

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

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PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

September 28, 2024

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 (the District), Illinois, as of and for the year ended June 30, 2024, 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, 2024, 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 supplementary pension schedule, 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
September 28, 2024

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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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, 2024

Our discussion and analysis of the Palatine Public Library District (the District), Illinois' financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's net position increased from \$23,216,696 to \$26,790,496, an increase of \$3,573,800 or 15.4 percent.
- During the year, government-wide revenues totaled \$11,468,974, while government-wide expenses totaled \$7,895,174, resulting in an increase to net position of \$3,573,800.
- Total fund balances for the governmental funds were \$15,919,222 at June 30, 2024 compared to a beginning balance of \$14,402,028, an increase of \$1,517,194.

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 District 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 District's operation in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

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

The Statement of Net Position reports information on all the District'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 District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base, is needed to assess the overall health of the District.

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, 2024

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 District that are principally supported by taxes and charges for services revenues (governmental activities). The governmental activities of the District 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 District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District 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 District'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 District 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, Debt Service Fund, Special Reserve 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 District adopts an annual appropriated budget for all the governmental funds, except the Capital Projects Fund. 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, 2024

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 District, assets/deferred outflows exceeded liabilities/deferred inflows by \$26,790,496.

	Net Position	
	2024	2023
Current Assets	\$ 21,804,955	19,742,973
Capital Assets	16,285,317	15,255,977
Total Assets	38,090,272	34,998,950
Deferred Outflows	1,543,185	1,949,954
Total Assets/ Deferred Outflows	39,633,457	36,948,904
Long-Term Debt Outstanding	6,656,440	8,094,438
Other Liabilities	889,211	599,771
Total Liabilities	7,545,651	8,694,209
Deferred Inflows	5,297,310	5,037,999
Total Liabilities/Deferred Inflows	12,842,961	13,732,208
Net Position		
Net Investment in Capital Assets	11,875,365	10,551,340
Restricted	1,714,871	2,741,608
Unrestricted	13,200,260	9,923,748
Total Net Position	26,790,496	23,216,696

A large portion of the District's net position \$11,875,365 (44.3 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 District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion \$1,714,871 (6.4 percent) of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$13,200,260 (49.3 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, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2024	2023
Revenues		
Program Revenues		
Charges for Services	\$ 79,101	79,026
Operating Grants/Contributions	136,487	194,262
Capital Grants/Contributions	60,534	-
General Revenues		
Property Taxes	10,368,758	9,185,174
Replacement Taxes	142,125	220,351
Interest	678,310	222,984
Miscellaneous	3,659	2,792
Total Revenues	<u>11,468,974</u>	<u>9,904,589</u>
Expenses		
Culture and Recreation	7,794,201	7,501,598
Interest on Long-Term Debt	100,973	129,086
Total Expenses	<u>7,895,174</u>	<u>7,630,684</u>
Change in Net Position	3,573,800	2,273,905
Net Position - Beginning	<u>23,216,696</u>	<u>20,942,791</u>
Net Position - Ending	<u>26,790,496</u>	<u>23,216,696</u>

Net position of the District’s governmental activities increased from a balance of \$23,216,696 to \$26,790,496.

Revenues of \$11,468,974 exceeded expenses of \$7,895,174, resulting in the increase to net position in the current year of \$3,573,800.

Governmental Activities

In the current year, governmental net position increased \$3,573,800, an increase of 15.4 percent. Property taxes increased \$1,183,584 from the prior year (\$10,368,758 in 2024 compared to \$9,185,174 in 2023).

