenue
Expenditures and Changes in Fund Balance
to the Statement of Activities and Changes in Net Position**

Excess (Deficiency) of Revenue Over Expenditures Governmental Funds	\$ (52,980)
Amounts reported for governmental activities in the Statement of Revenue, Expenditures, and Changes in Fund Balance are different because:	
Capital expenditures are recorded as assets and not expensed in the Statement of Activities	165,419
Depreciation is shown as an expense in the Statement of Activities and not in the governmental funds	(758,459)
Deferred compensation and other benefits are not recorded as an expense in governmental funds	<u>(17,655)</u>
Changes in Net Position	<u>\$ (663,675)</u>

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Palatine Public Library District (Library) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Library's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Reporting Entity -

The Library is located in the City of Palatine, Illinois and is governed by a Board of Trustees. The Library is primarily funded through a tax levy, fines and fees, and charitable donations. Revenue is used to operate and staff the Library. The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on the significance of any operational or financial relationships with the Library, there are no component units to be included in these financial statements.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation -

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds).

C. Government-wide Financial Statements -

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for 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 Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position are reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to library patrons who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues, and are reported instead as general revenue.

Governmental fund financial statements are reported using the current financial resources measurement focus and the accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The primary sources of revenue are property taxes, state-shared revenue, and interest associated with the current fiscal period. All are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Library.

D. Library reports the following major governmental funds –

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund, while the Library Capital Projects Fund accounts for the resources and expenditures for capital projects.

E. Financial Statement Amounts–

Bank Deposits and Investments - The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The Library maintains a cash and investment pool which is available for use by the General and Special Revenue Funds.

The Library's investment policies are governed by state statutes. All funds are deposited in federally insured banks and savings and loans. The cash and investments reflected in the combined balance sheet consist of demand accounts and deposits in the Illinois Funds.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Property taxes are levied on December 1st based on the taxable valuation of the property as of the preceding December 31st.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Financial Statement Amounts – (concluded)

Capital Assets - Capital assets are defined by the Library as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	20-40 years
Equipment, furniture, and fixtures	5-10 years

Compensated Absences (Vacation and Sick Leave) - It is the Library's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Library does not have a policy to pay any amounts when employees separate from service with the Library. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund - General Fund only for employee terminations as of year-end.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

The Library has a pension plan covering substantially all the full time employees. Employees are covered by the Illinois Municipal Retirement Fund.

The budget represents departmental appropriations as authorized by the Library's appropriation ordinance and includes revisions authorized by the Library Board to reflect changes in departmental programs. At June 30, 2014, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2014 appropriations ordinance was adopted September 11, 2013.

F. Fund Balance Classification –

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable –

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Library has not classified any items as being Nonspendable.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Restricted –

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements.

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Library Board. These amounts cannot be used for any other purpose unless the Library Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Library did not have any committed resources as of June 30, 2014.

Assigned –

This classification includes amounts that are constrained by the Library's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Library Board or through the Library Board delegating this responsibility to the Library manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned –

This classification includes the residual fund balance for the General Fund and the amount established for Minimum Funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Library would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

NOTE 2 – CASH AND INVESTMENTS

The Library's investment policies are governed by state statutes whereby Library money must be deposited in FDIC insured banks located within the state. Permissible investments include demand accounts and certificates of deposits.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 2 – CASH AND INVESTMENTS (concluded)

The Library's pooled and nonpooled deposits are categorized to give an indication of the level of risk assumed by the Library at June 30, 2014. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- Category 3 Uncollateralized.

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 500,000	\$ 2,895,446	\$ -	\$ 3,395,446	\$ 3,340,790
Illinois Funds	-	-	-	1,877,245	1,877,245
Totals	<u>\$ 500,000</u>	<u>\$ 2,895,446</u>	<u>\$ -</u>	<u>\$ 5,272,691</u>	<u>\$ 5,218,035</u>

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description –

The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Library's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy –

As set by statute, the Library's regular plan members are required to contribute 4.50 percent 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 employer contribution rate for calendar year 2013 was 12.81 percent of annual covered payroll. The Library also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost –

The required contribution for calendar of 2013 was \$358,054.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT FUND (concluded)

Trend Information for the Regular Plan

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2013	\$358,054	100%	\$0
12/31/2012	\$325,546	100%	\$0
12/31/2011	\$319,113	100%	\$0
12/31/2010	\$313,261	80%	\$0
12/31/2009	\$220,559	100%	\$0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress –

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 74.49 percent funded. The actuarial accrued liability for benefits was \$8,435,968 and the actuarial value of assets was \$6,284,283, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,151,685. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$2,795,117 and the ratio of the UAAL to the covered payroll was 77 percent.

