



EHLERS

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Financial Management Plan for the Palatine Public Library District



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Table of Contents

Introduction	1
Background.....	1
Methodology and Assumptions.....	4
Baseline Analysis.....	6
Library Funding Options	7
Summary of Funding Options.....	13

Appendices

Cashflow Projections for Option #1: Limiting Tax Rate Increase.....	Appendix A
Cashflow Projections for Option #2: Bond Levy.....	Appendix B
Comparison of Tax Impact on Residential Property.....	Appendix C

Introduction

In May of 2017, the Palatine Public Library District (the “Library”) engaged Ehlers to conduct a financial study to project the financial impacts of planned building improvements. The goals of the financial study (the “Financial Management Plan” or “FMP”) are to:

1. Determine the financial health of the Library and estimate future tax levies needed to sustain existing operations.
2. Incorporate options for the Library’s Capital Improvement Plan and measure the tax impact of rehabilitating the library building and improving the patron experience.
3. Provide guidance on the future limiting rate increase to the property tax levy that will be needed to accomplish the Library’s operational and capital plans.

The Library undertook this financial study with a holistic approach to understand the funding required to complete necessary building improvements and desired service enhancements. This FMP recommends property tax rates that will support operations, debt obligations, and planned future capital improvements, as described later within this report.

Background

Library Building Needs

The Library owns its building which was constructed in 1992. In the 25 years since it was constructed, the building components have been carefully maintained. The Library has replaced the boiler and fire suppression system. Nevertheless, many integral building systems such as the roof and heat pumps are nearing the end of their useful lives. Replacing these systems will be essential over the next five to ten years. If the Library fails to take care of the outer shell of the building, expensive damage to the building’s interior and the library’s materials will occur. The Library must protect and maintain its single largest asset – its building.

To identify and quantify the cost of needed building improvements, the Library undertook a Capital Reserve Study in 2017. The study was performed by the architectural firm of Engberg Anderson Inc., who carefully reviewed the condition of the building and developed a timeframe and cost estimate for necessary capital improvements. The total improvement costs for each year are summarized in the table on the following page. These costs include estimates for inflation provided by Engberg Anderson, Inc.

Table 1. Cost Estimates from the Capital Reserves Study

Engberg Anderson ©2016

Calendar Year	SUM	Summary of CR + M Costs				Sum 1-4
	1	2	3	3.H	4	
	Life Safety	Building Integrity	Functional Obsolescence	Heat Pump Replacement	Aesthetic Obsolescence	
2016	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$63,686	\$85,876	\$0	\$149,562
2018	\$0	\$131,587	\$160,925	\$79,607	\$71,946	\$444,066
2019	\$0	\$0	\$297,066	\$131,995	\$13,219	\$442,279
2020	\$0	\$61,402	\$395,176	\$131,150	\$11,178	\$598,906
5 Year Group	\$0	\$192,989	\$916,853	\$428,628	\$96,342	\$1,634,812
2021	\$1,546	\$13,566	\$223,558	\$216,119	\$89,611	\$544,401
2022	\$8,920	\$107,883	\$402,697	\$176,888	\$897,859	\$1,594,246
2023	\$0	\$0	\$466,854	\$0	\$329,566	\$796,420
2024	\$0	\$1,761,249	\$109,842	\$0	\$0	\$1,871,090
2025	\$1,567	\$68,751	\$11,749	\$0	\$0	\$82,066
5 Year Group	\$12,033	\$1,951,448	\$1,214,699	\$393,007	\$1,317,036	\$4,888,224
2026	\$120,117	\$230,442	\$586,843	\$0	\$124,715	\$1,062,117
2027	\$0	\$3,854	\$293,777	\$18,466	\$10,116	\$326,213
2028	\$0	\$0	\$29,764	\$29,480	\$0	\$59,244
2029	\$0	\$14,182	\$42,064	\$36,438	\$42,151	\$134,835
2030	\$0	\$0	\$409,612	\$25,222	\$0	\$434,835
5 Year Group	\$120,117	\$248,477	\$1,362,060	\$109,606	\$176,983	\$2,017,244
2031	\$0	\$0	\$54,348	\$77,937	\$0	\$132,286
2032	\$0	\$48,398	\$84,145	\$26,758	\$0	\$159,302
2033	\$0	\$0	\$29,886	\$82,353	\$152,817	\$265,056
2034	\$0	\$0	\$16,589	\$95,157	\$0	\$111,745
2035	\$0	\$0	\$18,479	\$20,936	\$0	\$39,415
5 Year Group	\$0	\$48,398	\$203,448	\$303,141	\$152,817	\$707,804
TOTAL	\$132,150	\$2,441,313	\$3,697,060	\$1,234,383	\$1,743,178	\$9,248,083

In addition to the improvements identified in the Capital Reserve Study, the Library has identified the need to undertake interior remodeling to improve the patrons' experience. The original interior design of the library was laid out 25 years ago, before the revolution in information technology. New interior spaces will enhance the functionality of the library.

Library Funding and Illinois Property Taxes

The Library is funded primarily from property taxes. Other revenue sources include fees and fines, grants, and investment income. These other sources comprise just 6% of the Library's overall annual funding.

The Library District is not an Illinois home rule unit of government. As a result, it is subject to the Property Tax Extension Limitation Law (PTELL) that is designed to limit the annual increases in property tax extensions. The tax extension is the calculated taxable value against which the Library's tax rate is applied to determine the tax levy.

The PTELL allows a taxing district to receive a limited inflationary increase in tax extensions on existing property, plus an additional amount for new construction. The limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation and is intended to give property owners some protection from rapidly increasing tax bills.

Under PTELL, increases in property tax extensions are limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. These limitations result in a Limiting Tax Rate, which is the maximum annual tax rate for the Library. The Limiting Tax Rate restricts the level at which property taxes at the District can be raised in any given year.

The allowable inflationary increase in the tax extension has been significantly below 5% in the last few years. It was 0.8% for Tax Year 2015, 0.7% for Tax Year 2016, and 2.1% for Tax Year 2017.

The Library's limiting tax rate for 2016 taxes payable in 2017 was .268%.

If a taxing district determines that it needs more money than is allowed by the limitation, it can ask the voters to approve an increase in the Limiting Tax Rate. The new voter-approved Limiting Tax Rate will then serve as a new "floor" to which the PTELL formula is applied to determine future rate increases.

A survey of property tax rates among public libraries in surrounding communities shows that the Palatine Library District's tax rate is among the lowest.

Table 2. Comparison of Tax Year 2016 Library Tax Rates

Library	Population	Budget	EAV	Tax Rate
Palatine	88,983	\$6,499,205	2,347,970,503	0.268
Schaumburg	126,849	\$15,806,895	4,420,286,172	0.352
Arlington Heights	75,101	\$13,720,182	2,896,943,647	0.483
Indian Trails (Wheeling)	67,010	\$7,608,955	1,460,173,744	0.476
Barrington	44,157	\$7,271,025	3,062,372,722	0.231
Rolling Meadows	24,099	\$3,606,147	793,403,535	0.486

Sources: Cook County Clerk's Office, Tax Year 2016 Agency Reports

FY15-16 Illinois Public Library Annual Report (IPLAR), March 20, 2017

Library Funds

The Library accounts for its operations in several funds. This FMP looked at all major funds:

The Corporate Fund accounts for Library operations. The Corporate Fund receives a property tax levy and other income such as fees, fines, and grants.

The Social Security Fund receives a separate tax levy to fund social security payments made to the federal government.

The IMRF Fund also receives a separate property tax levy and funds retirement contributions for staff.

The Building Maintenance Fund receives a separate property tax levy and funds routine repairs and replacements to the library building.

The Special Reserve Fund which accounts for special building projects. We have accounted for all future capital improvement activity in the Special Reserve Fund, as well as shown associated bond proceeds and annual debt service payments in this fund. The Special Reserve Fund revenue is derived entirely from transfers in from the Corporate Fund.