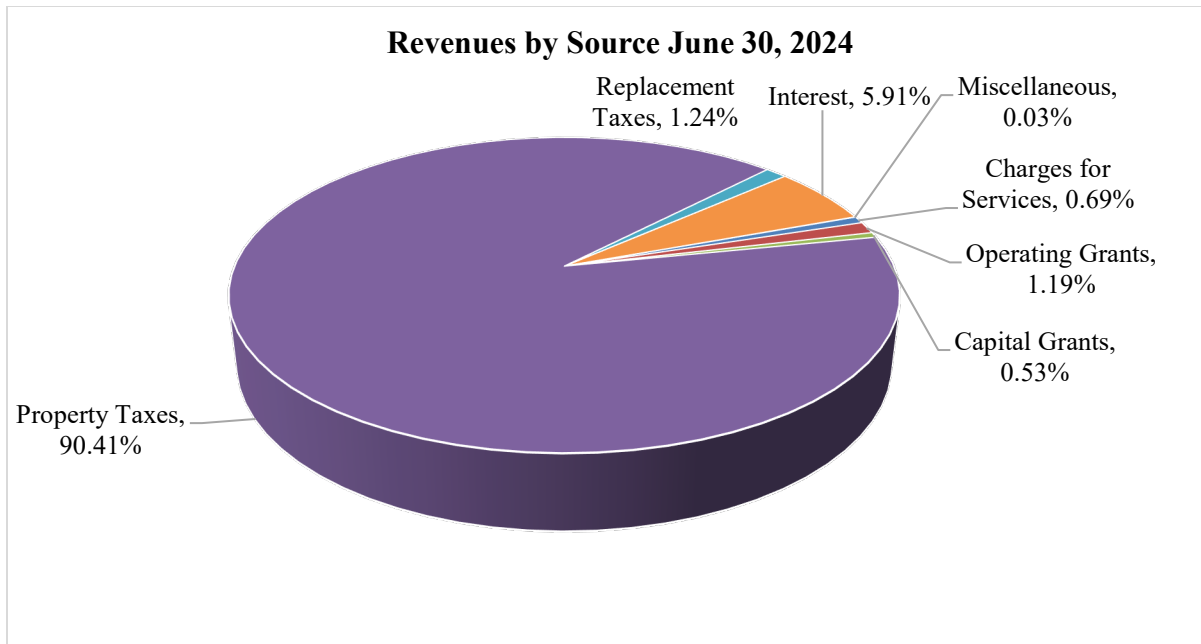
PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Management’s Discussion and Analysis
June 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

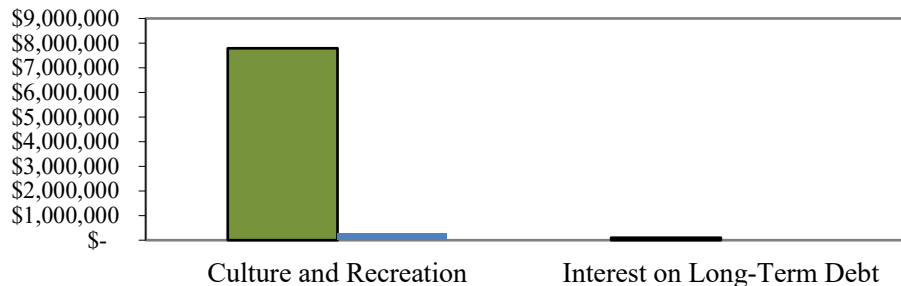
Governmental Activities – Continued

The following table graphically depicts the major revenue sources of the District. 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 District’s reliance on general revenues such as property taxes to fund operations.

**Expenses and Program Revenues
June 30, 2024**



PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

The focus of the District'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 \$15,919,222 which is 10.6 percent higher than last year's ending fund balance of \$14,402,028.

In the current year, governmental fund balances increased by \$1,517,194. The General Fund reported an increase of \$1,437,168, due to a planned effort to set aside funds for future capital needs. The Special Revenue Special Reserve Fund reported an increase of \$1,311,377, 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, \$60,534 of grants were collected during the year. After expenditures of \$1,627,415, for the year, and transfers out of \$204,614 to close out the fund to the Special Reserve Fund, there was no balance as of June 30, 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments made to the 2023-2024 budget.

The General Fund actual revenues were higher than final budgeted revenues. Actual revenues for the current year were \$10,267,433, compared to final budgeted revenues of \$9,307,336. All revenues functions came in over budget, except intergovernmental.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$6,758,565, while final budgeted expenditures totaled \$7,123,917. This was due primarily to savings realized versus the budgeted expenditures in all areas of the culture and recreation expenditures, except for utilities and supplies.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Management’s Discussion and Analysis
June 30, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District’s net investment in capital assets for its governmental activities as of June 30, 2024 was \$16,285,317 (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>2024</u>	<u>2023</u>
Land	\$ 926,032	926,032
Construction in Progress	1,311,683	-
Buildings and Improvements	10,566,737	11,592,530
Equipment, Furniture, and Fixture	1,946,373	1,884,051
Library Materials	1,534,492	853,364
Total	<u>16,285,317</u>	<u>15,255,977</u>

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

Construction in Progress	\$ 1,311,683
Buildings and Improvements	115,093
Equipment, Furniture, and Fixtures	262,818
Library Materials	<u>851,801</u>
	<u>2,541,395</u>

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

Debt Administration

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

	<u>Long-Term Debt Outstanding</u>	
	<u>2024</u>	<u>2023</u>
General Obligation Alternate Revenue Source Bonds	<u>\$ 3,695,000</u>	<u>3,945,000</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 District is \$85,450,190, but the bonds do not count against the Library’s debt limit.

