



**PALATINE PUBLIC LIBRARY
DISTRICT, ILLINOIS**

*Annual Financial Report
With Supplementary Information*

Year Ended June 30, 2013

PALATINE PUBLIC LIBRARY DISTRICT

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PALATINE PUBLIC LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Palatine Public Library District, of Illinois as of and for the year ended June 30, 2013, which collectively comprise the Library District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Public Library District, of Illinois, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2-7, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Palatine Public Library District, of Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

George Roach & Associates, P.C.

George Roach & Associates, P.C.
Crystal Lake, Illinois
July 23, 2013

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

As management of the Palatine Public Library District (Library), we offer readers of the Library's statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the Library exceeded its liabilities at June 30, 2013 by \$17,682,725 (*net position*). Of this amount, \$3,306,363 (*unrestricted net position*) may be used to meet the Library's ongoing obligations to citizens and creditors.
- The Library's total net position decreased by \$499,306.
- At June 30, 2013, the Library's governmental funds reported combined ending fund balances of \$5,085,609, a decrease of \$1,776,183 from the prior year.
- At June 30, 2013, the fund balance for the General Fund was \$ 3,434,472.
- The Library's total fixed assets increased by \$1,262,777 during the year ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements –

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

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

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

Fund financial statements –

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Governmental funds –

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

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

Notes to the financial statements–

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

Other information –

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities deferred inflows by \$17,682,725 at June 30, 2013. Of the Library's net position, \$12,725,225 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

An additional portion of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,306,363) may be used to meet the Library's ongoing obligations to citizens and creditors.

At June 30, 2013, the Library is able to report positive balances in all three categories of net position. The Library's net position decreased by \$499,306 during the year ended June 30, 2013.

Palatine Library District's Net Position

	<u>6/30/2013</u>	<u>6/30/2012</u>
Current and Other Assets	\$ 8,208,815	\$ 9,892,193
Fixed Assets	<u>12,725,225</u>	<u>11,462,448</u>
Total Assets	<u>\$ 20,934,040</u>	<u>\$ 21,354,641</u>
Other Liabilities	<u>\$ 340,450</u>	<u>\$ 389,855</u>
Total Liabilities	<u>340,450</u>	<u>389,855</u>
Deferred Inflows -- property taxes	<u>2,910,865</u>	<u>2,782,755</u>
Net Position		
Net Investment in Capital Assets	12,725,225	11,462,448
Restricted - net position	1,651,137	2,967,520
Unrestricted - net position	<u>3,306,363</u>	<u>3,752,063</u>
Total Net Position	<u>\$ 17,682,725</u>	<u>\$ 18,182,031</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2013

Governmental activities—

Governmental activities decreased the Library's net position by \$499,306. Key elements of the increases to net position by governmental activities are as follows:

	Governmental Activities	
	6/30/2013	6/30/2012
Revenues		
Program Revenues		
Charges for Services	\$ 148,816	\$ 184,943
Operating Grants and Contributions	-	91,252
General Revenues		
Property Taxes	5,655,430	4,614,400
Replacement Taxes	62,151	58,678
TIF Taxes	55,957	92,723
Gifts and Donations	35,792	82,511
Other	58,635	15,249
Interest	15,722	14,017
Total Revenues	6,032,503	5,153,773
Total Governmental Expenses	6,531,809	6,279,642
Increase/(Decrease) in Net Assets	(499,306)	(1,125,869)
Net Assets - Beginning of Year	18,182,031	19,307,900
Net Assets - End of Year	\$ 17,682,725	\$ 18,182,031

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

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

Governmental funds –

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

At June 30, 2013, the Library's governmental funds reported combined ending fund balances of \$5,085,609, a decrease of \$1,776,183 in comparison with the prior year.

The General Fund is the chief operating fund of the Library. At June 30, 2013, the fund balance of the General Fund was \$3,434,472. This represents a decrease of \$459,800 compared to the prior fiscal year.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2013

General Fund Budgetary Highlights–

There were no differences between the original budget and the final budget for the year ended June 30, 2013. Total differences between the final amended budget and the actual revenues and expenditures are summarized as follows:

- The difference between the General Fund estimated revenues and the actual revenues was \$849,622 (unfavorable).
- The difference between the General Fund estimated expenditures and the actual expenditures was \$1,885,117 (favorable).