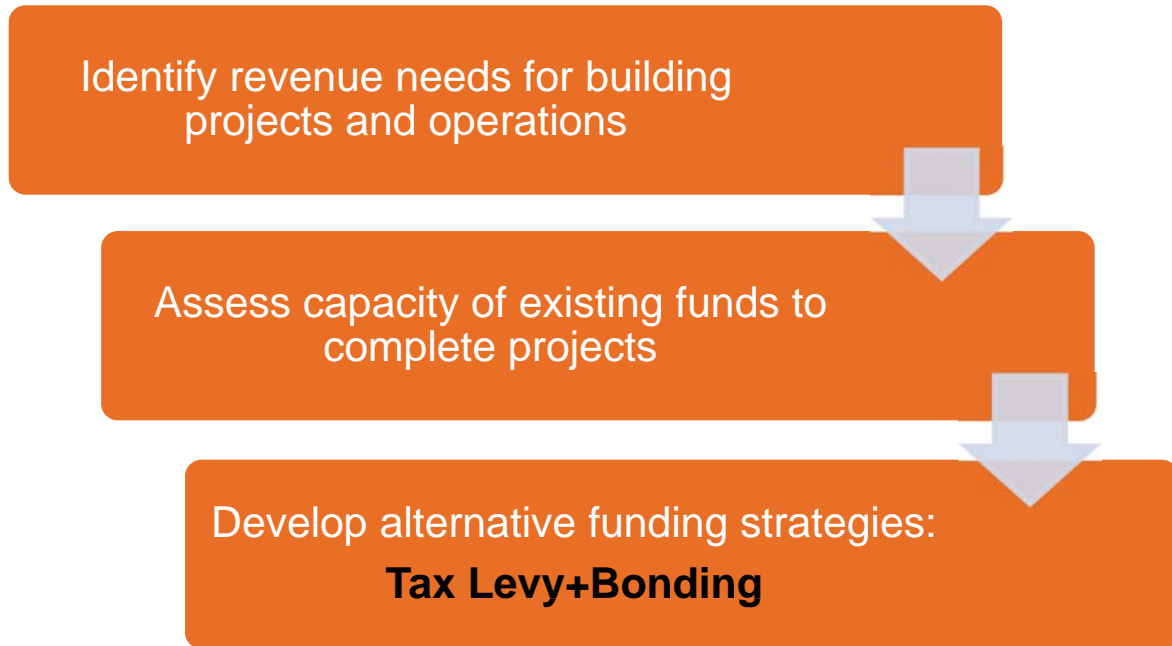
Methodology and Assumptions

A revenue requirement analysis was the first analytical step in the development of the financial study. Ehlers prepared an 18-year budget projection model for each fund listed above. A long-range cash flow analysis was prepared through the year 2035 to examine projected cash flows in future years and estimate the tax levy increases necessary to meet all financial obligations of the Funds while maintaining and building adequate cash reserves.

This type of cash needs approach is a commonly used methodology by public entities to set their revenue requirements and is comprised of operating and maintenance expenses, transfer payments, debt service and capital projects. The primary financial inputs in the development of the revenue requirement analysis were the Library's audited financial statements, budget documents, and Capital Reserve Study. A multi-year time frame is recommended to better anticipate future financial requirements and allow the Library to begin planning or adjusting for changes sooner, thereby successfully managing short- and long-term tax impacts.

Once the cashflow projection was developed, we used the model to develop multiple scenarios for funding the Library's future operating and capital needs. Our approach is depicted in Figure 1.

Figure 1. Process for Undertaking the Financial Plan



Target Cash Balances

When establishing the revenue requirements in our analysis, we solve for a minimum or target fund balance in each of the funds except the Special Reserve Fund. The Library's policy is to maintain a fund balance equal to 50% of annual expenditures.

Key Assumptions

In the cashflow projections, we included assumptions based on the Library's experience and staff expectations for the future. The plan incorporated the following annual operating expense increases:

- 2% in Corporate Fund for general operations
- 1.5% in Building Maintenance Fund
- 2.5% in IMRF Fund
- 2.0% in Social Security Fund

Equalized Assessed Value (EAV) was assumed to increase 1.0% annually. The historical EAV increased 0.8% for Tax Year 2015, 0.7% for Tax Year 2016, and 2.1% for Tax Year 2017. The 1% future growth assumption, which is intended to be conservative, determines the maximum Limiting Tax Rate allowed under state law.

Capital projects financed with debt are amortized over a fifteen-year period and interest rates are estimated to be 5.5%, which is higher than current market rates. Interest rates have been at historical lows and it is reasonable to expect interest rates to rise over the next few years. Fifteen-year bond maturities are utilized for the

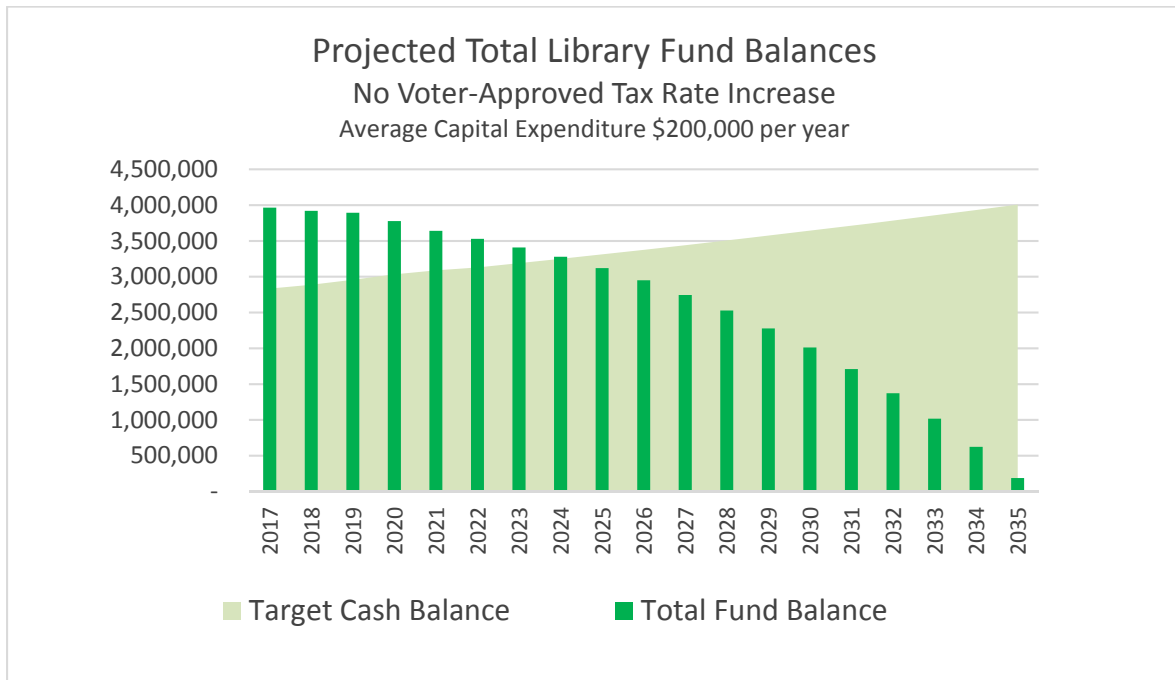
purposes of this analysis, although state statute permits issuance as long as twenty years. If the District utilizes shorter maturities there may be interest savings, but a greater tax impact on property owners.

Baseline Analysis

Prior to adding the building projects to the FMP model, we modeled the Library’s long-term financial position given the assumptions detailed above. It is important to note here that the model builds in an imbalance whereby the property tax levy is increasing by less than 1% annually while operating expenses are increasing between 1.5% and 2.5%. These budgeting assumptions are based on recent experience. We also assumed that the Library would continue to set aside approximately \$200,000 per year for building projects as it has done for the past several years. This baseline scenario was thus designed to mimic the status quo and show what will happen to the Library’s finances if it continues “as is” without reinvesting significantly in the building.

The result of this Baseline Scenario is shown in Figure 2 below. The Library’s fund balance (excluding the fund balance in the Special Reserve Fund) declines and falls below the Library’s target operating reserves by approximately 2025.

Figure 2. Fund Balances (excluding Special Reserve Fund) in the Baseline Scenario



The conclusion that can be drawn from this Baseline Scenario is that some tax increase above the assumed Limiting Tax Rate increases allowed under state law will be required to fund the basic operations of the Library.

Library Funding Options

We explored multiple options for meeting the revenue needs of the Library. This report will describe the two options that were deemed to be viable and merit further consideration by the Library Board. Both options require a referendum (property tax increase) to be approved by the voters. We will first describe the two options with the pros and cons of each. Then the report will provide further detail and the tax impacts of each option.

Option #1: Limiting Tax Rate Increase. Under this option, the Library would request the voters approve a permanent Limiting Tax Rate increase. The receipts from the approved property tax increase may be used for all Library purposes including operations, capital, debt service, and building reserves for future capital repairs. This option gives the Library the most financial flexibility and addresses long-term operating needs. This option would provide for the capital repairs identified in Table 1, \$2 million in interior renovations, plus operational enhancements.

Option #2: Bond Levy. Under this option, the Library would continue to fund all operations from property tax receipts received under the existing Limiting Tax Rate, as adjusted annually. However, the Library may finance the majority of its capital improvements with general obligation bonds and levy a separate property tax (the “Bond Levy”) to pay for debt service on those bonds. The Bond Levy would terminate when the bonds are paid off, thus reducing future property tax levies automatically and providing taxpayers some future relief. This option would generate sufficient revenue for the capital improvements, but by 2025 would leave the Library funds below their target reserve balance, eventually depleting fund balances altogether. This option would provide for the capital repairs identified in Table 1 and \$2 million in interior renovations, but would not provide funding for operational enhancements.