Additional information on the District’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, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Library Board of Trustees considered many factors when setting the fiscal year 2024-25 budget, including tax rates and fees that will be charged for its various activities. One of those factors is a relatively stable economy, although the unemployment rate is rising, and interest rates are expected to decrease. The Library's budget also takes into account the rising minimum wage rate in Illinois as well as higher payroll and cost of living adjustments.

The Library is implementing a new Strategic Plan for Fiscal Years 2024 – 2026. The goals of this Plan are 1. Maintain high levels of service by investing in staff, 2. Increase visibility and remove barriers to participation for members of our diverse community through meaningful engagement, increased partnerships, and targeted communication, 3. Adopt programs and collections to deliver relevant content that serves changing community needs by restructuring systems, dedicating resources to these activities, and engaging in ongoing dialogue between members and staff, 4. Begin to understand how the Library will serve the Palatine community of the future by developing a long-term plan for existing and potential new spaces.

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 2025 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, 2024**

See Following Page

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2024**

ASSETS

Current Assets

Cash and Investments	\$ 16,299,462
Receivables - Net of Allowances	5,397,310
Prepays	108,183
Total Current Assets	<u>21,804,955</u>

Noncurrent Assets

Capital Assets

Nondepreciable Capital Assets	2,237,715
Depreciable Capital Assets	31,376,546
Accumulated Depreciation	<u>(17,328,944)</u>
Total Noncurrent Assets	<u>16,285,317</u>
Total Assets	<u>38,090,272</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Items - IMRF	<u>1,543,185</u>
Total Assets and Deferred Outflows of Resources	<u>39,633,457</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 413,497
Retainage Payable	83,025
Accrued Payroll	91,901
Accrued Interest Payable	11,679
Current Portion of Long-Term Liabilities	289,109
Total Current Liabilities	<u>889,211</u>
Noncurrent Liabilities	
Compensated Absences	156,436
Net Pension Liability - IMRF	2,340,052
General Obligation Alternate Revenue Source Bonds Payable - Net	4,159,952
Total Noncurrent Liabilities	<u>6,656,440</u>
Total Liabilities	<u>7,545,651</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	<u>5,297,310</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,842,961</u>

NET POSITION

Net Investment in Capital Assets	11,875,365
Restricted	
Property Tax Levies	
Audit	6,584
Illinois Municipal Retirement	667,442
Social Security	330,251
Building Maintenance	267,599
Unemployment Reserve	48,925
Tort Immunity	189,456
Unrestricted	<u>13,404,874</u>
Total Net Position	<u><u>26,790,496</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, 2024**

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PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2024**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 10,927,707
Receivables - Net of Allowances	
Property Taxes	4,701,929
Grants	-
Prepays	<u>108,183</u>
 Total Assets	 <u><u>15,737,819</u></u>
LIABILITIES	
Accounts Payable	413,497
Retainage Payable	-
Accrued Payroll	<u>91,901</u>
Total Liabilities	505,398
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>4,701,929</u>
Total Liabilities and Deferred Inflows of Resources	 <u><u>5,207,327</u></u>
FUND BALANCES	
Nonspendable	108,183
Restricted	-
Assigned	-
Unassigned	<u>10,422,309</u>
Total Fund Balances	<u><u>10,530,492</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>15,737,819</u></u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Special Reserve	Capital Projects		
-	3,861,498	-	1,510,257	16,299,462
-	-	-	595,381	5,297,310
-	100,000	-	-	100,000
-	-	-	-	108,183
-	3,961,498	-	2,105,638	21,804,955
-	-	-	-	413,497
-	83,025	-	-	83,025
-	-	-	-	91,901
-	83,025	-	-	588,423
-	-	-	595,381	5,297,310
-	83,025	-	595,381	5,885,733
-	-	-	-	108,183
-	-	-	1,510,257	1,510,257
-	3,878,473	-	-	3,878,473
-	-	-	-	10,422,309
-	3,878,473	-	1,510,257	15,919,222
-	3,961,498	-	2,105,638	21,804,955

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, 2024

Total Fund Balances	\$ 15,919,222
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.	16,285,317
Deferred Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	1,543,185
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(195,545)
Net Pension Liability - IMRF	(2,340,052)
General Obligation Alternate Revenue Source Bonds Payable - Net	(4,409,952)
Accrued Interest Payable	<u>(11,679)</u>
Net Position	<u><u>26,790,496</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, 2024**