FIXED ASSETS

The Library's fixed assets for its governmental activities as of June 30, 2013 amount to \$12,725,225 (net of accumulated depreciation). This investment in fixed assets includes land, buildings, improvements, furniture, fixtures, and equipment.

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

Fixed Assets	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
General Fund:				
Buildings and Improvements	\$ 18,406,804	\$ 1,545,809	\$ -	\$ 19,952,613
Land	926,032	-	-	926,032
Furniture, Fixtures, and Equipment	860,413	487,344	-	1,347,757
Total Fixed Assets	<u>\$ 20,193,249</u>	<u>\$ 2,033,153</u>	<u>\$ -</u>	<u>\$ 22,226,402</u>
Less: Accumulated Depreciation	<u>8,730,801</u>	<u>770,376</u>	<u>-</u>	<u>9,501,177</u>
Fixed Assets (Net)	<u>\$ 11,462,448</u>	<u>\$ 1,262,777</u>	<u>\$ -</u>	<u>\$ 12,725,225</u>

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Library for 2012 is \$2,369,166,856. That represents a decrease in EAV of \$184,424,059 over the prior year's EAV. Taxes recorded in these financial statements are from the 2011 and 2012 levies. A summary of the assessed valuations and extensions for tax years 2012, 2011, and 2010 is as follows:

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2013

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

Tax Levy year	2012	2011	2010
Assessed Valuation			
Cook County	\$ 2,369,166,856	\$ 2,553,590,915	\$ 2,807,466,591

**Tax Rates and Percentage
 Allocations by Fund**

Funds	Rate	Percentage	Rate	Percentage	Rate	Percentage
General Fund	0.2149	86.7232	0.1915	77.2801	0.1710	86.4510
I. M. R. F.	0.0106	4.2776	0.0097	3.9144	0.0085	4.2973
Social Security	0.0081	3.2688	0.0074	2.9863	0.0068	3.4378
Audit	0.0002	0.0807	0.0002	0.0807	0.0002	0.1011
Tort Immunity	0.0034	1.3721	0.0030	1.2107	0.0028	1.4156
Building & Maintenance	0.0106	4.2776	0.0094	3.7934	0.0085	4.2973
Totals	0.2478	100.0000	0.2212	89.2655	0.1978	100.0000

Property Tax Extensions

Funds	2012	2011	2010
General Fund	\$ 5,091,339	\$ 4,890,126	\$ 4,890,126
I. M. R. F.	251,131	247,698	247,698
Social Security	191,902	188,965	188,965
Audit	4,738	5,107	5,107
Tort Immunity	80,551	76,607	76,607
Building & Maintenance	251,131	240,037	240,037
Totals	\$ 5,870,792	\$ 5,648,540	\$ 5,553,165

DESCRIPTION OF CURRENT OR EXPECTED CONDITIONS

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

REQUESTS FOR INFORMATION

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

PALATINE PUBLIC LIBRARY DISTRICT

Statement of Net Position

Year Ended June 30, 2013

Assets	
Cash and Investments, at cost	\$ 5,297,950
Property tax receivable	2,910,865
Fixed Assets	<u>12,725,225</u>
Total Assets	<u>\$ 20,934,040</u>
Liabilities	
Accounts payable/accruals	\$ 138,192
Accrued compensation	74,149
Deferred compensation	<u>128,109</u>
Total Liabilities	<u>340,450</u>
Deferred Inflows -- property taxes	<u>2,910,865</u>
Net Position	
Net investment in Capital Assets	12,725,225
Restricted -- Net Position	1,651,137
Unrestricted -- Net Position	<u>3,306,363</u>
Total Net Position	<u>\$ 17,682,725</u>

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

PALATINE PUBLIC LIBRARY DISTRICT

Statement of Activities and Changes in Net Position - All Fund Types

June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General Government	\$ 6,531,809	\$ 148,816	\$ -	\$ -	\$ (6,382,993)
Total Governmental Activities	\$ 6,531,809	\$ 148,816	\$ -	\$ -	\$ (6,382,993)