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Table 3. Pros and Cons of Funding Options

	Pros	Cons
<p>Option #1: Limiting Rate Increase</p> <p>First year impact on a median-valued home (\$266,000) would be \$64</p>	Provides financial flexibility to Library to meet all its obligations	Permanent tax increase.
	Allows Library to pay for projects with cash on hand rather than financing most improvements. Saves taxpayers total expected interest expense of about \$3,957,250.	\$1.4 million in alternative revenue bonds would need to be paid from operating funds.
	Would provide funding for service enhancements such as extended hours and interior renovations.	
	Would minimize impact of construction on library patrons by allowing library to determine timing of improvements.	
<p>Option #2: Bond Levy</p> <p>Bond levy impact on a median-valued home (\$266,000) would be \$26 over five years.</p>	Lower overall levy increase than Option #1 because the new levy is for debt service only.	Only addresses capital needs and does not address long-term revenue needed for operations. Would necessitate another referendum by 2024 to fund ongoing operations.
	Levy increase will drop off after bonds are paid off in calendar year 2042.	Does not provide for service enhancements such as extended hours.
	Would provide funding for all capital repairs and interior renovations.	Increases overall cost of capital projects by an estimated \$3,957,250 to pay for interest expense.
		Total of \$9.4 million of project costs will need to be financed.
		Capital repairs would not start until 2022 and would have to be completed by 2029.

Option #1: Limiting Tax Rate Increase

We have modeled an option whereby the Library requests voters to approve a Limiting Tax Rate increase for Tax Year 2020. The proposed new Limiting Tax Rate would be established at an amount sufficient to fund building projects and deliver service enhancements:

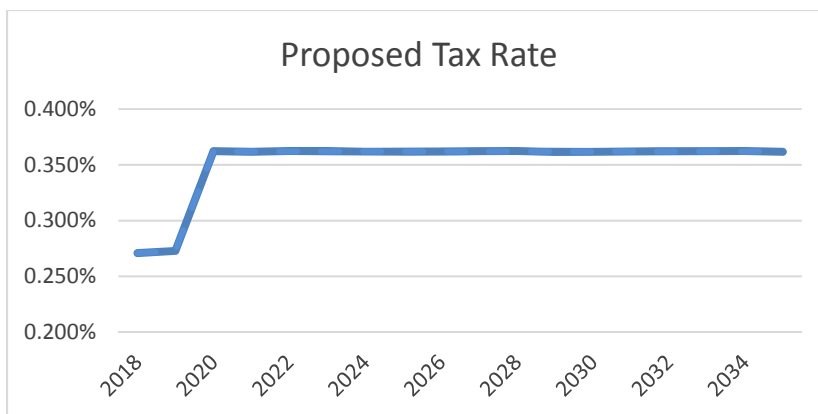
- Reinvest in the Library by completing the \$11.2 of capital projects over the next eighteen years
 - \$9.2 million specified in the Capital Reserve Study.
 - \$2 million of interior renovations to modernize the library.
- Fund additional services to patrons starting in Fiscal Year 2021, including:
 - Additional hours of operation
 - Additional library materials
 - Public outreach

Under this option, voters would be requested to approve a maximum Limiting Tax Rate that is higher than the one that would result from the PTELL. The estimated Limiting Tax Rate that would be required is estimated to be .362%.

The Library would receive the higher property tax levy beginning in Fiscal Year 2021. Since the first major roof expense occurs in Fiscal Year 2023, this would give the Library two years to begin saving tax receipts for the capital expenses, reducing the amount of borrowing needed to fund the improvements. It is estimated that the Library would need to borrow \$1.4 million by issuing General Obligation bonds in 2023 in order to complete the roof. All other improvements would be funded with cash. Cashflow projections for each fund under Option #1 are shown in Appendix A. Under Option #1 the Library would achieve its target cash reserves.

The following graph shows the expected future tax rates with a voter approved Limiting Tax Rate increase. Once the limiting rate is increased to .362%, future increases are not expected to be needed through 2035.

Figure 3. Proposed Limiting Tax Rate



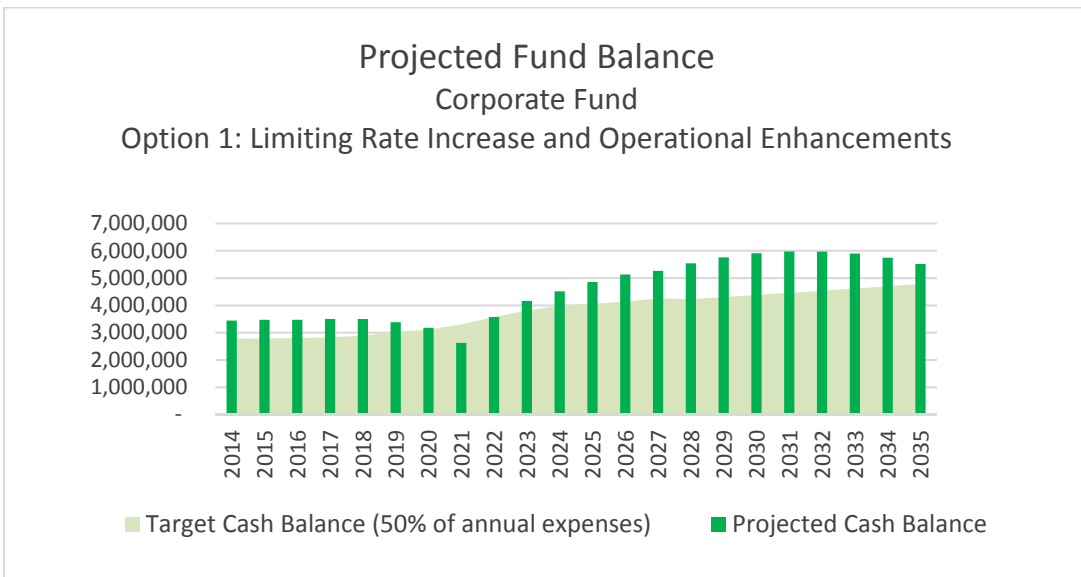
The first year impact of the Limiting Tax Rate increase is shown below for residential properties at various home values.

Table 4. Estimated Tax Increase on Residential Property in Tax Year 2020 Due to Potential Voter Approved Limiting Tax Rate Increase

Home Value	Tax Increase in 2020 Due to .362% Limiting Tax Rate
\$150,000	\$33
\$250,000	\$60
\$266,000 (median value)	\$64
\$350,000	\$86

The Limiting Tax Rate Option would maintain the Library's financial stability. Projected fund balances would meet the Library's fund balance policy of 50% of annual expenses. The projected Corporate Fund Balance is shown in the following graph.

Figure 4. Projected Corporate Fund Balance with Limiting Rate Tax Increase



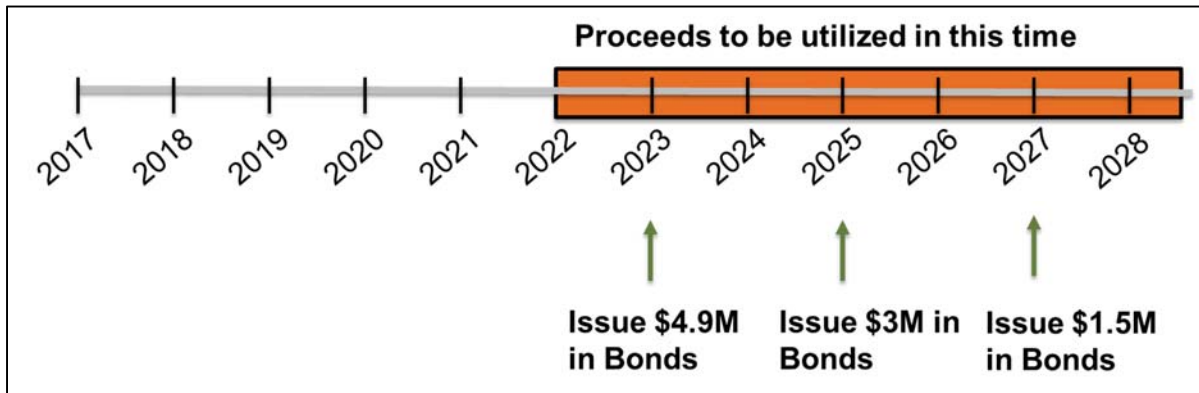
Option #2: Bond Levy

Under State law, the Library may request voters to approve a Bond Levy. This is a property tax increase in an amount sufficient to pay debt service on general obligation bonds issued to finance capital improvements to the Library's building.

Option #2 contemplates the Library undertaking the \$9.2 million in capital improvements specified in the Capital Reserve Study, plus \$2 million in interior renovations. The Library would finance as many of these improvements as possible to include them in the Bond Levy referendum. As a general rule, a library would group projects together and issue bonds periodically, just as one would do when renovating a home. However, there are state and federal rules related to the issuance of tax-exempt general obligation bonds that provide some constraints as to the timing and thus the amount of debt that can be issued.

First constraint: The bonds need to be issued within five years of the voter referendum authorizing the Bond Levy to repay the bonds. If the levy is adopted in 2022, for example, the last bond issuance must occur by 2027. Second constraint: The Library must spend 85% of bond proceeds within three years of issuing the debt (and 5% in the first six months). Given these two sets of constraints, we have mapped out a bond issuance strategy that would maximize the number of improvements that could be financed and thus added to the Bond Levy. It results in the total issuance of \$9.4 million in bonds.

