

PALATINE PUBLIC LIBRARY  
DISTRICT, ILLINOIS

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ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

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Palatine, IL 60067  
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**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

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**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

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## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the District's independent auditing firm.



## **INDEPENDENT AUDITOR'S REPORT**

October 4, 2023

Members of the Board of Trustees  
Palatine Public Library District  
Palatine, Illinois

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Public Library District, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Palatine Public Library District, Illinois, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and required pension reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Palatine Public Library District, Illinois  
October 4, 2023

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Palatine Public Library District, Illinois' basic financial statements. The other supplementary information and supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP



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

# **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis June 30, 2023**

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Our discussion and analysis of the Palatine Public Library District financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Library's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Library's net position increased from \$20,942,791 to \$23,216,696, an increase of \$2,273,905 or 10.9 percent.
- During the year, government-wide revenues totaled \$9,904,589, while government-wide expenses totaled \$7,630,684, resulting in an increase to net position of \$2,273,905.
- Total fund balances for the governmental funds were \$14,402,028 at June 30, 2023 compared to a beginning balance of \$12,616,450, an increase of \$1,785,578.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

#### **Government-Wide Financial Statements**

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

The Statement of Net Position reports information on all the Library's assets/deferred outflows and liabilities/deferred inflows, 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. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

The Statement of Activities presents information showing how the government'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.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Management's Discussion and Analysis June 30, 2023

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

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).

Both of the government-wide financial statements report functions of the Library that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the Library include the cultural function.

#### 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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Library only maintains governmental funds.

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the Library'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 government'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 the comparison between governmental funds and governmental activities.

The Library maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Reserve Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Library adopts an annual appropriated budget for all the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Management's Discussion and Analysis June 30, 2023

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### USING THIS ANNUAL REPORT – Continued

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$23,216,696.

	Net Position	
	2023	2022
Current Assets	\$ 19,742,973	19,295,710
Capital Assets	15,255,977	14,819,488
Total Assets	34,998,950	34,115,198
Deferred Outflows	1,949,954	432,491
Total Assets/ Deferred Outflows	36,948,904	34,547,689
Long-Term Debt Outstanding	8,094,438	4,865,601
Other Liabilities	599,771	875,638
Total Liabilities	8,694,209	5,741,239
Deferred Inflows	5,037,999	7,863,659
Total Liabilities/Deferred Inflows	13,732,208	13,604,898
Net Position		
Net Investment in Capital Assets	10,551,340	9,665,166
Restricted	2,741,608	2,837,851
Unrestricted	9,923,748	8,439,774
Total Net Position	23,216,696	20,942,791

A large portion of the Library's net position \$10,551,340 (45.4 percent) reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, equipment, furniture and fixtures, and library materials); less any related debt used to acquire those assets that are still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion \$2,741,608 (11.8 percent) of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$9,923,748 (42.7 percent) represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2023**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 79,026	59,010
Operating Grants/Contributions	194,262	179,195
Capital Grants/Contributions	-	736,760
General Revenues		
Property Taxes	9,185,174	9,426,574
Replacement Taxes	220,351	190,915
Interest	222,984	31,311
Miscellaneous	2,792	3,300
Total Revenues	<u>9,904,589</u>	<u>10,627,065</u>
Expenses		
Culture and Recreation	7,501,598	6,561,465
Interest on Long-Term Debt	129,086	132,165
Total Expenses	<u>7,630,684</u>	<u>6,693,630</u>
Change in Net Position	2,273,905	3,933,435
Net Position - Beginning	<u>20,942,791</u>	<u>17,009,356</u>
Net Position - Ending	<u>23,216,696</u>	<u>20,942,791</u>

Net position of the Library’s governmental activities increased from a balance of \$20,942,791 to \$23,216,696.

Revenues of \$9,904,589 exceeded expenses of \$7,630,684, resulting in the increase to net position in the current year of \$2,273,905.

**Governmental Activities**

In the current year, governmental net position increased \$2,273,905, an increase of 10.9 percent. Property taxes decreased \$241,400 from the prior year (\$9,185,174 in 2023 compared to \$9,426,574 in 2022).

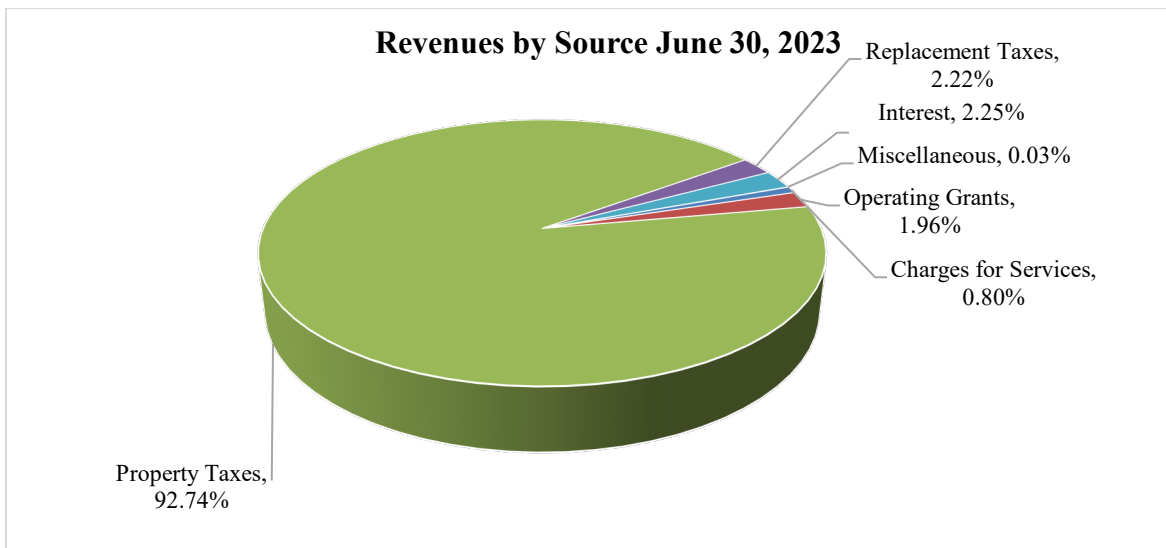
# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Management’s Discussion and Analysis June 30, 2023

### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

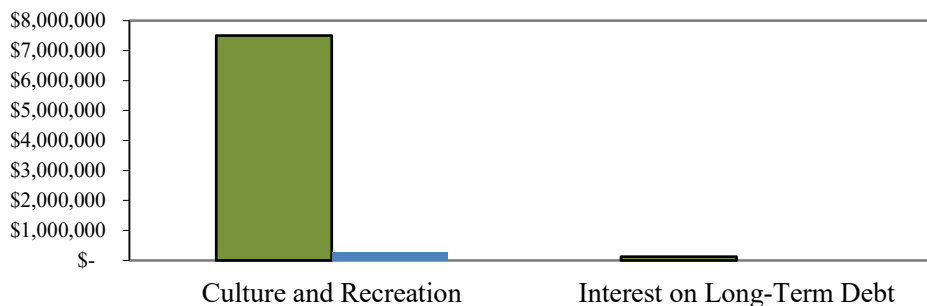
#### Governmental Activities – Continued

The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.



The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues. The culture and recreation function charges user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library’s reliance on general revenues such as property taxes to fund operations.

### Expenses and Program Revenues June 30, 2023



# **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis June 30, 2023**

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### **FINANCIAL ANALYSIS OF THE GOVERNMENT'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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$14,402,028 which is 14.2 percent higher than last year's ending fund balance of \$12,616,450.

In the current year, governmental fund balances increased by \$1,785,578. The General Fund reported an increase of \$1,110,480, due to a planned effort to set aside funds for future capital needs. The Special Revenue Special Reserve Fund reported an increase of \$771,341, due to a decrease in capital related spending and a transfer in from the General Fund. The Debt Service Fund ended the year with no fund balance, as transfers from the General Fund directly offset the principal and interest costs for the year. In the Capital Projects Fund, no grants were collected during the year. After expenditures of \$143,411 for the year, ending fund balance is \$1,771,495 and is restricted to future capital projects funded with the bond proceeds.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year, one supplemental amendment was made to the budget to decrease spending in the General Fund for expenditures that are captured in the Capital Projects Fund.

The General Fund actual revenues were higher than final budgeted revenues. Actual revenues for the current year were \$8,894,954, compared to final budgeted revenues of \$8,749,252. All revenues functions came in over budget, except for property taxes.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$6,147,424, while final budgeted expenditures totaled \$7,014,295. This was due primarily to substantial savings realized versus the budgeted expenditures in all areas of the culture and recreation expenditures, except for supplies.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis  
June 30, 2023**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Library’s net investment in capital assets for its governmental activities as of June 30, 2023 was \$15,255,977 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and improvements, equipment, furniture, and fixtures, and library materials.

	<u>Capital Assets - Net of Depreciation</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 926,032	926,032
Construction in Progress	-	5,706,737
Buildings and Improvements	11,592,530	7,463,353
Equipment, Furniture, and Fixture	1,884,051	723,366
Library Materials	853,364	-
	<hr/>	<hr/>
Total	<u>15,255,977</u>	<u>14,819,488</u>

This year’s additions to capital assets included the following:

Equipment, Furniture, and Fixtures	\$ 337,178
Library Materials	<u>853,364</u>
	<u>1,190,542</u>

Additional information on the Library’s capital assets can be found in Note 3 of this report.

**Debt Administration**

At year-end, the Library has the following outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2023</u>	<u>2022</u>
General Obligation Alternate Revenue Source Bonds	<u>\$ 3,945,000</u>	<u>4,350,000</u>

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875% of its total assessed valuation. The current debt limit for the Library is \$69,780,339, but the bonds do not count against the Library’s debt limit.

Additional information on the Library’s long-term debt can be found in Note 3 of this report.



# **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis June 30, 2023**

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Library Board of Trustees considered many factors when setting the fiscal year 2023-24 budget, including tax rates and fees that will be charged for its various activities. One of those factors is a relatively stable economy with inflation improving and interest rate increases coming to an end. The Library's budget also takes into account the rising minimum wage rate in Illinois as well as higher payroll cost of living adjustments.

The Library's 2018 strategic plan was extended into 2023. Maintaining resilient, modern, and efficient facilities and responsible stewardship of taxpayer dollars continue to be high priorities for the Library. The Library Board of Trustees has begun seeking resident input in 2023 to develop a new strategic plan to ensure that the Library remains responsive to community needs.

The Library's 2022 Capital Maintenance Plan continues to be utilized for the Library to maintain and/or improve its current site. The 2022 Financial Plan was a 10-year plan so that continues to be used for levy projections and fund expense projections. The FY 2024 budget includes the repairs and maintenance specified in the Capital Maintenance Plan as well as renovations to staff work areas.

### **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Net Position  
June 30, 2023**

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**See Following Page**

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Net Position  
June 30, 2023**

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<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 14,469,691
Receivables - Net of Allowances	
Property Taxes	5,037,999
Due from Other Governments	184,157
Prepays	<u>51,126</u>
Total Current Assets	<u>19,742,973</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	926,032
Depreciable Capital Assets	30,146,844
Accumulated Depreciation	<u>(15,816,899)</u>
Total Noncurrent Assets	<u>15,255,977</u>
Total Assets	34,998,950
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>1,949,954</u>
Total Assets and Deferred Outflows of Resources	<u>36,948,904</u>

The notes to the financial statements are an integral part of this statement.