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$ 7,694,876. On a market basis, the funded ratio would be 91.22%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 4 – CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>July 1, 2013</u>	<u>Acquisitions</u>	<u>Balance</u> <u>June 30, 2014</u>
Buildings and Improvements	\$ 19,952,613	\$ 126,031	\$ 20,078,644
Building -- construction in progress	-	21,628	21,628
Land	926,032	-	926,032
Furniture, Fixtures, and Equipment	1,347,757	17,760	1,365,517
Total	<u>22,226,402</u>	<u>\$ 165,419</u>	<u>22,391,821</u>
Less : Accumulated Depreciation	<u>(9,501,177)</u>		<u>(10,259,636)</u>
Net Assets	<u>\$ 12,725,225</u>		<u>\$ 12,132,185</u>

Note 5 – LEASE OBLIGATIONS

The library is obligated under three operating leases for extension occupancy space, computer conversion contract, and equipment. Minimum future rental commitments expire through 2018 as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Rand</u> <u>Road</u> <u>Lease</u>	<u>Sierra</u> <u>Subscription</u> <u>Service</u>	<u>Copier</u> <u>Operating</u> <u>Lease</u>	<u>Total</u>
2015	7,080	102,864	7,620	\$ 117,564
2016	7,080	109,296	7,620	123,996
2017	7,080	112,184	7,620	126,884
2018	4,720	-	-	4,720
Totals	<u>\$ 25,960</u>	<u>\$ 324,344</u>	<u>\$ 22,860</u>	<u>\$ 373,164</u>

NOTE 6 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations

NOTE 7 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 8 – CONTINGENCIES

The Library is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material adverse effect on the financial statements.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2014

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial Statements are issued, or are available to be issued. There are two types of subsequent events: recognized (events that relate to conditions present at the balance sheet date) and non-recognized (events or conditions that did not exist at the balance sheet date but arose after that date).

There have been no other recognized or non-recognized subsequent events that have occurred between June 30, 2014 and the date of this audit report requiring disclosure in the financial statements.

NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

As of these financial statements, the District has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$2,840,493) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.

Required Supplementary Information

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenue, Expenditures and Changes in Fund Balance

and comparison with Appropriations - General Fund

Year Ended June 30, 2014

	Appropriations		Actual
	Original	Final	Amounts
Salaries			
Salaries	\$ 3,250,000	\$ 3,250,000	\$ 3,061,754
Employee health insurance	500,000	500,000	211,633
Total salaries	3,750,000	3,750,000	3,273,387
Materials			
Books/audio-visual	800,000	800,000	664,617
Continuations	100,000	100,000	60,979
Electronic references	240,000	240,000	228,536
Total materials	1,140,000	1,140,000	954,132
Utilities			
Gas	60,000	60,000	45,969
Electricity	300,000	300,000	196,354
Water	25,000	25,000	12,190
Total utilities	385,000	385,000	254,513
Equipment purchases			
Furniture	100,000	100,000	59,133
Office equipment	10,000	10,000	4,279
Computers	200,000	200,000	93,678
Total uncapitalized equipment	310,000	310,000	157,090
Contractual services			
Copier maintenance	32,000	32,000	22,265
Postage machines	6,000	6,000	2,544
LAN management	75,000	75,000	71,880
Library information services	70,000	70,000	61,662
Internet service	20,000	20,000	6,409
Bibliographic support	10,000	10,000	2,493
Book Recovery Services	15,000	15,000	9,016
Accounting	35,000	35,000	16,604
Consultants	50,000	50,000	11,021
Office equipment	15,000	15,000	3,958
Leases (branch and copiers)	70,000	70,000	45,485
Total contractual services	398,000	398,000	253,337

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS*Statement of Revenue, Expenditures and Changes in Fund Balance**and comparison with Appropriations - General Fund**Year Ended June 30, 2014*

	Appropriations		Actual
	Original	Final	Amounts
Supplies			
Office and kitchen	\$ 10,000	\$ 10,000	\$ 1,729
Art and printing	20,000	20,000	8,104
Copiers	15,000	15,000	6,998
Library services	80,000	80,000	51,530
Program	20,000	20,000	14,795
Total supplies	145,000	145,000	83,156
Operating expenses			
General/tort/other insurance	190,000	190,000	84,515
Interlibrary loan/reprints	20,000	20,000	105
Telephone	50,000	50,000	30,135
Postage	20,000	20,000	9,811
Cultural and educational training	50,000	50,000	34,110
In-services training	50,000	50,000	25,097
Memberships	15,000	15,000	7,264
Community information	30,000	30,000	4,261
Legal	40,000	40,000	9,682
Special purchases	15,000	15,000	3,124
Want ads/legal notices	10,000	10,000	3,018
Expenditures of public gifts	150,000	150,000	19,445
Reimbursements	4,000	4,000	634
Shared Administrative costs	15,000	15,000	10,000
Program fees	3,000	3,000	107
Grant expenditures	75,000	75,000	50,916
Total operating expense	737,000	737,000	292,224
Auxiliary Projects			
Newsletters	70,000	70,000	39,058
Volunteer programs	7,000	7,000	2,093
Total auxiliary projects	77,000	77,000	41,151
Total general expenditures	6,942,000	6,942,000	5,308,990
Operating Transfers	-	-	240,000
Total General Fund	\$ 6,942,000	\$ 6,942,000	\$ 5,548,990