Figure 5. Proposed Bond Issuances for Bond Levy Option



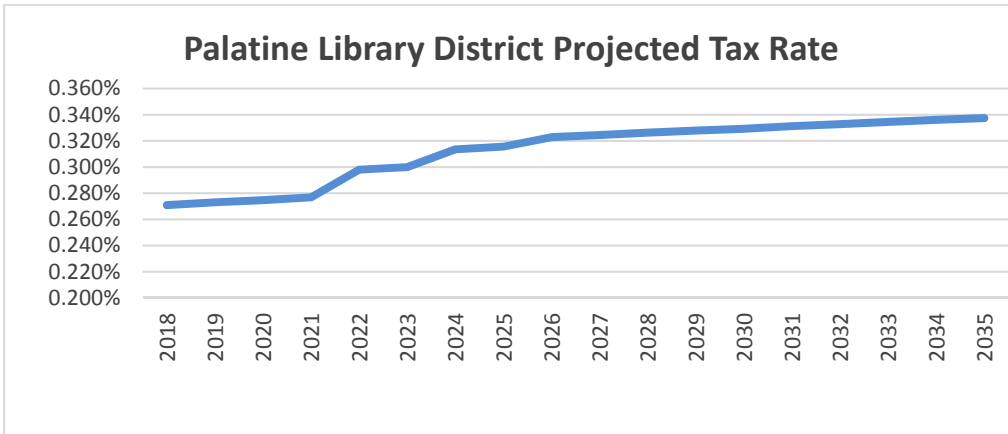
This bonding strategy would require some of the improvements currently planned for 2028 through 2035 to be moved up to be completed by 2029.

The Bond Levy would begin in Levy Year 2022 for the first bond issue, increase in 2024, and increase again in 2026 for the subsequent bond issues. The bond levy would be used to pay debt service on the bonds, and be assessed in addition to tax increases allowed under the existing PTELL that go to fund operations.

Based on the assumptions discussed above, library taxes will increase modestly even without the bond levy. We estimate these "status quo" tax increases will be \$2.50 to \$3.50 per year on a median-valued home of \$266,000. Together, these "status quo"

tax increases plus the bond levy are expected to result in a total tax rate of .337% in 2035. This is less than the proposed .362% tax rate in Option #1. The following graph shows the expected tax rate under the Bond Levy Option (Option #2).

Figure 6. Proposed Tax Rate for Bond Levy Option



The estimated total tax impact of the Bond Levy is shown in the chart below for residential properties at various home values. Taxes would increase more gradually than Option #1. A chart of the estimated tax impacts for both options through 2035 is in Appendix C.

Table 5. Estimated Total Tax Increase on Residential Property Due to Bond Levy Option #2

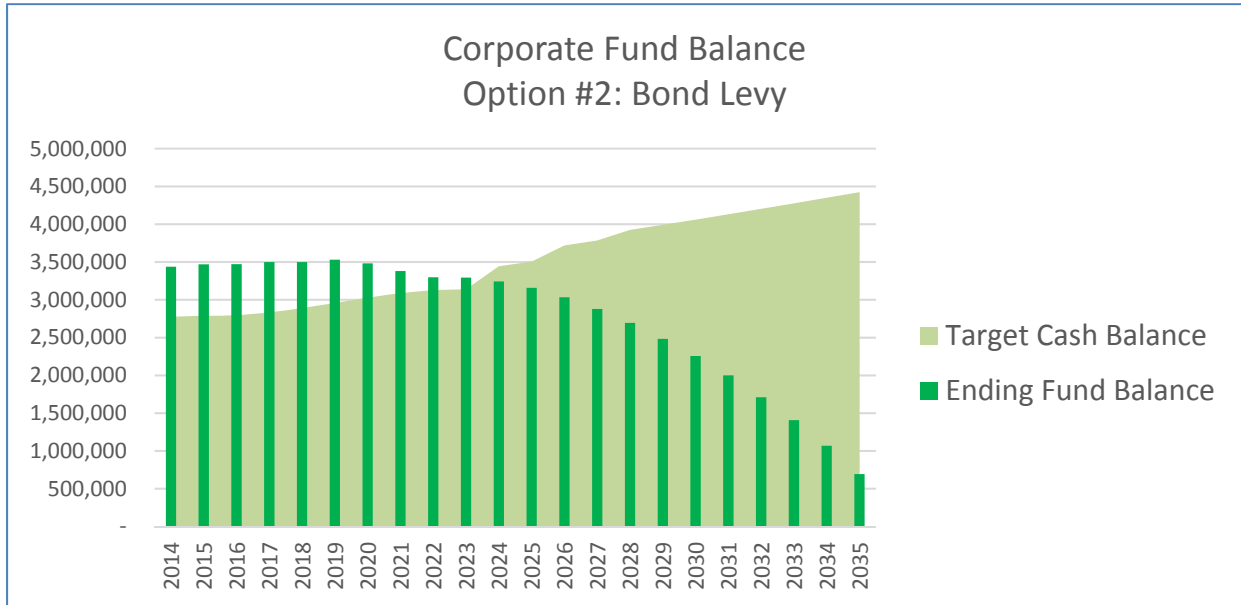
Home Value	Estimated Total Tax Increase Due to Bond levy
\$150,000	\$13
\$250,000	\$24
\$266,000 (median value)	\$26
\$350,000	\$34

The tax increases in the chart above do not include the modest operating levy increases allowable under PTELL.

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The Bond Levy Option provides funding for the Library’s capital needs but does not provide long-term financial stability. Projected fund balances will fall below the Library’s fund balance policy of 50% of annual expenses, and a future referendum will be required to raise additional property taxes to pay for operating costs. The projected Corporate Fund Balance is shown in the graph below.

Figure 7. Projected Corporate Fund Balance with Bond Levy Option #2



Cashflow projections for each fund under Option #2 are shown in Appendix B. The annual transfer from the Corporate Fund to the Special Reserve Fund under this option is reduced from \$200,000 per year to \$100,000 per year in order to preserve cash in the Corporate Fund for operations. The transfers cannot be eliminated entirely because some cash funding of capital improvements is required given the constraints on the timing of bonds. However, it should be noted that once the financed improvements are completed, this annual transfer will only allow the Library to undertake \$100,000 per year in projects without going back to the voters to ask for another levy increase.

Summary of Funding Options

In completing the FMP, Ehlers, staff and the Board evaluated multiple options. The two most viable options for meeting the capital needs facing the Library both entail requesting voters to approve a tax increase for the Library.

Option #1 is to request a permanent Limiting Tax Rate increase that will provide for all of the Library’s financial needs through 2035, including exterior and interior building improvements and service enhancements. This option would request the voters to approve a new Limiting Tax Rate of .362% for the Library for Tax Year 2020. The resulting tax increase in 2020 on a median valued home (\$266,000) is estimated to be

\$64. Future tax increases beyond 2020 are not expected to be needed in the FMP. The advantages of this option include:

- Achieving financial stability for the library.
- Paying cash from most of the planned improvements, saving an estimated \$3,957,250 in interest expenses for the capital projects.
- Providing funding for service improvements including longer hours and more materials.

The proposed .362% Limiting Tax Rate would still be competitive with neighboring libraries, as shown in the chart on Page 3.

Option #2 is to finance as many of the improvements as feasible with general obligation bonds and request the voters to approve a Bond Levy sufficient to pay for debt service on the bonds. Given the bonding assumptions in this study, it is estimated that the total bond levy (once all three bonds are issued) would be .036%. This Bond Levy amount would be in addition to the Library's operating levy.

The advantage of Option #2 is that it provides for lower and slower tax increases which will terminate once the bonds are paid off. However, there are two major disadvantages. One is that by financing most of the improvements, the Library will add an estimated \$3,957,250 in additional interest expense to the projects. Second, this option does not provide sufficient funding to provide long-term financial sustainability for the Library and, unless property values increase more than the assumed 1.0% annually, we anticipate the Library will need to return to the voters by 2024 for a referendum approving additional levy increases in the future.

A comparison of the tax impacts for the two options is provided in Appendix C.

Given the proposed level of projects the Library is undertaking, it will be important to periodically update this financial study. A number of assumptions were used to develop the results shown in this study. It is therefore recommended that the Library continuously monitor the financial health of its funds as part of its annual budgeting process, and update the study once refined cost estimates have been obtained for the significant capital improvements.

Finally, this financial study models when debt may be issued, but it is not a debt plan. The Library should review whether it has sufficient cash to pay for capital improvements prior to issuing debt. As with all other bonding decisions, the Library's decision to issue debt for any given improvement will be based on many factors, including the Library's cash balances and bond rating and other financial needs. In addition, the terms of the debt should be carefully evaluated, just as one does when obtaining a home mortgage. When getting a home loan, one evaluates the benefit of a shorter term with lower overall interest expense as compared to the lower monthly payments achieved with a 30-year loan. This study assumes a fifteen-year amortization on all bonds issued. Like the home mortgage example, if bonds were issued with ten year final maturities, the interest expense would not be as great, but the annual levy would have to be higher.