<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 230,996
Accrued Payroll	71,950
Accrued Interest Payable	12,721
Current Portion of Long-Term Liabilities	284,104
Total Current Liabilities	<u>599,771</u>
Noncurrent Liabilities	
Compensated Absences	136,418
Net Pension Liability - IMRF	3,503,383
General Obligation Alternate Revenue Source Bonds Payable - Net	4,454,637
Total Noncurrent Liabilities	<u>8,094,438</u>
Total Liabilities	8,694,209
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>5,037,999</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,732,208</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	10,551,340
Restricted	
Property Tax Levies	
Audit	6,881
Illinois Municipal Retirement	192,223
Social Security	308,620
Building Maintenance	282,062
Unemployment Reserve	48,668
Tort Immunity	131,659
Capital Projects	1,771,495
Unrestricted	<u>9,923,748</u>
Total Net Position	<u><u>23,216,696</u></u>

The notes to the financial statements are an integral part of this statement.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Activities  
For the Fiscal Year Ended June 30, 2023**

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants	Capital Grants	
Primary Government					
Culture and Recreation	\$ 7,501,598	79,026	194,262	-	(7,228,310)
Interest on Long-Term Debt	129,086	-	-	-	(129,086)
Total Primary Government	<u>7,630,684</u>	<u>79,026</u>	<u>194,262</u>	<u>-</u>	<u>(7,357,396)</u>
		General Revenues			
		Taxes			
		Property Taxes			9,185,174
		Intergovernmental - Unrestricted			
		Replacement Taxes			220,351
		Interest			222,984
		Miscellaneous			<u>2,792</u>
					<u>9,631,301</u>
		Change in Net Position			2,273,905
		Net Position - Beginning			<u>20,942,791</u>
		Net Position - Ending			<u><u>23,216,696</u></u>

The notes to the financial statements are an integral part of this statement.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**  
**June 30, 2023**

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**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds  
June 30, 2023**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 9,160,987
Receivables - Net of Allowances	
Property Taxes	4,467,024
Due from Other Governments	184,157
Prepays	<u>51,126</u>
 Total Assets	 <u><u>13,863,294</u></u>
<b>LIABILITIES</b>	
Accounts Payable	230,996
Accrued Payroll	<u>71,950</u>
Total Liabilities	302,946
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>4,467,024</u>
Total Liabilities and Deferred Inflows of Resources	 <u><u>4,769,970</u></u>
<b>FUND BALANCES</b>	
Nonspendable	51,126
Restricted	-
Assigned	-
Unassigned	<u>9,042,198</u>
Total Fund Balances	<u><u>9,093,324</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>13,863,294</u></u>

The notes to the financial statements are an integral part of this statement.



Special Revenue				
Special Reserve	Debt Service	Capital Projects	Nonmajor	Totals
2,567,096	-	1,771,495	970,113	14,469,691
-	-	-	570,975	5,037,999
-	-	-		184,157
-	-	-	-	51,126
2,567,096	-	1,771,495	1,541,088	19,742,973
-	-	-	-	230,996
-	-	-	-	71,950
-	-	-	-	302,946
-	-	-	570,975	5,037,999
-	-	-	570,975	5,340,945
-	-	-	-	51,126
-	-	1,771,495	970,113	2,741,608
2,567,096	-	-	-	2,567,096
-	-	-	-	9,042,198
2,567,096	-	1,771,495	970,113	14,402,028
2,567,096	-	1,771,495	1,541,088	19,742,973

The notes to the financial statements are an integral part of this statement.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Position - Governmental Activities**

**June 30, 2023**

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<b>Total Fund Balances</b>	\$ 14,402,028
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	15,255,977
Deferred Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	1,949,954
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(170,522)
Net Pension Liability - IMRF	(3,503,383)
General Obligation Alternate Revenue Source Bonds Payable - Net	(4,704,637)
Accrued Interest Payable	<u>(12,721)</u>
<b>Net Position</b>	<u><u>23,216,696</u></u>

The notes to the financial statements are an integral part of this statement.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended June 30, 2023**

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**See Following Page**

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended June 30, 2023**

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	<u>General</u>
Revenues	
Taxes	\$ 8,175,539
Charges for Services	79,026
Intergovernmental	414,613
Interest	222,984
Miscellaneous	2,792
Total Revenues	<u>8,894,954</u>
Expenditures	
Culture and Recreation	6,147,424
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>6,147,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,747,530</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	<u>(1,637,050)</u>
	<u>(1,637,050)</u>
Net Change in Fund Balance	1,110,480
Fund Balances - Beginning	<u>7,982,844</u>
Fund Balances - Ending	<u><u>9,093,324</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue				
Special Reserve	Debt Service	Capital Projects	Nonmajor	Totals
-	-	-	1,009,635	9,185,174
-	-	-	-	79,026
-	-	-	-	414,613
-	-	-	-	222,984
-	-	-	-	2,792
-	-	-	1,009,635	9,904,589
-	-	-	1,033,467	7,180,891
228,659	-	143,411	-	372,070
-	405,000	-	-	405,000
-	161,050	-	-	161,050
228,659	566,050	143,411	1,033,467	8,119,011
(228,659)	(566,050)	(143,411)	(23,832)	1,785,578
1,000,000	566,050	-	71,000	1,637,050
-	-	-	-	(1,637,050)
1,000,000	566,050	-	71,000	-
771,341	-	(143,411)	47,168	1,785,578
1,795,755	-	1,914,906	922,945	12,616,450
2,567,096	-	1,771,495	970,113	14,402,028

The notes to the financial statements are an integral part of this statement.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

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

**For the Fiscal Year Ended June 30, 2023**

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<b>Net Change in Fund Balances</b>	<b>\$ 1,785,578</b>
Amounts reported in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	1,190,542
Depreciation Expense	(754,053)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	4,665,856
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences	(25,173)
Change in Net Pension Liability - IMRF	(5,025,809)
Principal Retirement - Net	449,685
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(12,721)</u>
<b>Changes in Net Position</b>	<u><u>2,273,905</u></u>

The notes to the financial statements are an integral part of this statement.