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2014

Illinois Municipal Retirement

Trend Information

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2013	\$ 6,284,283	\$ 8,435,968	\$ 2,151,685	74.49%	\$ 2,795,117	76.98%
12/31/2012	\$ 6,181,580	\$ 8,460,131	\$ 2,278,551	73.07%	\$ 2,655,352	85.81%
12/31/2011	\$ 6,512,590	\$ 8,586,404	\$ 2,073,814	75.85%	\$ 2,583,907	80.26%
12/31/2010	\$ 6,404,661	\$ 8,186,789	\$ 1,782,128	78.23%	\$ 2,466,619	72.25%
12/31/2009	\$ 6,402,319	\$ 8,180,881	\$ 1,778,562	78.26%	\$ 2,377,919	74.79%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$7,694,876. On a market basis, the funded ratio would be 91.22%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Palatine Public Library District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2014

The accounting policies of the Library District include the preparation of financial statements on the modified accrual basis of accounting. The Library District also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recorded when receivable and expenditures are recorded when payable. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.

The Library District procedures in establishing the budgetary data reflected in the General Fund Financial Statements is presented below:

- Prior to September 15th the Library District Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding July 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to September 30th.
- The Library District Treasurer, in consultation with the Board of Trustees, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Revenue and Comparison with Estimated Revenue

Year Ended June 30, 2014

General Fund - Revenue

	<u>Estimated</u>	<u>Modified Accrual Basis</u>
Property taxes -- prior years	\$)	\$ 2,436,877
Property taxes -- 2013 1st half	5,035,880)	2,673,529
TIF tax levy	1,000	1,000
Replacement tax	45,000	56,058
Interest	15,000	11,701
Fines	130,000	118,131
Special purchases	4,000	3,114
Replacement fees	13,000	14,495
Book recovery service	18,000	18,024
Coin machine income	8,000	7,930
Printing fees	13,000	14,372
Vending machines	2,000	1,805
Meeting room fees	10,000	10,390
Interlibrary loans	500	180
Nonresident fees	12,500	12,415
Per Capita Grants	-	91,443
Gifts and donations	20,000	19,787
Other grants	5,000	50,916
Miscellaneous	500	4,627
Program fees	500	45
Used materials	6,000	4,297
Sale of equipment	2,000	1,510
	<u>5,341,880</u>	<u>5,552,646</u>
Total Revenue		
	<u>\$ 5,341,880</u>	<u>\$ 5,552,646</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Revenue Funds - Combining Balance Sheet

June 30, 2014

	Total	Audit	Illinois Municipal Retirement	Social Security	Building Maintenance
Assets					
Cash and investments	\$ 375,169	\$ 7,223	\$ 54,634	\$ 77,232	\$ 236,080
Property tax receivable	270,278	2,006	142,454	2,424	123,394
Total Assets	\$ 645,447	\$ 9,229	\$ 197,088	\$ 79,656	\$ 359,474
Liabilities					
Accounts payable	\$ 15,198	\$ -	\$ -	\$ -	\$ 15,198
Total Liabilities	15,198	-	-	-	15,198
Deferred Inflows -- property taxes	270,278	2,006	142,454	2,424	123,394
Library District Fund Balance					
Fund balance	359,971	7,223	54,634	77,232	220,882
Total Liabilities and Fund Balance	\$ 645,447	\$ 9,229	\$ 197,088	\$ 79,656	\$ 359,474

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

*Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Year Ended June 30, 2014*

	Total	Audit	Illinois Municipal Retirement	Social Security	Building Maintenance
Revenue					
Property taxes -- prior years	\$ 329,336	\$ 2,234	\$ 118,345	\$ 90,435	\$ 118,322
Property taxes -- 2013 1st half	377,760	2,087	148,182	99,136	128,355
Replacement taxes	9,076	49	3,048	3,063	2,916
TIF tax	54,616	-	54,616	-	-
Total Revenue	770,788	4,370	324,191	192,634	249,593
Expenditures					
Operating Expenses	872,838	5,100	370,824	228,806	268,108
Operating Expenditures	872,838	5,100	370,824	228,806	268,108
Excess (Deficiency) of Revenue Over Disbursements	(102,050)	(730)	(46,633)	(36,172)	(18,515)
Fund Balances					
Balance, beginning of year	462,021	7,953	101,267	113,404	239,397
Fund Balances, end of year	\$ 359,971	\$ 7,223	\$ 54,634	\$ 77,232	\$ 220,882