Appendix A

Cashflow Projections for Option #1: Limiting Tax Rate Increase

PALATINE PUBLIC LIBRA
Financial Management Pla
OPTION I - Limiting Rate Increa

1	Inflation Assumptions	1.00%	1.00%	1.00%	1.00%
2		2.00%	2.00%	2.00%	2.00%
3		1.00%	1.00%	1.00%	1.00%
4		2032	2033	2034	2035
5	CORPORATE FUND				
6	REVENUE				
7	Property taxes - Palatine	8,661,786	8,748,404	8,835,888	8,924,247
8	Property taxes - Inverness	-	-	-	-
8	Intergovernmental				
9	Replacement tax	13,000	13,000	13,000	13,000
10	TIF Taxes	-	-	-	-
11	Charges for Services	-	-	-	-
12	Fines and Fees	156,903	158,472	160,057	161,658
13	Gifts and Donations	22,989	23,219	23,452	23,686
14	Grants	85,163	86,015	86,875	87,744
15	Miscellaneous	62,646	63,273	63,906	64,545
16	Sale of Equipment	2,299	2,322	2,345	
17	Transfer in				
18	from				
19	from				
20	from				
21	Interest on Investments	59,718	59,681	58,931	57,440
22	TOTAL REVENUE	9,064,506	9,154,387	9,244,454	9,332,319
23					
24					
25	Salaries and Benefits	4,541,886	4,632,723	4,725,378	4,819,885
26	Materials	1,247,208	1,272,152	1,297,595	1,323,547
27	Utilities	377,338	384,885	392,583	400,435
28	Equipment	193,277	197,143	201,086	205,108
29	Contractual Servcies	464,925	474,223	483,708	493,382
30	Supplies	87,196	88,940	90,719	92,533
31	Operating Expenses	297,180	303,123	309,186	315,370
32	Auxiliary Projects	83,342	85,008	86,709	88,443
33	Referendum Services	-	-	-	-
34	Additional operating costs (refere				
35	Additional operating hours	144,965	147,864	150,822	153,838
36	Additional outreach	129,790	132,386	135,034	137,734
37	Renovation	300,000	300,000	300,000	300,000
38	Additional materials	68,386	69,753	71,148	72,571
39	Benefit increase	418,282	426,648	435,181	443,885
40	Tort	75,000	75,000	75,000	75,000
41	Transfer out				
42	to Social Security				
43	to IMRF				
44	to Audit	-	-	-	-
45	to Special Reserve Fd Debt Ser	139,476	139,476	139,476	139,476
46	to Special Reserve Fd Capital	500,000	500,000	500,000	500,000
47	Contingency				
48	New Employees - Positions Adde	-	-	-	-
49	TOTAL EXPENSES	9,068,251	9,229,326	9,393,623	9,561,206
50					
51	REVENUE OVER (UNDER) EXP	(3,745)	(74,940)	(149,169)	(228,887)
52	Ending Fund Balance	5,968,076	5,893,136	5,743,967	5,515,079
53	Fund Balance as a Percent of Ar	66%	64%	61%	58%
54					
55	CORPORATE LEVY	8,700,680	8,787,686	8,875,563	8,964,319
56	IMRF	521,187	531,611	542,243	553,088
57	Social Security	332,966	336,295	339,658	343,055
58	Auditing	4,772	4,820	4,868	4,917
59	Liabilty Insurance	47,725	48,202	48,684	49,171
60	Building and Sites	337,155	340,526	343,931	347,371
61	Unemployment insurance				
62	Capital				
63					
64	TOTAL TAX LEVY	9,944,484	10,049,141	10,154,948	10,261,920
65					
65	Levy Year	2032	2033	2034	2035
66	Library District Tax Rate	0.362%	0.362%	0.362%	0.362%
67	Proposed Limiting Tax Rate	0.362%	0.362%	0.362%	0.362%
68	Tax Impact	\$3.23	\$3.18	\$3.30	\$2.52
69	Assesed Value (increases 1% p	305,760	308,818	311,906	315,025
70	Equalization Factor	2.8032	2.8032	2.8032	2.8032
71	Exemption	(7,000)	(7,000)	(7,000)	(7,000)
72	Equalized Value	78,711	79,568	80,434	81,308
73	Library District Taxes	\$285	\$288	\$291	\$294
74	Annual Increase/(Decrease)	\$3	\$3	\$3	\$3

**Palatine Public Library District
Financial Management Plan Option #1
SPECIAL RESERVE FUND**

1	Inflation Assumptions														
2	Capital Inflation Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CASH FLOW ANALYSIS

	2014 Audit	2015 Audit	2016 Audit	2017 Actual	2018 Budget	2019	2020	2021	2022	2023	2024	2025	2026	2027 Projected
CAPITAL IMPROVEMENTS RESERVE														
10 Total Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Total Expenses	194,586	368,959	49,208	76,860	149,600	444,100	442,300	598,900	544,400	1,594,300	796,400	1,871,100	82,100	1,062,100
15 Revenues Over / (Under) Expenses	(194,586)	(368,959)	(49,208)	(76,860)	(149,600)	(444,100)	(442,300)	(598,900)	(544,400)	(1,594,300)	(796,400)	(1,871,100)	(82,100)	(1,062,100)
OTHER FINANCING SOURCES / (USES)														
16 Bond Proceeds										1,400,000				
17 Principal and interest on bonds											(139,476)	(139,476)	(139,476)	(139,476)
18 Transfers In														
19 Transfers In-from Corporate Fd	240,000	165,000	165,000	200,000	171,677	350,000	350,000	350,000	700,000	700,000	700,000	700,000	700,000	700,000
20 Transfers In - from Corporate Fd for Debt Service				0	0	0	0	0	0	0	139,476	139,476	139,476	139,476
19 Total Other Sources / (Uses)	240,000	165,000	165,000	200,000	171,677	350,000	350,000	350,000	700,000	2,100,000	700,000	700,000	700,000	700,000
20 Prior Period Adjustments														
21 Ending Fund Balance	1,234,530	1,030,571	1,146,363	1,269,503	1,291,580	1,197,480	1,105,180	856,280	1,011,880	1,517,580	1,421,180	250,080	867,980	505,880
Fund Balance as a Percent of Annual Expenses		279%	2330%	1652%	863%	270%	250%	143%	186%	95%	152%	12%	392%	42%
22 Debt Coverage Ratio (P&I/General Fund Revenues)												60.71	61.25	61.96

CAPITAL PROJECTS & DEBT LEVY

	Project Number	Project Year	2017 Begin Inflation Costs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 Projected
23		2017	76,860	-	76,860	-	-	-	-	-	-	-	-	-	-
24		2018	149,600	-	-	149,600	-	-	-	-	-	-	-	-	-
25		2019	444,100	-	-	-	444,100	-	-	-	-	-	-	-	-
26		2020	442,300	-	-	-	-	442,300	-	-	-	-	-	-	-
27		2021	598,900	-	-	-	-	-	598,900	-	-	-	-	-	-
28		2022	544,400	-	-	-	-	-	-	544,400	-	-	-	-	-
29		2023	1,594,300	-	-	-	-	-	-	-	1,594,300	-	-	-	-
30		2024	796,400	-	-	-	-	-	-	-	-	796,400	-	-	-
31	No Interior Remodeling Included in Capital Cost Estimates Included in Corporate Fund	2025	1,871,100	-	-	-	-	-	-	-	-	-	1,871,100	-	-
32		2026	82,100	-	-	-	-	-	-	-	-	-	-	82,100	-
33		2027	1,062,100	-	-	-	-	-	-	-	-	-	-	-	1,062,100
34		2028	326,200	-	-	-	-	-	-	-	-	-	-	-	-
35		2029	59,300	-	-	-	-	-	-	-	-	-	-	-	-
36		2030	134,800	-	-	-	-	-	-	-	-	-	-	-	-
37		2031	434,800	-	-	-	-	-	-	-	-	-	-	-	-
38		2032	132,300	-	-	-	-	-	-	-	-	-	-	-	-
39		2033	159,300	-	-	-	-	-	-	-	-	-	-	-	-
40		2034	265,100	-	-	-	-	-	-	-	-	-	-	-	-
41	2035	111,800	-	-	-	-	-	-	-	-	-	-	-	-	
42	2036	39,415	-	-	-	-	-	-	-	-	-	-	-	-	
43 Total Capital Projects			-	-	76,860	149,600	444,100	442,300	598,900	544,400	1,594,300	796,400	1,871,100	82,100	1,062,100

PROJECTED NEW DEBT TERMS												Per MA: JP		As of Date: 6/21/2017	
44	Par Amount (Line 15)	-	-	-	-	-	-	-	-	-	1,400,000	-	-	-	-
45	Number of Years	10	10	10	15	15	15	15	15	15	15	15	15	15	15
46	Interest Rate	3.00%	3.25%	3.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	5.50%	5.50%	5.50%	5.50%
47	New Debt Levy (See Page 2)	0	0	0	0	0	0	0	0	0	0	146,450	146,450	146,450	146,450