# **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Notes to the Financial Statements June 30, 2023**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Palatine Public Library District (District) of Illinois is located in the Village of Palatine and is governed by a Board of Trustees. The District is primarily funded through a tax levy, fines and fees, and charitable donations. Revenue is used to operate and staff the District.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District’s accounting policies established in GAAP and used by the District are described below.

#### **REPORTING ENTITY**

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### **BASIS OF PRESENTATION**

##### **Government-Wide and Fund Financial Statements**

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). The District only reports governmental activities.

In the government-wide Statement of Net Position, the governmental activities are (a) presented on a consolidated basis, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District’s net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the District’s functions. The District’s activities are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or discretely benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Government-Wide and Fund Financial Statements – Continued

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District accounts for all of its activities in governmental funds, with the emphasis in the fund financial statements being on the major funds.

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds.

The following fund types are used by the District:

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

*General Fund* is the general operating fund of the District. It is used to account for all financial resources, except for those required to be accounted for in another fund.

*Special revenues funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains seven special revenue funds. The Special Reserve Fund, a major fund, is used to account for the resources and expenditures for capital projects.

*Debt Service Funds* is used to for funds restricted, committed, or assigned for principal retirement, interest, and fiscal charges for debt obligations. The Debt Service Fund is treated as a major fund.

*Capital Projects Funds* is used to account for capital improvement expenditures. The Capital Projects Fund is treated as a major fund.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.



# **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

## **Notes to the Financial Statements June 30, 2023**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

The District’s funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability/deferred inflow is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Cash and Investments**

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of purchase.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Cash and Investments – Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances include property taxes.

##### Prepays

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Capital assets are recorded at estimated historical cost. Contributed assets are reported at acquisition value as of the date received. 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. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Capital Assets – Continued**

General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Capital assets are recorded at estimated historical cost. Contributed assets are reported at acquisition value as of the date received. 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. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	15 - 40 Years
Equipment, Furniture, and Fixtures	5 - 10 Years

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

**Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Net Position – Continued

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

The accounting policies of the District include the preparation of financial statements on the modified accrual basis of accounting. The 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 District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 15th the 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 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 adopted on September 20, 2022 and was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued**

**BUDGETARY INFORMATION - Continued**

- 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.
- There was one budget amendment during the fiscal year.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Building Maintenance	\$ 18,171

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**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 financial statements as "cash and investments."

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and Illinois Public Reserves Investment Management Trust commercial paper rated within the three highest classifications by at least two standard rating services.

The Illinois Public Reserves Investment Management Trust (iPrime) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in iPrime is voluntary. iPrime is not registered with the SEC as an Investment Company. Investments in iPrime are valued at the share price, the price for which the investment could be sold.

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk**

*Deposits.* At year-end, the carrying amount of the District's deposits totaled \$9,482,232 and the bank balances totaled \$9,565,360.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk – Continued**

*Investments.* The District has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Notes	\$ 4,243,489	1,881,083	2,362,406	-	-
iPrime	743,970	743,970	-	-	-
	<u>4,987,459</u>	<u>2,625,053</u>	<u>2,362,406</u>	<u>-</u>	<u>-</u>

The District has the following recurring fair value measurements as of year-end:

- U.S. Treasury Notes of \$4,243,489 are valued using quoted market prices (Level 1 inputs)
- iPrime of \$743,970 is measured using the Net Asset Value (NAV) as determined by the pool

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s investment policy states that the District’s investment portfolio must remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably projected.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the policy of the of the District to invest all funds under the District’s control in a manner that will provide the highest investment return using authorized instruments, while meeting the District’s daily cash flow demands and in conformance with all State statutes governing the invest of public funds. At year-end, the District’s investments in iPrime are all rated AAA by Standard & Poor’s.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s investment policy states that in order to meet the objective of safety of capital, the District will require deposits in excess of the federally insured amount to be collateralized to the extent of 110% and evidenced by an approved written agreement. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investment policy does not specifically address custodial credit risk for investments. The District’s investment in iPrime is not subject to custodial credit risk.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk – Continued**

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the District’s investment in a single issuer. The District’s investment policy states that the investment portfolio will be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**PROPERTY TAXES**

Property taxes for the 2022 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in March and August. The County collects such taxes and remits them periodically.

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Special Reserve	General	\$ 1,000,000
Debt Service	General	566,050
Nonmajor	General	<u>71,000</u>
		<u><u>1,637,050</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 926,032	-	-	926,032
Construction in Progress	5,706,737	-	5,706,737	-
	<u>6,632,769</u>	<u>-</u>	<u>5,706,737</u>	<u>926,032</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	22,327,496	4,800,298	-	27,127,794
Equipment, Furniture, and Fixtures	922,069	1,243,617	-	2,165,686
Library Materials	-	853,364	-	853,364
	<u>23,249,565</u>	<u>6,897,279</u>	<u>-</u>	<u>30,146,844</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	14,864,143	671,121	-	15,535,264
Equipment, Furniture, and Fixtures	198,703	82,932	-	281,635
Library Materials	-	-	-	-
	<u>15,062,846</u>	<u>754,053</u>	<u>-</u>	<u>15,816,899</u>
<b>Total Depreciable Capital Assets</b>	<u>8,186,719</u>	<u>6,143,226</u>	<u>-</u>	<u>14,329,945</u>
<b>Total Capital Assets</b>	<u>14,819,488</u>	<u>6,143,226</u>	<u>5,706,737</u>	<u>15,255,977</u>

Depreciation expense of \$754,053 was charged to the culture and recreation function.