General Revenues

Property taxes	\$ 5,655,430
Replacement tax	62,151
TIF tax	55,957
Gifts and donations	35,792
Investment income	15,722
Other income	58,635

Total Revenues 5,883,687

Changes in Net Position (499,306)

Net Position Beginning of Year 18,182,031

Total Net Position \$ 17,682,725

PALATINE PUBLIC LIBRARY DISTRICT*Balance Sheet - Combined Governmental Funds**Year Ended June 30, 2013*

	Governmental Fund Types			
	Total	General	Nonmajor Funds	Capital Projects
Assets				
Cash and investments, at cost	\$ 5,297,950	\$ 3,609,155	\$ 477,623	\$ 1,211,172
Property tax receivable	2,910,865	2,569,229	341,636	-
Total Assets	\$ 8,208,815	\$ 6,178,384	\$ 819,259	\$ 1,211,172
Liabilities				
Accounts payable	\$ 138,192	\$ 100,534	\$ 15,602	\$ 22,056
Accrued payroll	74,149	74,149	-	-
Deferred revenue	2,910,865	2,569,229	341,636	-
Total Liabilities	3,123,206	2,743,912	357,238	22,056
Library Equity				
Nonspendable	-	-	-	-
Restricted	1,651,137	-	462,021	1,189,116
Committed	-	-	-	-
Assigned -- for capital projects	2,381,280	2,381,280	-	-
Unassigned	1,053,192	1,053,192	-	-
Total Library Fund Balance	5,085,609	3,434,472	462,021	1,189,116
Total Liabilities and Fund Balance	\$ 8,208,815	\$ 6,178,384	\$ 819,259	\$ 1,211,172

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

PALATINE PUBLIC LIBRARY DISTRICT

Combined Statement of Revenue, Expenditures and Changes in Fund Balance

Year Ended June 30, 2013

	Governmental Fund Types			
	Total	General	Nonmajor Funds	Capital Projects
Revenue				
Property taxes -- 2011 2nd half	\$ 2,695,503	\$ 2,370,072	\$ 325,431	\$ -
Property taxes -- 2012 1st half	2,959,927	2,607,556	352,371	-
Replacement taxes	62,151	53,490	8,661	-
TIF taxes	55,957	-	55,957	-
Fines and fees	118,876	118,876	-	-
Nonresident fees	12,261	12,261	-	-
Gifts and donations	35,792	35,792	-	-
Interest	15,722	15,722	-	-
Book recovery service	17,679	17,679	-	-
Other	58,635	58,635	-	-
Total Revenue	6,032,503	5,290,083	742,420	-
Expenditures				
Salaries and benefits	3,127,639	3,127,639	-	-
Materials	912,993	912,993	-	-
Utilities	226,133	226,133	-	-
Equipment	870,401	870,401	-	-
Contractual services	246,906	246,906	-	-
Supplies	78,090	78,090	-	-
Operating expenses	1,041,622	249,057	792,565	-
Auxiliary projects	38,664	38,664	-	-
Capital expenses	1,266,238	-	-	1,266,238
Total Expenditures	7,808,686	5,749,883	792,565	1,266,238
Excess (Deficiency) of Revenue over Expenditures	(1,776,183)	(459,800)	(50,145)	(1,266,238)
District Fund Balance				
Balance, beginning of year	6,861,792	3,894,272	512,166	2,455,354
Total District Fund Balance	\$ 5,085,609	\$ 3,434,472	\$ 462,021	\$ 1,189,116

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

PALATINE PUBLIC LIBRARY DISTRICT

*Reconciliation of the Governmental Fund Balance to the Statement
of Net Position and the Statement of Activities and Changes
Year Ended June 30, 2013*

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

Total Fund Balances--Total Governmental Funds	\$ 5,085,609
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,725,225
Deferred Compensation is not reported in funds	<u>(128,109)</u>
Net Position of Governmental Activities	<u><u>\$ 17,682,725</u></u>