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenue, Expenditures and Changes in Fund Balance - Audit Fund

Year Ended June 30, 2014

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- prior years	\$))	2,234
Property taxes -- 2013 1st half	5,100)	5,100)	2,087
Replacement tax))	49
Total Revenue	<u>5,100</u>	<u>5,100</u>	<u>4,370</u>
Expenditures			
Accounting	<u>7,000</u>	<u>7,000</u>	<u>5,100</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>5,100</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (1,900)</u>	<u>\$ (1,900)</u>	(730)
Fund Balance			
Balance, beginning of year			<u>7,953</u>
Total Fund Balance			<u>\$ 7,223</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

*Statement of Revenue, Expenditures and Changes in Fund Balance - IL Municipal Retirement Fund
Year Ended June 30, 2014*

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- prior years	\$)	\$)	\$ 118,345
Property taxes -- 2013 1st half	250,000)	250,000)	148,182
TIF taxes	54,000	54,000	54,616
Replacement tax	2,500	2,500	3,048
Total Revenue	<u>306,500</u>	<u>306,500</u>	<u>324,191</u>
Expenditures			
Employer's contribution	<u>380,000</u>	<u>380,000</u>	<u>370,824</u>
Total Expenditures	<u>380,000</u>	<u>380,000</u>	<u>370,824</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (73,500)</u>	<u>\$ (73,500)</u>	(46,633)
Fund Balance			
Balance, beginning of year			<u>101,267</u>
Total Fund Balance			<u>\$ 54,634</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

*Statement of Revenue, Expenditures and Changes in Fund Balance - Social Security Fund
Year Ended June 30, 2014*

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- prior years	\$)	\$)	\$ 90,435
Property taxes -- 2013 1st half	190,000)	190,000)	99,136
Replacement tax	<u>2,500</u>	<u>2,500</u>	<u>3,063</u>
Total Revenue	<u>192,500</u>	<u>192,500</u>	<u>192,634</u>
Expenditures			
Employer's contribution	<u>250,000</u>	<u>250,000</u>	<u>228,806</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>228,806</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (57,500)</u>	<u>\$ (57,500)</u>	(36,172)
Fund Balance			
Balance, beginning of year			<u>113,404</u>
Total Fund Balance			<u>\$ 77,232</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenue, Expenditures and Changes in Fund Balance - Building and Maintenance Fund

Year Ended June 30, 2014

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- prior years	\$)	\$)	\$ 118,322
Property taxes -- 2013 1st half	250,000)	250,000)	128,355
Replacement tax	<u>2,500</u>	<u>2,500</u>	<u>2,916</u>
Total Revenue	<u>252,500</u>	<u>252,500</u>	<u>249,593</u>
Expenditures			
Cleaning service	95,000	95,000	76,651
Equipment	20,000	20,000	5,338
Trash	12,000	12,000	5,009
Landscaping	25,000	25,000	11,634
Fire and security	20,000	20,000	11,916
Elevator	25,000	25,000	9,284
Building maintenance	60,000	60,000	28,642
Snow removal	15,000	15,000	11,090
Heating, ventilating and air conditioning	60,000	60,000	29,053
Bookmobile maintenance	15,000	15,000	834
Roof maintenance	7,000	7,000	-
Van maintenance	15,000	15,000	2,087
Fuel - bookmobile & van	-	-	4,182
Parking lot	20,000	20,000	14,505
Maintenance supplies	<u>75,000</u>	<u>75,000</u>	<u>57,885</u>
Total Expenditures	<u>464,000</u>	<u>464,000</u>	<u>268,110</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (211,500)</u>	<u>\$ (211,500)</u>	(18,517)
Balance, beginning of year			<u>239,397</u>
Total Fund Balance			<u>\$ 220,880</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Revenue, Expenditures and Changes in Fund Balance - Capital Projects

Year Ended June 30, 2014

	Appropriations		Actual
	Original	Final	Amounts
Revenue			
Property taxes -- prior years	\$ -	\$ -	\$ -
Property taxes -- 2013 1st half	-	-	-
Replacement tax	-	-	-
Total Revenue	-	-	-
Expenditures			
Other Expenditures	1,200,000	1,200,000	194,585
Total Expenditures	1,200,000	1,200,000	194,585
Operational transfers in/(out)	-	-	240,000
Excess (Deficiency) of Revenue over Expenditures	\$ (1,200,000)	\$ (1,200,000)	45,415
Fund Balance			
Balance, beginning of year			1,189,116
Total Fund Balance			\$ 1,234,531