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, 2024**

	<u>General</u>
Revenues	
Taxes	\$ 9,227,751
Charges for Services	79,101
Intergovernmental	278,612
Interest	678,310
Miscellaneous	3,659
Total Revenues	<u>10,267,433</u>
Expenditures	
Culture and Recreation	6,758,565
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>6,758,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,508,868</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	<u>(2,071,700)</u>
	<u>(2,071,700)</u>
Net Change in Fund Balance	1,437,168
Fund Balances - Beginning	<u>9,093,324</u>
Fund Balances - Ending	<u><u>10,530,492</u></u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Special Reserve	Capital Projects		
-	-	-	1,141,007	10,368,758
-	-	-	-	79,101
-	-	60,534	-	339,146
-	-	-	-	678,310
-	-	-	-	3,659
-	-	60,534	1,141,007	11,468,974
-	-	-	1,025,863	7,784,428
-	143,237	1,627,415	-	1,770,652
250,000	-	-	-	250,000
146,700	-	-	-	146,700
396,700	143,237	1,627,415	1,025,863	9,951,780
(396,700)	(143,237)	(1,566,881)	115,144	1,517,194
396,700	1,454,614	-	425,000	2,276,314
-	-	(204,614)	-	(2,276,314)
396,700	1,454,614	(204,614)	425,000	-
-	1,311,377	(1,771,495)	540,144	1,517,194
-	2,567,096	1,771,495	970,113	14,402,028
-	3,878,473	-	1,510,257	15,919,222

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, 2024

Net Change in Fund Balances	\$ 1,517,194
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	2,541,385
Depreciation Expense	(1,512,045)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(406,769)
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	(25,023)
Change in Net Pension Liability - IMRF	1,163,331
Principal Retirement - Net	294,685
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>1,042</u>
Changes in Net Position	<u><u>3,573,800</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, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Palatine Public Library District (the 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

The District is a municipal corporation governed by an elected president and six-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include 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, 2024

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 six special revenue funds.

Debt Service Funds is used to account 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 Special Reserve Fund, a major fund, is used to account for the resources and expenditures for capital projects. The Capital Projects Fund is also 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, 2024

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, 2024

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, 2024**

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
Library Materials	5 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, 2024**

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.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2024

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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 19, 2023 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.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting, except for the Capital Projects Fund which was not budgeted for. 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 were no budget amendments during the fiscal year.

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.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Deposits. At year-end, the carrying amount of the District’s deposits totaled \$10,912,377 and the bank balances totaled \$11,002,892.

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	\$ 5,329,551	2,246,022	3,083,529	-	-
iPrime	57,534	57,534	-	-	-
	<u>5,387,085</u>	<u>2,303,556</u>	<u>3,083,529</u>	<u>-</u>	<u>-</u>

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

- U.S. Treasury Notes of \$5,329,551 are valued using quoted market prices (Level 1 inputs)
- iPrime of \$57,534 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 AAAM 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, 2024**

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - 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 2023 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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Special Reserve	General	\$ 1,250,000 (1)
Debt Service	General	396,700 (1)
Nonmajor	General	425,000 (1)
Special Reserve	Capital Projects	<u>204,614 (2)</u>
		<u><u>2,276,314</u></u>

Transfers are used to (1) move revenues unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) The Library transferred the remaining fund balance in the Capital Projects Fund to the Special Reserve Fund as of June 30, 2024.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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
Nondepreciable Capital Assets				
Land	\$ 926,032	-	-	926,032
Construction in Progress	-	1,311,683	-	1,311,683
	<u>926,032</u>	<u>1,311,683</u>	<u>-</u>	<u>2,237,715</u>
Depreciable Capital Assets				
Buildings and Improvements	27,127,794	115,083	-	27,242,877
Equipment, Furniture, and Fixtures	2,165,686	262,818	-	2,428,504
Library Materials	853,364	851,801	-	1,705,165
	<u>30,146,844</u>	<u>1,229,702</u>	<u>-</u>	<u>31,376,546</u>
Less Accumulated Depreciation				
Buildings and Improvements	15,535,264	1,140,876	-	16,676,140
Equipment, Furniture, and Fixtures	281,635	200,496	-	482,131
Library Materials	-	170,673	-	170,673
	<u>15,816,899</u>	<u>1,512,045</u>	<u>-</u>	<u>17,328,944</u>
Total Depreciable Capital Assets	<u>14,329,945</u>	<u>(282,343)</u>	<u>-</u>	<u>14,047,602</u>
Total Capital Assets	<u>15,255,977</u>	<u>1,029,340</u>	<u>-</u>	<u>16,285,317</u>