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

Excess (Deficiency) of Revenue Over Expenditures Governmental Funds	\$ (1,779,183)
Amounts reported for governmental activities in the Statement of Revenue, Expenditures, and Changes in Fund Balance are different because:	
Capital expenditures are recorded as assets and not expensed in the Statement of Activities	2,033,153
Depreciation is shown as an expense in the Statement of Activities and not in the governmental funds	(770,376)
Deferred compensation and other benefits are not recorded as an expense in governmental funds	<u>17,100</u>
Changes in Net Position	<u><u>\$ (499,306)</u></u>

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity -

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

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

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

C. Government-wide Financial Statements -

The government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position are reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued))

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

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

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

D. Library reports the following major governmental funds –

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

E. Financial Statement Amounts–

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

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

The budget represents departmental appropriations as authorized by the Library's appropriation ordinance and includes revisions authorized by the Library Board to reflect changes in departmental programs. At June 30, 2012, unexpended appropriations of the budgetary funds (general fund and special revenue funds) automatically lapse. The budget is prepared on the modified cash basis. The 2012 appropriations ordinance was adopted September 12, 2012.

F. Fund Balance Classification –

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

Nonspendable –

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Restricted –

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

Committed –

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Library Board. These amounts cannot be used for any other purpose unless the Library Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Library did not have any committed resources as of June 30, 2013.

Assigned –

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

Unassigned –

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

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

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

NOTE 2 – CASH AND INVESTMENTS

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 2 – CASH AND INVESTMENTS (concluded)

The Library's pooled and nonpooled deposits are categorized to give an indication of the level of risk assumed by the Library at June 30, 2013. The categories are described as follows:

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

	Category			Bank Balance	Carrying Value
	1	2	3		
Pooled deposits					
Checking/Savings	\$ 500,000	\$ 3,248,806	\$ -	\$ 3,748,806	\$ 3,273,282
Illinois Funds	-	-	-	2,024,668	2,024,668
Totals	\$ 500,000	\$ 3,248,806	\$ -	\$ 5,773,474	\$ 5,297,950

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description –

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

Funding Policy –

As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2012 was 12.26 percent of annual covered payroll. Your employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost –

The required contribution for calendar of 2012 was \$325,546.

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 3 – ILLINOIS MUNICIPAL RETIREMENT FUND (concluded)

Three-Year Trend Information for the Regular Plan

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

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress –

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 73.07 percent funded. The actuarial accrued liability for benefits was \$8,460,131 and the actuarial value of assets was \$6,181,580, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,278,551. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,655,352 and the ratio of the UAAL to the covered payroll was 86 percent.

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$ 6,398,688. On a market basis, the funded ratio would be 75.63%.

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2013

NOTE 4 – CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>July 1, 2012</u>	<u>Acquisitions</u>	<u>Balance</u> <u>June 30, 2013</u>
Buildings and Improvements	\$ 18,406,804	1,545,809	\$ 19,952,613
Land	926,032	-	926,032
Furniture, Fixtures, and Equipment	860,413	487,344	1,347,757
Total	<u>20,193,249</u>	<u>\$ 2,033,153</u>	<u>22,226,402</u>
Less : Accumulated Depreciation	<u>(8,730,801)</u>		<u>(9,501,177)</u>
Net Assets	<u>\$ 11,462,448</u>		<u>\$ 12,725,225</u>

NOTE 5 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No fund had expenditures that exceeded the appropriations

NOTE 6 – RISK MANAGEMENT

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

NOTE 7 – CONTINGENCIES

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

NOTE 8 – SUBSEQUENT EVENTS

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

There have been no other recognized or non-recognized subsequent events that have occurred between June 30, 2013 and the date of this audit report requiring disclosure in the financial statements.