**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT**

**General Obligation Alternate Revenue Source Bonds**

The District issues bonds to provide funds for the acquisition and construction of major capital facilities. Alternate revenue source bonds provide for the collection, segregation and distribution of certain income taxes received by the District for the payment of principal and interest on the alternate revenue source bonds. Alternate revenue source bonds outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Alternate Revenue Source Bonds of 2020 - Due in annual installments of \$210,000 to \$515,000 plus interest at 3.00% to 5.00% through December 1, 2039.	\$ 4,350,000	-	405,000	3,945,000

**Long-Term Liability Activity**

Payments on the compensated absences and the net pension liability/(asset) are made by the General Fund. The Debt Service Fund makes payments on the general obligation alternate revenue source bonds. Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 145,349	50,346	25,173	170,522	34,104
Net Pension Liability/(Asset) - IMRF	(1,522,426)	5,025,809	-	3,503,383	-
General Obligation Alternate Revenue Source Bonds	4,350,000	-	405,000	3,945,000	250,000
Unamortized Premium	804,322	-	44,685	759,637	-
	<u>3,777,245</u>	<u>5,076,155</u>	<u>474,858</u>	<u>8,378,542</u>	<u>284,104</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Year	Governmental Activities	
	General Obligation Revenue Source Bonds	Alternate Bonds
	Principal	Interest
2024	\$ 250,000	146,400
2025	250,000	133,900
2026	245,000	121,525
2027	245,000	109,275
2028	245,000	97,025
2029	240,000	84,900
2030	240,000	72,900
2031	240,000	63,300
2032	235,000	56,175
2033	230,000	49,200
2034	230,000	42,300
2035	225,000	35,475
2036	220,000	28,800
2037	215,000	22,275
2038	215,000	15,825
2039	210,000	9,450
2040	210,000	3,150
Total	<u>3,945,000</u>	<u>1,091,875</u>

**Legal Debt Margin**

Chapter 50, Section 405/1 of the Illinois Compiled Statutes provides “...no county having a population of less than 500,000 and no township, school district or other municipal corporation having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 2.875% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the governmental unit’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Legal Debt Margin – Continued**

Assessed Valuation - 2021*	<u>\$ 2,427,142,240</u>
Legal Debt Limit - 2.875% of Assessed Value	69,780,339
Amount of Debt Applicable to Limit - None	<u>-</u>
Legal Debt Margin	<u>69,780,339</u>

\*The 2022 tax levy extension is not available as of the date of this report.

**FUND BALANCE CLASSIFICATIONS**

In the governmental funds’ financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees’ intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District’s highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**FUND BALANCE CLASSIFICATIONS – Continued**

*Minimum Fund Balance Policy.* The District’s policy manual states that the General Fund should maintain a minimum fund balance equal to 50% of budgeted operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue Special Reserve	Debt Service	Capital Projects	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 51,126	-	-	-	-	51,126
Restricted						
Property Tax Levies						
Audit	-	-	-	-	6,881	6,881
Illinois Municipal Retirement	-	-	-	-	192,223	192,223
Social Security	-	-	-	-	308,620	308,620
Building Maintenance	-	-	-	-	282,062	282,062
Unemployment Reserve	-	-	-	-	48,668	48,668
Tort Immunity	-	-	-	-	131,659	131,659
Capital Projects	-	-	-	1,771,495	-	1,771,495
	-	-	-	1,771,495	970,113	2,741,608
Assigned						
Capital Projects	-	2,567,096	-	-	-	2,567,096
Unassigned	9,042,198	-	-	-	-	9,042,198
Total Fund Balances	9,093,324	2,567,096	-	1,771,495	970,113	14,402,028

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**NET POSITION CLASSIFICATIONS**

Net investment in capital assets was comprised of the following as of year-end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 15,255,977
Less: Capital Related Debt	
General Obligation Alternate Revenue Source Bonds of 2020	(3,945,000)
Unamortized Premium	<u>(759,637)</u>
Net Investment in Capital Assets	<u><u>10,551,340</u></u>

**NOTE 4 – OTHER INFORMATION**

**CONTINGENT LIABILITIES**

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**Litigation**

The District is currently not involved in any litigation.

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

**Illinois Municipal Retirement System**

The District contributes to one defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

# PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

## Notes to the Financial Statements June 30, 2023

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

##### Illinois Municipal Retirement System – Continued

###### Plan Description

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. 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 eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight 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 ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Plan Description – Continued**

*Plan Membership.* As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	148
Inactive Plan Members Entitled to but not yet Receiving Benefits	131
Active Plan Members	<u>79</u>
Total	<u><u>358</u></u>

*Contributions.* As set by statute, the District’s Regular Plan Members are required to contribute 4.50% 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. For the year ended June 30 2023, the District’s contribution was 10.55% of covered payroll.

*Net Pension Liability/(Asset).* The District’s net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% - 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Plan Description – Continued**

*Actuarial Assumptions - Continued.* For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.



**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District’s net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 6,207,433	3,503,383	1,301,756

**Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 23,127,031	24,649,457	(1,522,426)
Changes for the Year:			
Service Cost	302,924	-	302,924
Interest on the Total Pension Liability	1,636,553	-	1,636,553
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	184,018	-	184,018
Changes of Assumptions	-	-	-
Contributions - Employer	-	386,472	(386,472)
Contributions - Employees	-	148,771	(148,771)
Net Investment Income	-	(3,337,635)	3,337,635
Benefit Payments, including Refunds of Employee Contributions	(1,410,697)	(1,410,697)	-
Other (Net Transfer)	-	(99,922)	99,922
Net Changes	712,798	(4,313,011)	5,025,809
Balances at December 31, 2022	23,839,829	20,336,446	3,503,383

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2023**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement System – Continued**

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

For the year ended June 30, 2023, the District recognized pension expense of \$724,632. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 127,021	-	127,021
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,653,489	-	1,653,489
Total Pension Expense			
to be Recognized in Future Periods	1,780,510	-	1,780,510
Pension Contributions Made Subsequent to the Measurement Date	169,444	-	169,444
Total Deferred Amounts Related to Pensions	<u>1,949,954</u>	-	<u>1,949,954</u>