Depreciation expense of \$1,512,045 was charged to the culture and recreation function.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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.	\$ 3,945,000	-	250,000	3,695,000

Long-Term Liability Activity

Payments on the compensated absences and the net pension liability 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	\$ 170,522	50,046	25,023	195,545	39,109
Net Pension Liability - IMRF	3,503,383	-	1,163,331	2,340,052	-
General Obligation Alternate Revenue Source Bonds	3,945,000	-	250,000	3,695,000	250,000
Unamortized Premium	759,637	-	44,685	714,952	-
	<u>8,378,542</u>	<u>50,046</u>	<u>1,483,039</u>	<u>6,945,549</u>	<u>289,109</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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	Alternate Source Bonds
	Principal	Interest
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>3,695,000</u>	<u>945,475</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, 2024**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2023	<u>\$ 2,972,180,532</u>
Legal Debt Limit - 2.875% of Assessed Value	85,450,190
Amount of Debt Applicable to Limit - None	<u>-</u>
Legal Debt Margin	<u>85,450,190</u>

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, 2024**

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	Debt Service	Capital Projects		Nonmajor	Totals
			Special Reserve	Capital Projects		
Fund Balances						
Nonspendable						
Prepays	\$ 108,183	-	-	-	-	108,183
Restricted						
Property Tax Levies						
Audit	-	-	-	-	6,584	6,584
Illinois Municipal Retirement	-	-	-	-	667,442	667,442
Social Security	-	-	-	-	330,251	330,251
Building Maintenance	-	-	-	-	267,599	267,599
Unemployment Reserve	-	-	-	-	48,925	48,925
Tort Immunity	-	-	-	-	189,456	189,456
	-	-	-	-	1,510,257	1,510,257
Assigned						
Capital Projects	-	-	3,878,473	-	-	3,878,473
Unassigned	10,422,309	-	-	-	-	10,422,309
Total Fund Balances	10,530,492	-	3,878,473	-	1,510,257	15,919,222

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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	\$ 16,285,317
Less: Capital Related Debt	
General Obligation Alternate Revenue Source Bonds of 2020	(3,695,000)
Unamortized Premium	<u>(714,952)</u>
Net Investment in Capital Assets	<u>11,875,365</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

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

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. 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, 2024

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, 2024**

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, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	149
Inactive Plan Members Entitled to but not yet Receiving Benefits	135
Active Plan Members	<u>73</u>
 Total	 <u><u>357</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 2024, the District’s contribution was 9.78% of covered payroll.

Net Pension Liability. The District’s net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability 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, 2023, 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	2.75%
Inflation	2.25%

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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 nondisabled 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	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

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, 2024**

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 to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate as well as what the District’s net pension liability 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	\$ 5,113,506	2,340,052	83,432

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, 2022	\$ 23,839,829	20,336,446	3,503,383
Changes for the Year:			
Service Cost	322,524	-	322,524
Interest on the Total Pension Liability	1,686,760	-	1,686,760
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	331,187	-	331,187
Changes of Assumptions	5,095	-	5,095
Contributions - Employer	-	342,258	(342,258)
Contributions - Employees	-	162,294	(162,294)
Net Investment Income	-	2,298,259	(2,298,259)
Benefit Payments, including Refunds of Employee Contributions	(1,470,870)	(1,470,870)	-
Other (Net Transfer)	-	706,086	(706,086)
Net Changes	874,696	2,038,027	(1,163,331)
Balances at December 31, 2023	24,714,525	22,374,473	2,340,052

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

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, 2024, the District recognized pension revenue of \$394,936. At June 30, 2024, 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	\$ 189,932	-	189,932
Change in Assumptions	2,741	-	2,741
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,161,713	-	1,161,713
Total Pension Expense to be Recognized in Future Periods	1,354,386	-	1,354,386
Pension Contributions Made Subsequent to the Measurement Date	188,799	-	188,799
Total Deferred Amounts Related to Pensions	<u>1,543,185</u>	-	<u>1,543,185</u>

\$188,799 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, 2025. 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/ (Inflows) of Resources
2025	\$ 253,554
2026	416,281
2027	851,211
2028	(166,660)
2029	-
Thereafter	<u>-</u>
Total	<u>1,354,386</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Notes to the Financial Statements
June 30, 2024**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Palatine Public Library District has evaluated its potential other post-employment 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 Post-Employment 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, 2024**

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%
2024	361,626	361,626	-	3,696,026	9.78%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
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.