Required Supplementary Information

PALATINE PUBLIC LIBRARY DISTRICT

Statement of Revenue, Expenditures and Changes in Fund Balance

and comparison with Appropriations - General Fund

Year Ended June 30, 2013

	Appropriations		Actual
	Original	Final	Amounts
Salaries			
Salaries	\$ 3,150,000	\$ 3,150,000	\$ 2,973,510
Employee health insurance	500,000	500,000	154,129
Total salaries	3,650,000	3,650,000	3,127,639
Materials			
Books/audio-visual	800,000	800,000	599,976
Continuations	150,000	150,000	100,181
Electronic references	240,000	240,000	212,836
Total materials	1,190,000	1,190,000	912,993
Utilities			
Gas	60,000	60,000	21,516
Electricity	300,000	300,000	192,091
Water	25,000	25,000	12,526
Total utilities	385,000	385,000	226,133
Equipment purchases			
Furniture	200,000	200,000	125,315
Office equipment	10,000	10,000	348
Computers	200,000	200,000	146,338
Roofing	600,000	600,000	598,400
Total uncapitalized equipment	1,010,000	1,010,000	870,401
Contractual services			
Copier maintenance	32,000	32,000	20,217
Postage machines	6,000	6,000	2,544
LAN management	75,000	75,000	70,120
Library information services	70,000	70,000	57,910
Internet service	40,000	40,000	10,577
Bibliographic support	20,000	20,000	2,226
Book Recovery Services	15,000	15,000	10,123
Accounting	35,000	35,000	18,249
Consultants	50,000	50,000	13,915
Office equipment	20,000	20,000	1,217
Leases (branch and copiers)	70,000	70,000	39,808
Total contractual services	433,000	433,000	246,906

PALATINE PUBLIC LIBRARY DISTRICT*Statement of Revenue, Expenditures and Changes in Fund Balance**and comparison with Appropriations - General Fund**Year Ended June 30, 2013*

	Appropriations		Actual
	Original	Final	Amounts
Supplies			
Office and kitchen	\$ 10,000	\$ 10,000	\$ 2,012
Art and printing	20,000	20,000	9,093
Copiers	15,000	15,000	7,303
Library services	80,000	80,000	45,459
Program	20,000	20,000	14,223
Total supplies	145,000	145,000	78,090
Operating expenses			
Unemployment insurance	50,000	50,000	4,640
Tort Immunity insurance	100,000	100,000	80,427
General/liability insurance	40,000	40,000	-
Interlibrary loan/reprints	30,000	30,000	95
Telephone	50,000	50,000	29,064
Postage	20,000	20,000	8,830
Cultural and educational training	50,000	50,000	29,730
In-services training	50,000	50,000	26,384
Memberships	13,000	13,000	6,490
Community information	30,000	30,000	3,074
Legal	40,000	40,000	7,645
Special purchases	15,000	15,000	2,903
Want ads/legal notices	10,000	10,000	2,842
Expenditures of public gifts	150,000	150,000	36,134
Reimbursements	4,000	4,000	718
Shared Administrative costs	15,000	15,000	10,000
Program fees	3,000	3,000	81
Grant expenditures	75,000	75,000	-
Total operating expense	745,000	745,000	249,057
Auxiliary Projects			
Newsletters	70,000	70,000	36,193
Volunteer programs	7,000	7,000	2,471
Total auxiliary projects	77,000	77,000	38,664
Total general expenditures	7,635,000	7,635,000	5,749,883
TOTAL GENERAL FUND	\$ 7,635,000	\$ 7,635,000	\$ 5,749,883

PALATINE PUBLIC LIBRARY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2013

Illinois Municipal Retirement

Trend Information

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 6,181,580	\$ 8,460,131	\$ 2,278,551	73.07%	\$ 2,655,352	85.81%
12/31/2011	\$ 6,512,590	\$ 8,586,404	\$ 2,073,814	75.85%	\$ 2,583,907	80.26%
12/31/2010	\$ 6,404,661	\$ 8,186,789	\$ 1,782,128	78.23%	\$ 2,466,619	82.25%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$6,398,688. On a market basis, the funded ratio would be 75.63%.