**Palatine Public Library District
Financial Management Plan Option #1
Building Maintenance Fund**

Inflation Assumptions																							
1	Expenses Inflation Rate	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%		
2	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Preliminary Levy Inflation Rate	0.00%	15.00%	2.00%	1.80%	1.80%	1.80%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
Building Maintenance Programs		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Audit	Audit	Audit	Actual	Budget	Projected																
REVENUE																							
3	General Property Tax	246,677	246,684	247,006	238,155	231,600	238,373	241,121	270,695	340,391	328,667	323,789	318,414	317,995	318,499	321,684	324,900	328,149	330,511	333,816	337,155	340,526	343,931
4	Replacement Tax	2,916				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Intergovernmental																						
6	Interest Earnings						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Contributions & Donations																						
8	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total Revenue	249,593	246,684	247,006	238,155	231,600	238,373	241,121	270,695	340,391	328,667	323,789	318,414	317,995	318,499	321,684	324,900	328,149	330,511	333,816	337,155	340,526	343,931
EXPENSES																							
10	Total Current	268,110	245,180	261,147	233,054	269,000	273,035	277,131	281,288	285,507	289,790	294,137	298,549	303,027	307,572	312,186	316,869	321,622	326,446	331,343	336,313	341,358	346,478
11																							
12	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Existing Debt: Interest																						
14	Total Expenses	268,110	245,180	261,147	233,054	269,000	273,035	277,131	281,288	285,507	289,790	294,137	298,549	303,027	307,572	312,186	316,869	321,622	326,446	331,343	336,313	341,358	346,478
15	Revenues Over / (Under) Expenses	(18,517)	1,504	(14,141)	5,101	(37,400)	(34,662)	(36,010)	(10,593)	54,884	38,877	29,652	19,865	14,968	10,927	9,498	8,031	6,527	4,065	2,473	842	(832)	(2,547)
OTHER FINANCING SOURCES / (USES)																							
16	Bond Proceeds (Line 44)	0					0																
17	Sale of assets																						
18	Transfers In from Corporate Fund					0				0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Transfers In						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Total Other Sources / (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Prior Period Adjustments																						
21	Ending Fund Balance	220,882	222,386	208,245	213,346	175,946	141,284	105,274	94,681	149,565	188,441	218,093	237,958	252,926	263,853	273,350	281,382	287,909	291,974	294,448	295,289	294,458	291,911
Fund Balance as a Percent of Annual Expenses			91%	80%	92%	65%	52%	38%	34%	52%	65%	74%	80%	83%	86%	88%	89%	90%	89%	89%	88%	86%	84%

CASH FLOW ANALYSIS

**Palatine Public Library District
Financial Management Plan Option #1
Social Security Fund**

Inflation Assumptions																							
1	Inflation Rate on Levy					10.00%	2.00%	1.75%	1.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
2	Interest Income					1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
	Inflation on Expenses					2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Social Security Fund		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Audit	Audit	Audit	Actual	Projected																	
REVENUE																							
3	General Property Tax	189,571	209,621	232,617	237,179	241,250	248,305	251,167	269,715	339,157	327,315	322,299	314,458	314,044	314,541	317,687	320,864	324,072	326,405	329,669	332,966	336,295	339,658
4	Replacement Tax	3,063				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	TIF Taxes																						
6	Interest Earnings																						
7	Contributions & Donations																						
8	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total Revenue	192,634	209,621	232,617	237,179	241,250	248,305	251,167	269,715	339,157	327,315	322,299	314,458	314,044	314,541	317,687	320,864	324,072	326,405	329,669	332,966	336,295	339,658
EXPENSES																							
10	Employer's Contribution	228,806	228,446	227,384	232,561	250,000	255,000	260,100	265,302	270,608	276,020	281,540	287,171	292,914	298,772	304,747	310,842	317,059	323,400	329,868	336,465	343,194	350,058
11																							
12	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Existing Debt: Interest																						
14	Total Expenses	228,806	228,446	227,384	232,561	250,000	255,000	260,100	265,302	270,608	276,020	281,540	287,171	292,914	298,772	304,747	310,842	317,059	323,400	329,868	336,465	343,194	350,058
15	Revenues Over / (Under) Expenses	(36,172)	(18,825)	5,233	4,618	(8,750)	(6,695)	(8,933)	4,413	68,549	51,295	40,759	27,287	21,130	15,769	12,940	10,022	7,013	3,005	(199)	(3,499)	(6,899)	(10,400)
OTHER FINANCING SOURCES / (USES)																							
16	Bond Proceeds (Line 44)	0					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Sale of assets																						
18	Transfers In				10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Transfers In						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Total Other Sources / (Uses)	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Prior Period Adjustments																						
21	Ending Fund Balance	77,232	58,407	63,640	78,258	69,508	62,813	53,880	58,293	126,843	178,138	218,896	246,183	267,314	283,083	296,023	306,045	313,058	316,063	315,864	312,365	305,466	295,067
Fund Balance as a Percent of Annual Expenses			26%	28%	34%	28%	25%	21%	22%	47%	65%	78%	86%	91%	95%	97%	98%	99%	98%	96%	93%	89%	84%

CASH FLOW ANALYSIS

**Palatine Public Library District
Financial Management Plan Option #1
IL Municipal Retirement Fund**

Inflation Assumptions																							
1	Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		
2	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
3	Preliminary Levy Inflation	2.50%	12.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Retirement Fund		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Audit	Audit	Audit	Actual	Budget	Projected																
REVENUE																							
4	General Property Tax	266,527	300,245	365,839	333,723	337,750	347,627	351,634	384,466	483,453	467,719	461,682	454,911	458,810	464,087	473,369	482,836	492,493	500,949	510,968	521,187	531,611	542,243
5	Replacement Tax	3,048	54,522	50,190	55,752	50,000	51,250	52,531	53,844	55,190	56,570	57,984	59,434	60,920	62,443	64,004	65,604	67,244	68,925	70,648	72,414	74,224	76,080
6	TIF Taxes	54,616			20,734	21,000																	
7	Interest Earnings																						
8	Contributions & Donations																						
9	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Total Revenue	324,191	354,767	416,029	410,209	408,750	398,877	404,165	438,310	538,643	524,289	519,666	514,345	519,730	526,530	537,373	548,440	559,737	569,874	581,616	593,601	605,835	618,323
EXPENSES																							
11	Employer's Contribution	370,824	371,215	373,556	387,706	406,000	416,150	426,554	437,218	448,148	459,352	470,836	482,607	494,672	507,039	519,715	532,708	546,026	559,677	573,669	588,011	602,711	617,779
12																							
13	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Existing Debt: Interest																						
15	Total Expenses	370,824	371,215	373,556	387,706	406,000	416,150	426,554	437,218	448,148	459,352	470,836	482,607	494,672	507,039	519,715	532,708	546,026	559,677	573,669	588,011	602,711	617,779
16	Revenues Over / (Under) Expenses	(46,633)	(16,448)	42,473	22,503	2,750	(17,273)	(22,389)	1,092	90,495	64,937	48,830	31,738	25,058	19,491	17,658	15,732	13,711	10,197	7,947	5,590	3,124	544
OTHER FINANCING SOURCES / (USES)																							
17	Bond Proceeds (Line 44)	0																					
18	Sale of assets																						
19	Transfers In		35,000	35,000																			
20	Transfers In						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Total Other Sources / (Uses)	0	35,000	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Prior Period Adjustments																						
22	Ending Fund Balance	54,634	73,186	150,659	173,162	175,912	158,639	136,250	137,342	227,838	292,775	341,606	373,344	398,402	417,893	435,550	451,282	464,993	475,190	483,136	488,726	491,850	492,394
Fund Balance as a Percent of Annual Expenses			20%	40%	45%	43%	38%	32%	31%	51%	64%	73%	77%	81%	82%	84%	85%	85%	85%	84%	83%	82%	80%

CASH FLOW ANALYSIS

Appendix B

Cashflow Projections for Option #2: Bond Levy

**Palatine Public Library District
Financial Management Plan Option #2
SPECIAL RESERVE FUND**

1	Inflation Assumptions																		
2	Capital Inflation Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Audit	Audit	Audit	Actual	Budget									Projected				
CAPITAL IMPROVEMENTS RESERVE																		
10 Total Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Total Expenses	194,586	368,959	49,208	76,860	149,600	444,100	442,300	598,900	544,400	3,594,300	796,400	1,871,100	82,100	1,062,100	750,000	750,000	40,000	40,000
15 Revenues Over / (Under) Expenses	(194,586)	(368,959)	(49,208)	(76,860)	(149,600)	(444,100)	(442,300)	(598,900)	(544,400)	(3,594,300)	(796,400)	(1,871,100)	(82,100)	(1,062,100)	(750,000)	(750,000)	(40,000)	(40,000)
OTHER FINANCING SOURCES / (USES)																		
16 Bond Proceeds										4,900,000		3,000,000		1,500,000				
17 Principal and interest on bonds											(488,165)	(488,165)	(787,042)	(787,042)	(936,481)	(936,481)	(936,481)	(936,481)
18 Transfers In																		
19 Transfers In - from Corporate Fd	240,000	165,000	165,000	200,000	171,677	200,000	200,000	200,000	200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
20 Transfers In - from Corporate Fd for Debt Service				0	0	0	0	0	0	0	488,165	488,165	787,042	787,042	936,481	936,481	936,481	936,481
19 Total Other Sources / (Uses)	240,000	165,000	165,000	200,000	171,677	200,000	200,000	200,000	200,000	5,000,000	100,000	3,100,000	100,000	1,600,000	100,000	100,000	100,000	100,000
20 Prior Period Adjustments																		
21 Ending Fund Balance	1,234,530	1,030,571	1,146,363	1,269,503	1,291,580	1,047,480	805,180	406,280	61,880	1,467,580	771,180	2,000,080	2,017,980	2,555,880	1,905,880	1,255,880	1,315,880	1,375,880
22 Debt Coverage Ratio (P&I/General Fund Revenues)												14.19	9.29	9.42	8.19	8.30	8.43	8.55