\$169,444 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability/(asset) in the reporting year ended June 30, 2024. 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:

Fiscal Year	Net Deferred Outflows of Resources
2024	\$ (59,575)
2025	264,873
2026	557,341
2027	1,017,871
2028	-
Thereafter	-
Total	<u>1,780,510</u>

## **PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

### **Notes to the Financial Statements June 30, 2023**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **OTHER POST-EMPLOYMENT BENEFITS**

The Palatine Public Library District has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Palatine Public Library District are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, the Palatine Public Library District provides no explicit benefit. Therefore, the Palatine Public Library District has not recorded a liability as of June 30, 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule  
General Fund  
Special Reserve – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 339,939	\$ 359,636	\$ 19,697	\$ 2,710,838	13.27%
2016	361,506	361,506	-	2,880,524	12.55%
2017	390,609	390,609	-	2,895,551	13.49%
2018	376,789	376,789	-	2,882,849	13.07%
2019	361,653	361,653	-	2,938,006	12.31%
2020	377,847	377,847	-	2,989,625	12.64%
2021	417,709	417,709	-	3,003,541	13.91%
2022	409,520	409,520	-	3,224,578	12.70%
2023	364,679	364,679	-	3,455,616	10.55%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Market, 20% Corridor
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Changes in the Employer's Net Pension Liability/(Asset)**

**June 30, 2023**

	December 31, 2014	December 31, 2015
Total Pension Liability		
Service Cost	\$ 338,111	307,597
Interest	1,154,512	1,278,726
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	260,271	148,829
Change of Assumptions	717,562	21,921
Benefit Payments, Including Refunds of Member Contributions	(702,586)	(804,258)
Net Change in Total Pension Liability	1,767,870	952,815
Total Pension Liability - Beginning	15,575,733	17,343,603
Total Pension Liability - Ending	17,343,603	18,296,418
Plan Fiduciary Net Position		
Contributions - Employer	\$ 359,636	361,506
Contributions - Members	129,056	131,133
Net Investment Income	889,681	76,466
Benefit Payments, Including Refunds of Member Contributions	(702,586)	(804,258)
Other (Net Transfer)	81,400	206,864
Net Change in Plan Fiduciary Net Position	757,187	(28,289)
Plan Net Position - Beginning	14,691,887	15,449,074
Plan Net Position - Ending	15,449,074	15,420,785
Employer's Net Pension Liability/(Asset)	\$ 1,894,529	2,875,633
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	89.08%	84.28%
Covered Payroll	\$ 2,710,838	2,880,524
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	69.89%	99.83%

**Note:**

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
307,304	307,368	276,020	292,400	310,328	284,926	302,924
1,344,590	1,418,122	1,419,448	1,478,505	1,550,264	1,574,211	1,636,553
-	-	-	-	-	-	-
282,263	20,304	383,488	520,355	149,899	408,658	184,018
(69,375)	(649,751)	566,372	-	(275,284)	-	-
(900,399)	(1,012,374)	(1,113,018)	(1,259,606)	(1,361,305)	(1,423,100)	(1,410,697)
964,383	83,669	1,532,310	1,031,654	373,902	844,695	712,798
18,296,418	19,260,801	19,344,470	20,876,780	21,908,434	22,282,336	23,127,031
19,260,801	19,344,470	20,876,780	21,908,434	22,282,336	23,127,031	23,839,829
390,609	376,789	396,886	334,973	415,293	427,999	386,472
130,882	138,696	133,582	134,109	136,742	159,380	148,771
1,035,790	2,983,231	(1,145,691)	3,355,020	2,925,891	3,849,220	(3,337,635)
(900,399)	(1,012,374)	(1,113,018)	(1,259,606)	(1,361,305)	(1,423,100)	(1,410,697)
202,858	(399,820)	415,815	198,519	(70,647)	(227,652)	(99,922)
859,740	2,086,522	(1,312,426)	2,763,015	2,045,974	2,785,847	(4,313,011)
15,420,785	16,280,525	18,367,047	17,054,621	19,817,636	21,863,610	24,649,457
16,280,525	18,367,047	17,054,621	19,817,636	21,863,610	24,649,457	20,336,446
2,980,276	977,423	3,822,159	2,090,798	418,726	(1,522,426)	3,503,383
84.53%	94.95%	81.69%	90.46%	98.12%	106.58%	85.30%
2,895,551	2,882,849	2,968,480	2,980,192	2,949,517	3,114,983	330,605
102.93%	33.90%	128.76%	70.16%	14.20%	(48.87%)	1059.69%

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,442,102	8,442,102	8,175,539
Charges for Services	44,400	44,400	79,026
Intergovernmental	248,750	248,750	414,613
Interest	14,000	14,000	222,984
Miscellaneous	-	-	2,792
Total Revenues	<u>8,749,252</u>	<u>8,749,252</u>	8,894,954
Expenditures			
Culture and Recreation	<u>7,014,295</u>	<u>7,014,295</u>	6,147,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,734,957	1,734,957	2,747,530
Other Financing (Uses)			
Transfers Out	<u>(1,637,050)</u>	<u>(1,637,050)</u>	(1,637,050)
Net Change in Fund Balance	<u>97,907</u>	<u>97,907</u>	1,110,480
Fund Balance - Beginning			<u>7,982,844</u>
Fund Balance - Ending			<u>9,093,324</u>



**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Special Reserve - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Capital Outlay	1,667,800	1,667,800	228,659
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,667,800)	(1,667,800)	(228,659)
Other Financing Sources			
Transfers In	1,000,000	1,000,000	1,000,000
Net Change in Fund Balance	<u>(667,800)</u>	<u>(667,800)</u>	771,341
Fund Balance - Beginning			<u>1,795,755</u>
Fund Balance - Ending			<u><u>2,567,096</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

#### **Special Reserve Fund**

The Special Reserve Fund is used to account for the resources and expenditures for capital projects.