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

PALATINE PUBLIC LIBRARY DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2013

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

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

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT

Revenue and Comparison with Estimated Revenue

Year Ended June 30, 2013

General Fund - Revenue

	<u>Estimated</u>	<u>Modified Accrual Basis</u>
Property taxes -- 2011 2nd half	\$ -)	\$ 2,370,072
Property taxes -- 2012 1st half	5,757,880)	2,607,556
TIF tax levy	71,000	-
Replacement tax	51,325	53,490
Interest	15,000	15,722
Fines	130,000	118,876
Special purchases	4,000	3,294
Replacement fees	13,000	12,358
Book recovery service	18,000	17,679
Coin machine income	7,000	7,466
Printing fees	12,000	13,070
Vending machines	2,000	1,869
Meeting room fees	10,000	9,725
Interlibrary loans	500	165
Nonresident fees	14,000	12,261
Gifts and donations	20,000	35,792
Miscellaneous	5,500	2,896
Program fees	500	250
Used Materials	6,000	4,902
Sale of equipment	2,000	2,640
	<u>6,139,705</u>	<u>5,290,083</u>
Total Revenue		
	<u>\$ 6,139,705</u>	<u>\$ 5,290,083</u>

PALATINE PUBLIC LIBRARY DISTRICT

Special Revenue Funds - Combining Balance Sheet

Year Ended June 30, 2013

	<u>Total</u>	<u>Audit</u>	<u>Illinois Municipal Retirement</u>	<u>Social Security</u>	<u>Building Maintenance</u>
Assets					
Cash and investments	\$ 477,623	\$ 7,953	\$ 101,267	\$ 113,404	\$ 254,999
Property tax receivable	341,636	2,074	121,332	92,881	125,349
Total Assets	<u>\$ 819,259</u>	<u>\$ 10,027</u>	<u>\$ 222,599</u>	<u>\$ 206,285</u>	<u>\$ 380,348</u>
Liabilities					
Accounts payable	\$ 15,602	\$ -	\$ -	\$ -	\$ 15,602
Deferred	341,636	2,074	121,332	92,881	125,349
Total Liabilities	<u>357,238</u>	<u>2,074</u>	<u>121,332</u>	<u>92,881</u>	<u>140,951</u>
Library District Equity					
Fund balance	<u>462,021</u>	<u>7,953</u>	<u>101,267</u>	<u>113,404</u>	<u>239,397</u>
Total Liabilities and Municipal Equity	<u>\$ 819,259</u>	<u>\$ 10,027</u>	<u>\$ 222,599</u>	<u>\$ 206,285</u>	<u>\$ 380,348</u>

PALATINE PUBLIC LIBRARY DISTRICT

*Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Year Ended June 30, 2013*

	Total	Audit	Illinois Municipal Retirement	Social Security	Building Maintenance
Revenue					
Property taxes -- 2011 2nd half	\$ 325,431	\$ 2,428	\$ 118,218	\$ 90,207	\$ 114,578
Property taxes -- 2012 1st half	352,371	2,389	126,614	96,754	126,614
Replacement taxes	8,661	47	2,908	2,923	2,783
TIF tax	55,957	-	55,957	-	-
Total Revenue	742,420	4,864	303,697	189,884	243,975
Expenditures					
Operating Expenses	792,565	4,850	341,042	222,746	223,927
Operating Expenditures	792,565	4,850	341,042	222,746	223,927
Excess (Deficiency) of Revenue Over Disbursements	(50,145)	14	(37,345)	(32,862)	20,048
Fund Balances					
Balance, beginning of year	512,166	7,939	138,612	146,266	219,349
Fund Balances, end of year	\$ 462,021	\$ 7,953	\$ 101,267	\$ 113,404	\$ 239,397

PALATINE PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2013

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- 2011 2nd half	\$))	2,428
Property taxes -- 2012 1st half	5,000)	5,000)	2,389
Replacement tax))	47
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>4,864</u>
Expenditures			
Accounting	<u>7,000</u>	<u>7,000</u>	<u>4,850</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>4,850</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	14
Fund Balance			
Balance, beginning of year			<u>7,939</u>
Total Fund Balance			<u>\$ 7,953</u>

PALATINE PUBLIC LIBRARY DISTRICT

*Statement of Revenue, Expenditures and Changes in Fund Balance - IL Municipal Retirement Fund
Year Ended June 30, 2013*