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, 2024

	December 31, 2014	December 31, 2015	December 31, 2016
Total Pension Liability			
Service Cost	\$ 338,111	307,597	307,304
Interest	1,154,512	1,278,726	1,344,590
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	260,271	148,829	282,263
Change of Assumptions	717,562	21,921	(69,375)
Benefit Payments, Including Refunds of Member Contributions	(702,586)	(804,258)	(900,399)
Net Change in Total Pension Liability	1,767,870	952,815	964,383
Total Pension Liability - Beginning	15,575,733	17,343,603	18,296,418
Total Pension Liability - Ending	17,343,603	18,296,418	19,260,801
Plan Fiduciary Net Position			
Contributions - Employer	\$ 359,636	361,506	390,609
Contributions - Members	129,056	131,133	130,882
Net Investment Income	889,681	76,466	1,035,790
Benefit Payments, Including Refunds of Member Contributions	(702,586)	(804,258)	(900,399)
Other (Net Transfer)	81,400	206,864	202,858
Net Change in Plan Fiduciary Net Position	757,187	(28,289)	859,740
Plan Net Position - Beginning	14,691,887	15,449,074	15,420,785
Plan Net Position - Ending	15,449,074	15,420,785	16,280,525
Employer's Net Pension Liability/(Asset)	\$ 1,894,529	2,875,633	2,980,276
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	89.08%	84.28%	84.53%
Covered Payroll	\$ 2,710,838	2,880,524	2,895,551
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	69.89%	99.83%	102.93%

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, 2017 and 2023.

December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
307,368	276,020	292,400	310,328	284,926	302,924	322,524
1,418,122	1,419,448	1,478,505	1,550,264	1,574,211	1,636,553	1,686,760
-	-	-	-	-	-	-
20,304	383,488	520,355	149,899	408,658	184,018	331,187
(649,751)	566,372	-	(275,284)	-	-	5,095
(1,012,374)	(1,113,018)	(1,259,606)	(1,361,305)	(1,423,100)	(1,410,697)	(1,470,870)
83,669	1,532,310	1,031,654	373,902	844,695	712,798	874,696
19,260,801	19,344,470	20,876,780	21,908,434	22,282,336	23,127,031	23,839,829
19,344,470	20,876,780	21,908,434	22,282,336	23,127,031	23,839,829	24,714,525
376,789	396,886	334,973	415,293	427,999	386,472	342,258
138,696	133,582	134,109	136,742	159,380	148,771	162,294
2,983,231	(1,145,691)	3,355,020	2,925,891	3,849,220	(3,337,635)	2,298,259
(1,012,374)	(1,113,018)	(1,259,606)	(1,361,305)	(1,423,100)	(1,410,697)	(1,470,870)
(399,820)	415,815	198,519	(70,647)	(227,652)	(99,922)	706,086
2,086,522	(1,312,426)	2,763,015	2,045,974	2,785,847	(4,313,011)	2,038,027
16,280,525	18,367,047	17,054,621	19,817,636	21,863,610	24,649,457	20,336,446
18,367,047	17,054,621	19,817,636	21,863,610	24,649,457	20,336,446	22,374,473
977,423	3,822,159	2,090,798	418,726	(1,522,426)	3,503,383	2,340,052
94.95%	81.69%	90.46%	98.12%	106.58%	85.30%	90.53%
2,882,849	2,968,480	2,980,192	2,949,517	3,114,983	3,306,005	3,606,516
33.90%	128.76%	70.16%	14.20%	(48.87%)	105.97%	64.88%

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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,899,478	8,899,478	9,227,751
Charges for Services	46,000	46,000	79,101
Intergovernmental	301,858	301,858	278,612
Interest	60,000	60,000	678,310
Miscellaneous	-	-	3,659
Total Revenues	<u>9,307,336</u>	<u>9,307,336</u>	<u>10,267,433</u>
Expenditures			
Culture and Recreation	<u>7,132,917</u>	<u>7,132,917</u>	<u>6,758,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,174,419	2,174,419	3,508,868
Other Financing (Uses)			
Transfers Out	<u>(2,071,700)</u>	<u>(2,071,700)</u>	<u>(2,071,700)</u>
Net Change in Fund Balance	<u>102,719</u>	<u>102,719</u>	1,437,168
Fund Balance - Beginning			<u>9,093,324</u>
Fund Balance - Ending			<u>10,530,492</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

GENERAL FUND

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

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.

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.

INDIVIDUAL FUND DESCRIPTIONS

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.