#### **Audit Fund**

The Audit Fund is used to account for expenditures related to the annual audit.

#### **Illinois Municipal Retirement Fund**

The Illinois Municipal Retirement Fund is used to account for the District's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy which produces a sufficient amount to pay the District's contributions to the fund on behalf of its employees.

#### **Social Security Fund**

The Social Security Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for payment of the employer's portion of Federal Social Security and Medicare taxes.

#### **Building Maintenance Fund**

The Building Maintenance Fund is used to account for expenditures related to the maintenance of the building and grounds.

#### **Unemployment Reserve Fund**

The Unemployment Reserve Fund is used to account for expenditures related to unemployment.

#### **Tort Immunity Fund**

The Tort Immunity Fund is used to account for revenue derived from a specific annual property tax levy to provide liability insurance for the District's operations and risk management activities.

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## **INDIVIDUAL FUND DESCRIPTIONS**

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### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for funds restricted, committed or assigned for principal retirements, interest and fiscal charges for debt obligations.

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### **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for capital improvement expenditures.

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**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 8,442,102	8,442,102	8,175,539
Charges for Services			
Fines	-	-	159
Sales of Supplies	1,000	1,000	8,903
Lost/Replaced/Process/Damage Fees	14,000	14,000	19,032
Collection Agency	1,600	1,600	2,792
Printing/Copying/Fax Machine	13,000	13,000	23,796
Vending Machines	1,000	1,000	2,588
Meeting Room Fees	2,700	2,700	6,374
Interlibrary Loans	100	100	-
Nonresident Fees	11,000	11,000	15,382
Total Charges for Services	44,400	44,400	79,026
Intergovernmental			
Replacement Taxes	100,000	100,000	220,351
Per Capita Grants	131,250	131,250	131,858
Other Grants	-	-	5,980
Gifts and Donations	17,500	17,500	56,424
Total Grants and Donations	248,750	248,750	414,613
Interest	14,000	14,000	222,984
Miscellaneous			
Sale of Equipment	-	-	1,636
Miscellaneous	-	-	1,156
Total Miscellaneous	-	-	2,792
 Total Revenues	 8,749,252	 8,749,252	 8,894,954

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
<b>Culture and Recreation</b>			
<b>Personnel</b>			
Salaries	\$ 4,316,434	4,316,434	3,759,991
Employer Health Insurance	370,626	370,626	341,618
Miscellaneous Fringe Benefits	15,190	15,190	7,414
	<u>4,702,250</u>	<u>4,702,250</u>	<u>4,109,023</u>
<b>Materials</b>			
Books/Audio-Visual	324,450	324,450	297,379
Electronic References	635,196	635,196	555,985
	<u>959,646</u>	<u>959,646</u>	<u>853,364</u>
<b>Utilities</b>			
Gas	45,000	45,000	20,453
Electricity	130,000	130,000	135,408
Water	8,500	8,500	5,418
	<u>183,500</u>	<u>183,500</u>	<u>161,279</u>
<b>Equipment Purchases</b>			
Furniture	160,000	160,000	123,588
Computers	148,500	148,500	133,539
	<u>308,500</u>	<u>308,500</u>	<u>257,127</u>
<b>Contractual Services</b>			
Copier Maintenance	23,828	23,828	24,307
Technology Support	110,090	110,090	102,815
Postage Machines	1,841	1,841	2,414
LAN Management	101,280	101,280	72,253
Library Information Services	95,949	95,949	96,116
Internet Service	22,419	22,419	25,541
Collection Agency	3,000	3,000	3,901
Accounting/Payroll/Bank Fees	15,000	15,000	16,770
Leases (Office Park)	2,800	2,800	2,638
Consultants	55,550	55,550	37,139
Lease (Branches)	38,358	38,358	40,050
Telephone Lease	25,200	25,200	24,797
	<u>495,315</u>	<u>495,315</u>	<u>448,741</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
<b>Culture and Recreation - Continued</b>			
<b>Supplies</b>			
Human Resources	\$ 1,300	1,300	2,986
Communications Department	11,350	11,350	13,331
Copier and Printer	14,000	14,000	16,716
Library Services	45,000	45,000	45,559
Program	52,000	52,000	48,298
	<u>123,650</u>	<u>123,650</u>	<u>126,890</u>
<b>Operating Expenditures</b>			
Interlibrary Loan/Reprints	8,850	8,850	555
Telephone	3,600	3,600	3,347
Postage	3,000	3,000	2,703
Cultural and Educational Training	40,500	40,500	31,182
In-Services Training	49,994	49,994	33,472
Memberships	9,827	9,827	9,771
Community Information	14,000	14,000	15,215
Legal	15,563	15,563	4,325
Want Ads/Legal Notices	2,000	2,000	1,816
Expenditures of Public Gifts	500	500	200
Shared Administrative Costs	12,000	12,000	10,000
	<u>159,834</u>	<u>159,834</u>	<u>112,586</u>
<b>Auxiliary Projects</b>			
Newsletters	78,500	78,500	76,420
Volunteer Programs	3,100	3,100	1,994
	<u>81,600</u>	<u>81,600</u>	<u>78,414</u>
<b>Total Expenditures</b>	<u><u>7,014,295</u></u>	<u><u>7,014,295</u></u>	<u><u>6,147,424</u></u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	405,000	405,000	405,000
Interest and Fiscal Charges	161,050	161,050	161,050
Total Expenditures	566,050	566,050	566,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(566,050)	(566,050)	(566,050)
Other Financing Sources			
Transfers In	566,050	566,050	566,050
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-