Capital Project Name	Project Number	Project Year	Costs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
				Projected																
23		2017	76,860	-	76,860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24		2018	149,600	-	-	149,600	-	-	-	-	-	-	-	-	-	-	-	-	-	
25		2019	444,100	-	-	-	444,100	-	-	-	-	-	-	-	-	-	-	-	-	
26		2020	442,300	-	-	-	-	442,300	-	-	-	-	-	-	-	-	-	-	-	
27		2021	598,900	-	-	-	-	-	598,900	-	-	-	-	-	-	-	-	-	-	
28		2022	544,400	-	-	-	-	-	-	544,400	-	-	-	-	-	-	-	-	-	
29		2023	1,594,300	-	-	-	-	-	-	-	1,594,300	-	-	-	-	-	-	-	-	
30		2023	2,000,000	-	-	-	-	-	-	-	2,000,000	-	-	-	-	-	-	-	-	
31		2024	796,400	-	-	-	-	-	-	-	-	796,400	-	-	-	-	-	-	-	
32		2025	1,871,100	-	-	-	-	-	-	-	-	-	1,871,100	-	-	-	-	-	-	
33		2026	82,100	-	-	-	-	-	-	-	-	-	-	82,100	-	-	-	-	-	
34		2027	1,062,100	-	-	-	-	-	-	-	-	-	-	-	1,062,100	-	-	-	-	
35		2028	750,000	-	-	-	-	-	-	-	-	-	-	-	-	750,000	-	-	-	
36		2029	750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	750,000	-	-	
37		2030	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-	
38		2031	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	
39		2032	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40		2033	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
41		2034	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42		2035	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43 Total Capital Projects				-	-	76,860	149,600	444,100	442,300	598,900	544,400	3,594,300	796,400	1,871,100	82,100	1,062,100	750,000	750,000	40,000	40,000
			1,623,600																	

PROJECTED NEW DEBT TERMS			Per MA: JP As of Date: 6/21/2017																
44	Par Amount (Line 15)	-	-	-	-	-	-	-	-	-	4,900,000	-	3,000,000	-	1,500,000	-	-	-	-
45	Number of Years	10	10	10	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
46	Interest Rate	3.00%	3.25%	3.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
47 New Debt Levy (See Page 2)		0	0	0	0	0	0	0	0	0	0	512,574	512,574	826,394	826,394	983,305	983,305	983,305	983,305

CAPITAL PROJECTS & DEBT LEVY

**Palatine Public Library District
Financial Management Plan Option #2
SPECIAL RESERVE FUND**

1	Inflation Assumptions				
2	Capital Inflation Rate	0.00%	0.00%	0.00%	0.00%
3	Interest Income	0.00%	0.00%	0.00%	0.00%

	2032	2033	2034	2035
CAPITAL IMPROVEMENTS RESERVE				
10 Total Revenue	0	0	0	0
14 Total Expenses	40,000	40,000	40,000	40,000
15 Revenues Over / (Under) Expenses	(40,000)	(40,000)	(40,000)	(40,000)
OTHER FINANCING SOURCES / (USES)				
16 Bond Proceeds				
17 Principal and interest on bonds	(936,481)	(936,481)	(936,481)	(936,481)
18 Transfers In				
19 Transfers In-from Corporate Fd	100,000	100,000	100,000	100,000
20 Transfers In - from Corporate Fd for Debt Service	936,481	936,481	936,481	936,481
19 Total Other Sources / (Uses)	100,000	100,000	100,000	100,000
20 Prior Period Adjustments				
21 Ending Fund Balance	1,435,880	1,495,880	1,555,880	1,615,880
22 Debt Coverage Ratio (P&I/General Fund Revenues)	8.67	8.80	8.93	9.05

Capital Project Name	Project Number	Project Year	2032	2033	2034	2035
23		2017	-	-	-	-
24		2018	-	-	-	-
25		2019	-	-	-	-
26		2020	-	-	-	-
27		2021	-	-	-	-
28		2022	-	-	-	-
29		2023	-	-	-	-
30		2023	-	-	-	-
31		2024	-	-	-	-
32		2025	-	-	-	-
33		2026	-	-	-	-
34		2027	-	-	-	-
35		2028	-	-	-	-
36		2029	-	-	-	-
37		2030	-	-	-	-
38		2031	-	-	-	-
39		2032	40,000	-	-	-
40		2033	-	40,000	-	-
41		2034	-	-	40,000	-
42		2035	-	-	-	40,000
43 Total Capital Projects			40,000	40,000	40,000	40,000

PROJECTED NEW DEBT TERMS						
44	Par Amount (Line 15)		-	-	-	-
45	Number of Years		15	15	15	15
46	Interest Rate		5.50%	5.50%	5.50%	5.50%
47 New Debt Levy (See Page 2)			983,305	983,305	983,305	983,305

CAPITAL PROJECTS & DEBT LEVY

**Palatine Public Library District
Financial Management Plan Option #2
Building Maintenance Fund**

1	Inflation Assumptions																					
	Expenses Inflation Rate	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
2	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Preliminary Levy Inflation Rate	0.00%	15.00%	8.00%	8.00%	8.00%	7.00%	4.00%	4.00%	4.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Building Maintenance Programs	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	Audit	Audit	Audit	Actual	Budget				Projected														
REVENUE																							
3	General Property Tax	246,677	246,684	247,006	238,155	231,600	238,373	241,121	267,025	271,194	278,290	289,747	299,419	309,373	320,558	332,168	334,288	337,318	339,506	341,731	344,854	347,142	349,464
4	Replacement Tax	2,916				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Intergovernmental																						
6	Interest Earnings						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Contributions & Donations																						
8	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total Revenue	249,593	246,684	247,006	238,155	231,600	238,373	241,121	267,025	271,194	278,290	289,747	299,419	309,373	320,558	332,168	334,288	337,318	339,506	341,731	344,854	347,142	349,464
EXPENSES																							
10	Total Current	268,110	245,180	261,147	233,054	269,000	273,035	277,131	281,288	285,507	289,790	294,137	298,549	303,027	307,572	312,186	316,869	321,622	326,446	331,343	336,313	341,358	346,478
11																							
12	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Existing Debt: Interest																						
14	Total Expenses	268,110	245,180	261,147	233,054	269,000	273,035	277,131	281,288	285,507	289,790	294,137	298,549	303,027	307,572	312,186	316,869	321,622	326,446	331,343	336,313	341,358	346,478
15	Revenues Over / (Under) Expenses	(18,517)	1,504	(14,141)	5,101	(37,400)	(34,662)	(36,010)	(14,263)	(14,313)	(11,500)	(4,390)	870	6,346	12,986	19,982	17,419	15,696	13,060	10,388	8,541	5,784	2,986
OTHER FINANCING SOURCES / (USES)																							
16	Bond Proceeds (Line 44)	0					0	0	0	0	0	0	0	0									
17	Sale of assets																						
18	Transfers In from Corporate Fund					0				0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Transfers In						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Total Other Sources / (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Prior Period Adjustments																						
21	Ending Fund Balance	220,882	222,386	208,245	213,346	175,946	141,284	105,274	91,011	76,698	65,197	60,807	61,677	68,023	81,009	100,991	118,410	134,106	147,166	157,554	166,096	171,879	174,865
Fund Balance as a Percent of Annual Expenses			91%	80%	92%	65%	52%	38%	32%	27%	22%	21%	21%	22%	26%	32%	37%	42%	45%	48%	49%	50%	50%

CASH FLOW ANALYSIS

**Palatine Public Library District
Financial Management Plan Option #2
Social Security Fund**

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Audit	Audit	Audit	Actual	Projected																	
1	Inflation Assumptions						8.25%	8.25%	8.25%	7.25%	7.00%	7.00%	5.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2	Inflation Rate on Levy						1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Interest Income						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Inflation on Expenses						2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Social Security Fund																							
REVENUE																							
3	General Property Tax	189,571	209,621	232,617	237,179	241,250	248,305	251,167	261,825	266,528	274,135	283,439	292,900	311,368	325,727	327,788	329,880	332,870	335,029	337,225	340,307	342,564	344,856
4	Replacement Tax	3,063				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	TIF Taxes																						
6	Interest Earnings																						
7	Contributions & Donations																						
8	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total Revenue	192,634	209,621	232,617	237,179	241,250	248,305	251,167	261,825	266,528	274,135	283,439	292,900	311,368	325,727	327,788	329,880	332,870	335,029	337,225	340,307	342,564	344,856
EXPENSES																							
10	Employer's Contribution	228,806	228,446	227,384	232,561	250,000	255,000	260,100	265,302	270,608	276,020	281,540	287,171	292,914	298,772	304,747	310,842	317,059	323,400	329,868	336,465	343,194	350,058
11																							
12	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Existing Debt: Interest																						
14	Total Expenses	228,806	228,446	227,384	232,561	250,000	255,000	260,100	265,302	270,608	276,020	281,540	287,171	292,914	298,772	304,747	310,842	317,059	323,400	329,868	336,465	343,194	350,058
15	Revenues Over / (Under) Expenses	(36,172)	(18,825)	5,233	4,618	(8,750)	(6,695)	(8,933)	(3,477)	(4,080)	(1,885)	1,899	5,729	18,454	26,955	23,041	19,038	15,811	11,629	7,357	3,842	(630)	(5,202)
OTHER FINANCING SOURCES / (USES)																							
16	Bond Proceeds (Line 44)	0					0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Sale of assets																						
18	Transfers In				10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Transfers In																						
20	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Total Other Sources / (Uses)	0	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Prior Period Adjustments																						
21	Ending Fund Balance	77,232	58,407	63,640	78,258	69,508	62,813	53,880	50,403	46,324	44,438	46,337	52,066	70,520	97,475	120,516	139,554	155,365	166,994	174,351	178,193	177,563	172,361
Fund Balance as a Percent of Annual Expenses			26%	28%	34%	28%	25%	21%	19%	17%	16%	16%	18%	24%	33%	40%	45%	49%	52%	53%	53%	52%	49%