	Appropriations		Actual
	Original	Final	Amounts
Revenue			
Property taxes -- 2011 2nd half	\$)	\$)	\$ 118,218
Property taxes -- 2012 1st half	250,000)	250,000)	126,614
TIF taxes	-	-	55,957
Replacement tax	-	-	2,908
Total Revenue	<u>250,000</u>	<u>250,000</u>	<u>303,697</u>
Expenditures			
Employer's contribution	<u>380,000</u>	<u>380,000</u>	<u>341,042</u>
Total Expenditures	<u>380,000</u>	<u>380,000</u>	<u>341,042</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (130,000)</u>	<u>\$ (130,000)</u>	(37,345)
Fund Balance			
Balance, beginning of year			<u>138,612</u>
Total Fund Balance			<u>\$ 101,267</u>

PALATINE PUBLIC LIBRARY DISTRICT

*Statement of Revenue, Expenditures and Changes in Fund Balance - Social Security Fund
Year Ended June 30, 2013*

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- 2011 2nd half	\$)	\$)	\$ 90,207
Property taxes -- 2012 1st half	190,000)	190,000)	96,754
Replacement tax	-	-	2,923
Total Revenue	<u>190,000</u>	<u>190,000</u>	<u>189,884</u>
Expenditures			
Employer's contribution	<u>250,000</u>	<u>250,000</u>	<u>222,746</u>
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>222,746</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	(32,862)
Fund Balance			
Balance, beginning of year			<u>146,266</u>
Total Fund Balance			<u>\$ 113,404</u>

PALATINE PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2013

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- 2011 2nd half	\$ -)	\$ -)	\$ 114,577
Property taxes -- 2012 1st half	248,000)	248,000)	126,614
Replacement tax	-	-	2,783
Total Revenue	<u>248,000</u>	<u>248,000</u>	<u>243,974</u>
Expenditures			
Cleaning service	95,000	95,000	72,138
Equipment	20,000	20,000	659
Trash	12,000	12,000	5,254
Landscaping	25,000	25,000	8,974
Fire and security	20,000	20,000	7,317
Elevator	25,000	25,000	10,954
Building maintenance	60,000	60,000	28,696
Snow removal	15,000	15,000	6,290
Heating, ventilating and air conditioning	60,000	60,000	18,185
Fuel - bookmobile & van	-	-	4,436
Bookmobile maintenance	15,000	15,000	1,142
Roof maintenance	7,000	7,000	300
Van maintenance	15,000	15,000	30
Parking lot	18,000	18,000	1,440
Maintenance supplies	75,000	75,000	58,111
Total Expenditures	<u>462,000</u>	<u>462,000</u>	<u>223,926</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (214,000)</u>	<u>\$ (214,000)</u>	20,048
Balance, beginning of year			<u>219,349</u>
Total Fund Balance			<u>\$ 239,397</u>

PALATINE PUBLIC LIBRARY DISTRICT

Statement of Revenue, Expenditures and Changes in Fund Balance - Special Reserve Fund

Year Ended June 30, 2013

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- 2011 2nd half	\$ -	\$ -	\$ -
Property taxes -- 2012 1st half	-	-	-
Replacement tax	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Other Expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>728,844</u>
Total Expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>728,844</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	(728,844)
Fund Balance			
Balance, beginning of year			<u>1,917,960</u>
Total Fund Balance			<u>\$ 1,189,116</u>

PALATINE PUBLIC LIBRARY DISTRICT

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

Year Ended June 30, 2013

	<u>Appropriations</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
Revenue			
Property taxes -- 2011 2nd half	\$ -)	\$ -)	\$ -
Property taxes -- 2012 1st half	-)	-)	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Capital Expenditures	<u>585,634</u>	<u>585,634</u>	<u>537,394</u>
Total Expenditures	<u>585,634</u>	<u>585,634</u>	<u>537,394</u>
Excess (Deficiency) of Revenue over Expenditures	<u>\$ (585,634)</u>	<u>\$ (585,634)</u>	(537,394)
Fund Balance			
Balance, beginning of year			<u>537,394</u>
Total Fund Balance			<u>\$ -</u>