**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 1,871,568	1,871,568	-
Interest	1,000	1,000	-
Total Revenues	<u>1,872,568</u>	<u>1,872,568</u>	-
Expenditures			
Capital Outlay	7,235,502	7,235,502	143,411
Debt Service			
Interest and Fiscal Charges	97,283	97,283	-
Total Expenditures	<u>7,332,785</u>	<u>7,332,785</u>	143,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,460,217)	(5,460,217)	(143,411)
Other Financing Sources			
Debt Issuance	<u>6,099,007</u>	<u>6,099,007</u>	-
Net Change in Fund Balance	<u>638,790</u>	<u>638,790</u>	(143,411)
Fund Balance - Beginning			<u>1,914,906</u>
Fund Balance - Ending			<u>1,771,495</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet  
June 30, 2023**

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	Audit	Illinois Municipal Retirement
<b>ASSETS</b>		
Cash and Investments	\$ 6,881	192,223
Receivables - Net of Allowances		
Property Taxes	2,823	209,186
Total Assets	9,704	401,409
<b>LIABILITIES</b>		
None	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	2,823	209,186
Total Liabilities and Deferred Inflows of Resources	2,823	209,186
<b>FUND BALANCES</b>		
Restricted	6,881	192,223
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,704	401,409

Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
308,620	282,062	48,668	131,659	970,113
164,733	111,823	262	82,148	570,975
473,353	393,885	48,930	213,807	1,541,088
-	-	-	-	-
164,733	111,823	262	82,148	570,975
164,733	111,823	262	82,148	570,975
308,620	282,062	48,668	131,659	970,113
473,353	393,885	48,930	213,807	1,541,088

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2023**

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	Audit	Illinois Municipal Retirement
Revenues		
Taxes	\$ 2,722	380,421
Expenditures		
Culture and Recreation	5,800	364,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,078)	15,902
Other Financing Sources		
Transfers In	-	-
Net Change in Fund Balance	(3,078)	15,902
Fund Balances - Beginning	9,959	176,321
Fund Balances - Ending	6,881	192,223

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Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
299,581	225,106	253	101,552	1,009,635
281,448	280,020	-	101,680	1,033,467
18,133	(54,914)	253	(128)	(23,832)
-	-	-	71,000	71,000
18,133	(54,914)	253	70,872	47,168
290,487	336,976	48,415	60,787	922,945
308,620	282,062	48,668	131,659	970,113

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Audit - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 500	500	2,722
Expenditures			
Culture and Recreation			
Accounting	5,800	5,800	5,800
Net Change in Fund Balance	<u>(5,300)</u>	<u>(5,300)</u>	(3,078)
Fund Balance - Beginning			<u>9,959</u>
Fund Balance - Ending			<u>6,881</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Illinois Municipal Retirement - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 398,219	398,219	380,421
Expenditures			
Culture and Recreation			
Illinois Municipal Retirement	381,532	381,532	364,519
Net Change in Fund Balance	<u>16,687</u>	<u>16,687</u>	15,902
Fund Balance - Beginning			<u>176,321</u>
Fund Balance - Ending			<u>192,223</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Social Security - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 304,521	304,521	299,581
Expenditures			
Culture and Recreation			
Employer Contribution	303,624	303,624	281,448
Net Change in Fund Balance	<u>897</u>	<u>897</u>	18,133
Fund Balance - Beginning			<u>290,487</u>
Fund Balance - Ending			<u>308,620</u>



**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Building Maintenance - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 257,671	257,671	225,106
Expenditures			
Culture and Recreation			
Cleaning Service	86,800	86,800	86,763
Equipment Repair	500	500	347
Trash	4,425	4,425	3,892
Landscaping and Lawn Service	21,724	21,724	20,080
Fire and Security	10,000	10,000	33,430
Elevator	9,000	9,000	13,607
Building Maintenance	15,000	15,000	27,503
Snow Removal	12,000	12,000	9,680
Heating, Ventilating and Air Conditioning	45,000	45,000	50,693
Parking Areas	13,000	13,000	95
Van Maintenance	1,000	1,000	1,248
Roof Maintenance	7,000	7,000	9,705
Van Fuel	1,400	1,400	1,869
Maintenance Supplies	35,000	35,000	21,108
Total Expenditures	261,849	261,849	280,020
Net Change in Fund Balance	(4,178)	(4,178)	(54,914)
Fund Balance - Beginning			336,976
Fund Balance - Ending			282,062

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Unemployment Reserve- Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 500	500	253
Expenditures			
Culture and Recreation			
Unemployment Compensation	500	500	-
Net Change in Fund Balance	<u>-</u>	<u>-</u>	253
Fund Balance - Beginning			<u>48,415</u>
Fund Balance - Ending			<u>48,668</u>

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Tort Immunity - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 46,849	46,849	101,552
Expenditures			
Culture and Recreation			
Insurance	109,838	109,838	101,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,989)	(62,989)	(128)
Other Financing Sources			
Transfers In	71,000	71,000	71,000
Net Change in Fund Balance	<u>8,011</u>	<u>8,011</u>	70,872
Fund Balance - Beginning			<u>60,787</u>
Fund Balance - Ending			<u><u>131,659</u></u>

## **SUPPLEMENTAL SCHEDULE**

**PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Source Bonds of 2020  
June 30, 2023**

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Date of Issue	August 20, 2020
Date of Maturity	December 1, 2039
Authorized Issue	\$5,250,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2024	\$ 250,000	146,400	396,400
2025	250,000	133,900	383,900
2026	245,000	121,525	366,525
2027	245,000	109,275	354,275
2028	245,000	97,025	342,025
2029	240,000	84,900	324,900
2030	240,000	72,900	312,900
2031	240,000	63,300	303,300
2032	235,000	56,175	291,175
2033	230,000	49,200	279,200
2034	230,000	42,300	272,300
2035	225,000	35,475	260,475
2036	220,000	28,800	248,800
2037	215,000	22,275	237,275
2038	215,000	15,825	230,825
2039	210,000	9,450	219,450
2040	210,000	3,150	213,150
	<u>3,945,000</u>	<u>1,091,875</u>	<u>5,036,875</u>