CASH FLOW ANALYSIS

**Palatine Public Library District
Financial Management Plan Option #2
IL Municipal Retirement Fund**

Inflation Assumptions																								
1	Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%			
2	Interest Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
3	Preliminary Levy Inflation	2.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%			
Retirement Fund		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
		Audit	Audit	Audit	Actual	Budget	Projected																	
REVENUE																								
4	General Property Tax	266,527	300,245	365,839	333,723	337,750	347,627	351,634	370,788	381,807	397,238	419,336	443,459	452,695	463,423	474,436	485,737	498,633	510,563	522,813	536,732	549,654	562,919	
5	Replacement Tax	3,048	54,522	50,190	55,752	50,000	51,250	52,531	53,844	55,190	56,570	57,984	59,434	60,920	62,443	64,004	65,604	67,244	68,925	70,648	72,414	74,224	76,080	
6	TIF Taxes	54,616			20,734	21,000																		
7	Interest Earnings																							
8	Contributions & Donations																							
9	Miscellaneous Revenue				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Total Revenue	324,191	354,767	416,029	410,209	408,750	398,877	404,165	424,632	436,997	453,808	477,320	502,893	513,615	525,866	538,440	551,341	565,877	579,488	593,461	609,146	623,878	638,999	
EXPENSES																								
11	Employer's Contribution	370,824	371,215	373,556	387,706	406,000	416,150	426,554	437,218	448,148	459,352	470,836	482,607	494,672	507,039	519,715	532,708	546,026	559,677	573,669	588,011	602,711	617,779	
12																								
13	Total Capital Projects (Line 45)				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Existing Debt: Interest																							
15	Total Expenses	370,824	371,215	373,556	387,706	406,000	416,150	426,554	437,218	448,148	459,352	470,836	482,607	494,672	507,039	519,715	532,708	546,026	559,677	573,669	588,011	602,711	617,779	
16	Revenues Over / (Under) Expenses	(46,633)	(16,448)	42,473	22,503	2,750	(17,273)	(22,389)	(12,586)	(11,151)	(5,544)	6,484	20,286	18,943	18,827	18,725	18,633	19,851	19,811	19,792	21,135	21,167	21,220	
OTHER FINANCING SOURCES / (USES)																								
17	Bond Proceeds (Line 44)	0					0		0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	
18	Sale of assets																							
19	Transfers In		35,000	35,000																				
20	Transfers In						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	Transfers Out				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Total Other Sources / (Uses)	0	35,000	35,000	0	0	0	0	0	0	0	0	0	0	1	2	3	4	5	6	7	8	9	
21	Prior Period Adjustments																							
22	Ending Fund Balance	54,634	73,186	150,659	173,162	175,912	158,639	136,250	123,664	112,513	106,969	113,453	133,739	152,682	171,510	190,238	208,874	228,729	248,544	268,342	289,485	310,660	331,888	
Fund Balance as a Percent of Annual Expenses			20%	40%	45%	43%	38%	32%	28%	25%	23%	24%	28%	31%	34%	37%	39%	42%	44%	47%	49%	52%	54%	

CASH FLOW ANALYSIS

Appendix C

Comparison of Tax Impact of Residential Property

Appendix C
 Estimated Tax Impacts
 Palatine Public Library District

2018 Home Value (Increases 1% per year)		Levy Year																		
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
\$150,000	Total Tax	\$94	\$95	\$97	\$99	\$101	\$102	\$104	\$106	\$109	\$111	\$113	\$115	\$117	\$119	\$121	\$124	\$126	\$128	\$130
	\$ Change	\$3	\$1	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
\$250,000	Total Tax	\$169	\$171	\$174	\$177	\$180	\$184	\$187	\$191	\$194	\$198	\$201	\$205	\$209	\$212	\$216	\$220	\$224	\$228	\$232
	\$ Change	\$5	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
\$266,000 (Median Value)	Total Tax	\$181	\$183	\$186	\$190	\$193	\$197	\$200	\$204	\$208	\$212	\$215	\$219	\$223	\$227	\$231	\$235	\$239	\$244	\$248
	\$ Change	\$5	\$2	\$3	\$3	\$4	\$3	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
\$350,000	Total Tax	\$244	\$247	\$251	\$256	\$260	\$265	\$270	\$275	\$280	\$285	\$290	\$295	\$300	\$305	\$311	\$316	\$322	\$327	\$333
	\$ Change	\$7	\$3	\$5	\$4	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$5	\$5	\$5	\$5

2018 Home Value (Increases 1% per year)		Levy Year																		
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
\$150,000	Total Tax	\$94	\$95	\$97	\$130	\$131	\$133	\$135	\$136	\$138	\$139	\$141	\$143	\$144	\$146	\$148	\$150	\$151	\$153	\$155
	\$ Change	\$3	\$1	\$2	\$33	\$1	\$2	\$2	\$1	\$2	\$2	\$2	\$2	\$1	\$2	\$2	\$2	\$2	\$2	\$1
\$250,000	Total Tax	\$169	\$171	\$174	\$234	\$236	\$239	\$241	\$244	\$247	\$249	\$252	\$255	\$257	\$260	\$263	\$266	\$269	\$272	\$275
	\$ Change	\$5	\$2	\$3	\$60	\$2	\$3	\$3	\$2	\$3	\$3	\$3	\$3	\$2	\$3	\$3	\$3	\$3	\$3	\$2
\$266,000 (Median Value)	Total Tax	\$181	\$183	\$186	\$250	\$252	\$256	\$259	\$261	\$264	\$267	\$270	\$273	\$275	\$279	\$282	\$285	\$288	\$291	\$294
	\$ Change	\$5	\$2	\$3	\$64	\$2	\$3	\$3	\$2	\$3	\$3	\$3	\$3	\$2	\$3	\$3	\$3	\$3	\$3	\$3
\$350,000	Total Tax	\$244	\$247	\$251	\$337	\$340	\$345	\$348	\$351	\$355	\$359	\$363	\$367	\$370	\$375	\$379	\$383	\$387	\$392	\$395
	\$ Change	\$7	\$3	\$4	\$86	\$3	\$4	\$4	\$4	\$3	\$4	\$4	\$4	\$4	\$3	\$4	\$4	\$4	\$4	\$3

The proposed limiting rate increase would occur in Levy Year 2020.

2018 Home Value (Increases 1% per year)		Levy Year																		
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
\$150,000	Total Tax	\$94	\$95	\$97	\$99	\$101	\$110	\$112	\$118	\$120	\$124	\$126	\$129	\$131	\$133	\$135	\$138	\$140	\$142	\$144
	\$ Change	\$3	\$1	\$2	\$2	\$2	\$9	\$2	\$6	\$2	\$4	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2
\$250,000	Total Tax	\$169	\$171	\$174	\$177	\$180	\$196	\$200	\$211	\$215	\$222	\$226	\$230	\$233	\$237	\$241	\$245	\$249	\$253	\$256
	\$ Change	\$5	\$2	\$3	\$3	\$3	\$16	\$4	\$11	\$4	\$7	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
\$266,000 (Median Value)	Total Tax	\$181	\$183	\$186	\$190	\$193	\$210	\$214	\$226	\$230	\$238	\$242	\$246	\$250	\$254	\$258	\$262	\$266	\$270	\$274
	\$ Change	\$5	\$2	\$3	\$3	\$4	\$17	\$4	\$12	\$4	\$8	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
\$350,000	Total Tax	\$244	\$247	\$251	\$256	\$260	\$283	\$288	\$305	\$310	\$320	\$325	\$331	\$336	\$341	\$347	\$352	\$357	\$363	\$368
	\$ Change	\$7	\$3	\$5	\$4	\$5	\$23	\$5	\$16	\$5	\$10	\$5	\$5	\$5	\$5	\$6	\$5	\$5	\$6	\$5

Columns highlighted in green represent the Levy Years in which the bond levy will increase. Tax increases in other years are for operating purposes and are within the projected PTELL limitations.