

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 11
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12 - 13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	18
Notes to Financial Statements	19 - 38
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	39
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	40 - 41
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	42
Special Reserve - Special Revenue Fund	43

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues – Budget and Actual – General Fund	44
Schedule of Expenditures – Budget and Actual – General Fund	45 - 46
Combining Balance Sheet – Nonmajor Governmental – Special Revenue Funds	47 - 48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental – Special Revenue Funds	49 - 50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Audit – Special Revenue Fund	51
Illinois Municipal Retirement – Special Revenue Fund	52
Social Security – Special Revenue Fund	53
Building Maintenance – Special Revenue Fund	54
Unemployment Reserve – Special Revenue Fund	55
Tort Immunity – Special Revenue Fund	56

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

October 6, 2020

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Public Library District, Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Public Library District, Illinois, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Palatine Public Library District, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2019

Our discussion and analysis of the Palatine Public Library District financial performance provides an overview of the Library's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the Library's financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The Library's net position decreased from a restated balance of \$13,183,264 to \$12,904,462, a decrease of \$278,802 or 2.1 percent.
- During the year, government-wide revenues totaled \$7,053,667, while government-wide expenses totaled \$7,332,469, resulting in a decrease to net position of \$278,802.
- Total fund balances for the governmental funds were \$5,660,638 at June 30, 2019 compared to a beginning balance of \$5,319,157, an increase of \$341,481 or 6.4 percent.
- Beginning net position was restated to correct an error in prior year recognition of deferred outflows related to IMRF.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 - 14) provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances.

Fund financial statements begin on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Library's operation in more detail than the government-wide statements by providing information about the Library's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Library's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 12 - 14 of this report.

The Statement of Net Position reports information on all of the Library's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Library's property tax base, is needed to assess the overall health of the Library.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

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

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

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

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 - 38 of this report.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Library, assets/deferred outflows exceeded liabilities/deferred inflows by \$12,735,557.

	Net Position	
	2020	2019
Current Assets	\$ 11,767,903	9,203,019
Capital Assets	9,085,316	9,473,779
Total Assets	20,853,219	18,676,798
Deferred Outflows	688,330	1,932,069
Total Assets/ Deferred Outflows	21,541,549	20,608,867
Long-Term Debt Outstanding	2,209,704	3,943,348
Other Liabilities	296,733	347,739
Total Liabilities	2,506,437	4,291,087
Deferred Inflows	6,299,555	3,413,318
Total Liabilities/Deferred Inflows	8,805,992	7,704,405
Net Position		
Investment in Capital Assets	9,085,316	9,473,779
Restricted	730,435	699,857
Unrestricted	2,919,806	2,730,826
Total Net Position	12,735,557	12,904,462

A large portion of the Library's net position (71.3 percent) reflects its investment in capital assets (for example, land, buildings, equipment and furniture); less any related debt used to acquire those assets that are still outstanding. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion \$730,435 or 5.7 percent of the Library's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$2,919,806 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 76,424	172,634
Operating Grants/Contributions	134,459	163,248
General Revenues		
Property and Replacement Taxes	6,842,160	6,581,026
Interest	112,057	124,251
Miscellaneous	6,109	12,508
Total Revenues	7,171,209	7,053,667
Expenses		
Culture and Recreation	7,340,114	7,332,469
Change in Net Position	(168,905)	(278,802)
Net Position-Beginning	12,904,462	13,183,264
Net Position-Ending	12,735,557	12,904,462

Net position of the Library's governmental activities decreased from a balance of \$12,904,462 to \$12,735,557.

Expenses of \$7,340,114 exceeded revenues of \$7,171,209, resulting in the decrease to net position in the current year of \$168,905.

Governmental Activities

In the current year, governmental net position decreased \$168,905, a decrease of 1.3 percent. Property and replacement taxes increased \$261,134 over the prior year (\$6,581,026 in 2019 compared to \$6,842,160 in 2020). The majority of the decrease to overall net position was due to the decrease in charges for services and operating grants/contributions of \$96,210 and \$28,789, respectively, over the prior year (\$172,634 in charges for services and \$163,248 in operating grants/contributions in 2019 compared to \$76,424 in charges for services and \$134,459 in operating grants/contributions in 2020).

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

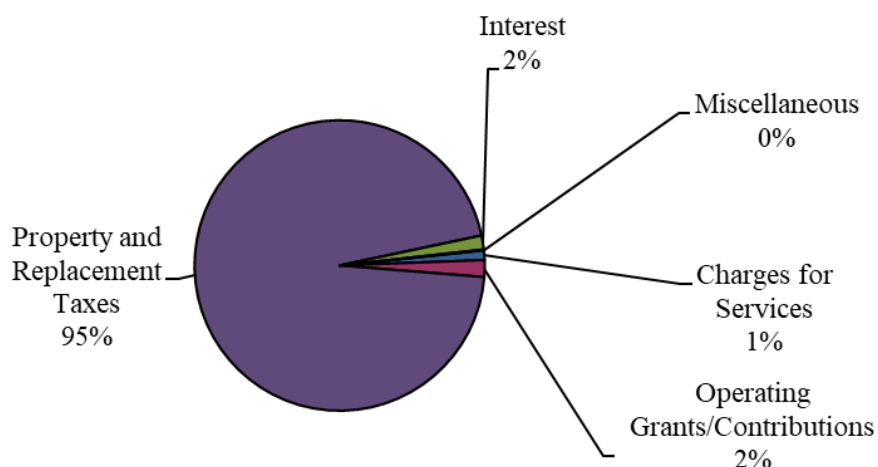
Management's Discussion and Analysis June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