CAPITAL PROJECTS FUNDS

The Capital Project Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Special Reserve Fund

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

Capital Projects Fund

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2024**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 8,899,478	8,899,478	9,227,751
Charges for Services			
Fines	-	-	196
Sales of Supplies	6,000	6,000	8,788
Lost/Replaced/Process/Damage Fees	15,000	15,000	19,980
Collection Agency	2,000	2,000	1,416
Printing/Copying/Fax Machine	5,000	5,000	26,686
Vending Machines	1,500	1,500	2,907
Meeting Room Fees	4,500	4,500	7,422
Interlibrary Loans	-	-	47
Nonresident Fees	12,000	12,000	11,659
Total Charges for Services	46,000	46,000	79,101
Intergovernmental			
Replacement Taxes	130,000	130,000	142,125
Per Capita Grants	131,858	131,858	131,858
Other Grants	-	-	4,629
Gifts and Donations	40,000	40,000	-
Total Grants and Donations	301,858	301,858	278,612
Interest	60,000	60,000	678,310
Miscellaneous			
Sale of Equipment	-	-	2,367
Miscellaneous	-	-	1,292
Total Miscellaneous	-	-	3,659
Total Revenues	9,307,336	9,307,336	10,267,433

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2024**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Personnel			
Salaries	\$ 4,345,004	4,345,004	4,130,598
Employer Health Insurance	365,371	365,371	389,975
Miscellaneous Fringe Benefits	13,175	13,175	13,265
	<u>4,723,550</u>	<u>4,723,550</u>	<u>4,533,838</u>
Materials			
Books/Audio-Visual	340,700	340,700	303,041
Electronic References	631,279	631,279	548,760
	<u>971,979</u>	<u>971,979</u>	<u>851,801</u>
Utilities			
Gas	35,000	35,000	33,804
Electricity	140,000	140,000	194,618
Water	8,500	8,500	7,326
	<u>183,500</u>	<u>183,500</u>	<u>235,748</u>
Equipment Purchases			
Furniture	102,587	102,587	54,838
Computers	150,000	150,000	150,001
	<u>252,587</u>	<u>252,587</u>	<u>204,839</u>
Contractual Services			
Copier Maintenance	27,600	27,600	27,040
Technology Support	193,415	193,415	177,332
Postage Machines	2,000	2,000	1,381
LAN Management	87,480	87,480	80,652
Library Information Services	93,312	93,312	91,564
Internet Service	29,136	29,136	28,125
Collection Agency	3,500	3,500	3,290
Accounting/Payroll/Bank Fees	21,673	21,673	34,066
Leases (Office Park)	2,800	2,800	2,638
Consultants	72,320	72,320	37,527
Lease (Branches)	39,154	39,154	37,662
Telephone Lease	26,400	26,400	22,915
	<u>598,790</u>	<u>598,790</u>	<u>544,192</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2024**

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Supplies			
Human Resources	\$ 2,000	2,000	336
Communications Department	12,000	12,000	14,006
Copier and Printer	15,000	15,000	25,914
Library Services	48,500	48,500	60,215
Program	63,000	63,000	57,734
	<u>140,500</u>	<u>140,500</u>	<u>158,205</u>
Operating Expenditures			
Interlibrary Loan/Reprints	855	855	512
Telephone	3,780	3,780	3,140
Postage	2,000	2,000	3,898
Cultural and Educational Training	50,000	50,000	41,815
In-Services Training	65,808	65,808	40,890
Memberships	10,468	10,468	7,677
Community Information	18,500	18,500	19,897
Legal	15,000	15,000	14,867
Want Ads/Legal Notices	2,000	2,000	2,090
Expenditures of Public Gifts	500	500	200
Shared Administrative Costs	11,000	11,000	10,000
	<u>179,911</u>	<u>179,911</u>	<u>144,986</u>
Auxiliary Projects			
Newsletters	79,000	79,000	83,005
Volunteer Programs	3,100	3,100	1,951
	<u>82,100</u>	<u>82,100</u>	<u>84,956</u>
Total Expenditures	<u><u>7,132,917</u></u>	<u><u>7,132,917</u></u>	<u><u>6,758,565</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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal Retirement	250,000	250,000	250,000
Interest and Fiscal Charges	146,700	146,700	146,700
Total Expenditures	396,700	396,700	396,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(396,700)	(396,700)	(396,700)
Other Financing Sources			
Transfers In	396,700	396,700	396,700
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Capital Outlay	2,328,817	2,328,817	143,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,328,817)	(2,328,817)	(143,237)
Other Financing Sources			
Transfers In	1,250,000	1,250,000	1,454,614
Net Change in Fund Balance	<u>(1,078,817)</u>	<u>(1,078,817)</u>	1,311,377
Fund Balance - Beginning			<u>2,567,096</u>
Fund Balance - Ending			<u>3,878,473</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Balance Sheet
June 30, 2024**

	Audit	Illinois Municipal Retirement
ASSETS		
Cash and Investments	\$ 6,584	667,442
Receivables - Net of Allowances		
Property Taxes	<u>3,007</u>	<u>218,015</u>
Total Assets	<u><u>9,591</u></u>	<u><u>885,457</u></u>
LIABILITIES		
None	-	-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>3,007</u>	<u>218,015</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,007</u>	<u>218,015</u>
FUND BALANCES		
Restricted	<u>6,584</u>	<u>667,442</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>9,591</u></u>	<u><u>885,457</u></u>

Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
330,251	267,599	48,925	189,456	1,510,257
171,393	117,269	-	85,697	595,381
501,644	384,868	48,925	275,153	2,105,638
-	-	-	-	-
171,393	117,269	-	85,697	595,381
171,393	117,269	-	85,697	595,381
330,251	267,599	48,925	189,456	1,510,257
501,644	384,868	48,925	275,153	2,105,638

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, 2024**

	Audit	Illinois Municipal Retirement
Revenues		
Taxes	\$ 5,703	417,916
Expenditures		
Culture and Recreation	6,000	367,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	(297)	50,219
Other Financing Sources		
Transfers In	-	425,000
Net Change in Fund Balance	(297)	475,219
Fund Balances - Beginning	6,881	192,223
Fund Balances - Ending	6,584	667,442

Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
328,821	224,113	257	164,197	1,141,007
307,190	238,576	-	106,400	1,025,863
21,631	(14,463)	257	57,797	115,144
-	-	-	-	425,000
21,631	(14,463)	257	57,797	540,144
308,620	282,062	48,668	131,659	970,113
330,251	267,599	48,925	189,456	1,510,257

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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 5,545	5,545	5,703
Expenditures			
Culture and Recreation			
Accounting	6,000	6,000	6,000
Net Change in Fund Balance	<u>(455)</u>	<u>(455)</u>	(297)
Fund Balance - Beginning			<u>6,881</u>
Fund Balance - Ending			<u>6,584</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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 410,899	410,899	417,916
Expenditures			
Culture and Recreation			
Illinois Municipal Retirement	790,127	790,127	367,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	(379,228)	(379,228)	50,219
Other Financing Sources			
Transfers In	425,000	425,000	425,000
Net Change in Fund Balance	<u>45,772</u>	<u>45,772</u>	475,219
Fund Balance - Beginning			<u>192,223</u>
Fund Balance - Ending			<u><u>667,442</u></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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 323,582	323,582	328,821
Expenditures			
Culture and Recreation			
Employer Contribution	317,093	317,093	307,190
Net Change in Fund Balance	<u>6,489</u>	<u>6,489</u>	21,631
Fund Balance - Beginning			<u>308,620</u>
Fund Balance - Ending			<u><u>330,251</u></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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 219,652	219,652	224,113
Expenditures			
Culture and Recreation			
Cleaning Service	86,800	86,800	79,878
Equipment Repair	500	500	389
Trash	4,500	4,500	3,451
Landscaping and Lawn Service	18,300	18,300	10,609
Fire and Security	11,000	11,000	7,983
Elevator	10,000	10,000	7,430
Building Maintenance	28,000	28,000	17,958
Snow Removal	10,000	10,000	12,238
Heating, Ventilating and Air Conditioning	65,000	65,000	40,845
Parking Areas	25,000	25,000	26,675
Van Maintenance	1,000	1,000	-
Roof Maintenance	12,000	12,000	7,090
Van Fuel	2,000	2,000	1,718
Maintenance Supplies	35,000	35,000	22,312
Total Expenditures	309,100	309,100	238,576
Net Change in Fund Balance	(89,448)	(89,448)	(14,463)
Fund Balance - Beginning			282,062
Fund Balance - Ending			267,599

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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 500	500	257
Expenditures			
Culture and Recreation			
Unemployment Compensation	500	500	-
Net Change in Fund Balance	<u>-</u>	<u>-</u>	257
Fund Balance - Beginning			<u>48,668</u>
Fund Balance - Ending			<u>48,925</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, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 161,362	161,362	164,197
Expenditures			
Culture and Recreation			
Insurance	113,881	113,881	106,400
Net Change in Fund Balance	<u>47,481</u>	<u>47,481</u>	57,797
Fund Balance - Beginning			<u>131,659</u>
Fund Balance - Ending			<u>189,456</u>