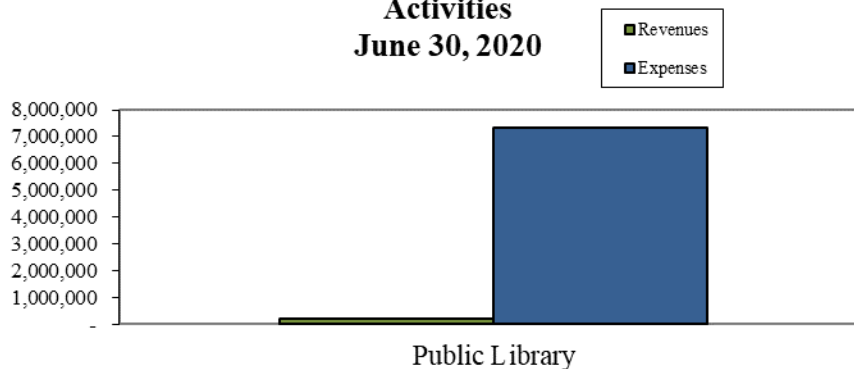
The following table graphically depicts the major revenue sources of the Library. It depicts very clearly the reliance of property taxes to fund governmental activities.

**Revenues by Source - Governmental Activities
June 30, 2020**



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. The public library functions charge user fees for services provided. The user fees charged do not cover the expenses, which furthermore signifies the Library's reliance on general revenues such as property taxes and personal property replacement taxes to fund operations.

**Expenses and Program Revenues - Governmental
Activities
June 30, 2020**



PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$6,098,668 which is 7.7 percent higher than last year's ending fund balance of \$5,660,638.

In the current year, governmental fund balances increased by \$438,030. The General Fund reported an increase of \$258,880, due primarily to increase of property taxes received in the current fiscal year. The Special Revenue Special Reserve Fund also reported an increase of \$154,845, due to a transfer in from the General Fund to fund capital related spending in the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, no supplemental amendments were made to the budget for the General Fund.

The General Fund actual revenues were lower than budgeted revenues. Actual revenues for the current year were \$6,266,709, compared to budgeted revenues of \$6,985,871. This resulted primarily from taxes, charges for services, and grants and donations revenue categories being lower than the budgeted amount. This decrease was due to COVID-19 stopping the Library's programs at the end of March 2020.

The General Fund actual expenditures were lower than budgeted expenditures. Actual expenditures totaled \$5,407,829, while budgeted expenditures totaled \$5,958,680. This was due primarily to substantial savings realized versus the budgeted expenditures in all areas of the culture and recreation expenditures, as well as COVID-19 stopping the Library's programs at the end of March 2020.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Library's investment in capital assets for its governmental activities as of June 30, 2020 was \$9,085,316 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, buildings and improvements, and equipment, furniture, and fixtures.

	Capital Assets - Net of Depreciation	
	2020	2019
Land	\$ 926,032	926,032
Construction in Process	303,163	-
Buildings and Improvements	7,674,596	8,268,448
Equipment, Furniture, and Fixture	181,525	279,299
Total	9,085,316	9,473,779

This year's additions to capital assets included additions to Construction in Process of \$303,163 and Buildings and Improvements of \$86,143.

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

Debt Administration

At year-end, the Library had no outstanding debt.

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875% of its total assessed valuation. The current debt limit for the Library is \$74,896,844.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Library's elected and appointed officials considered many factors when setting the fiscal-year 2021 budget, including tax rates and fees that will be charged for its various activities. One of those factors is a robust economy where employee retention becomes more challenging. The Library is faced with a similar economic environment to many of the other local municipalities, including inflation and unemployment rates.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Management's Discussion and Analysis June 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES – Continued

The Library Board completed a capital reserves study in August 2016. The engineering firm examined the physical systems of the main library, including roof, HVAC, masonry, plumbing, elevators, windows, doors and more. The study identifies maintenance and capital repairs necessary through 2035. Engineers project a total of \$8.7 million in maintenance and repairs needed in by 2035, with \$5.8 million necessary in the next six years.

In order to meet these needs, the Library Board placed a referendum for an operating rate increase on the ballot this fiscal year. Taxpayers approved the operating rate increase, which will allow the Library to meet capital and operating needs going forward.

The Library's three-year strategic plan, 2018-2021, addresses priorities for the future. Maintaining resilient, modern, and efficient facilities and responsible stewardship of taxpayer dollars continue to be high priorities for the Library.

As part of the strategic plan, the Library will begin interior renovations on the Main Library in 2020, to be followed by interior renovations at the branch libraries in 2021. The Library will issue alternate revenue source bonds in the amount of \$6 million to pay for the renovations. Debt service payments will be made from the proceeds of the operating rate increase.

Trustees, the Executive Director, and the Finance Manager continue to maintain fiscal vigilance and proceed with realistic revenue expectations.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

**Statement of Net Position
June 30, 2020**

ASSETS	
Current Assets	
Cash and Investments	\$ 6,298,909
Receivables - Net of Allowances	
Accounts	13,407
Property Taxes	5,402,229
Prepays	<u>53,358</u>
Total Current Assets	<u>11,767,903</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	1,229,195
Depreciable Capital Assets	22,462,606
Accumulated Depreciation	<u>(14,606,485)</u>
Total Noncurrent Assets	<u>9,085,316</u>
Total Assets	20,853,219
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>688,330</u>
Total Assets and Deferred Outflows of Resources	<u>21,541,549</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 214,013
Accrued Payroll	52,993
Current Portion of Long-Term Liabilities	
Compensated Absences	<u>29,727</u>
Total Current Liabilities	<u>296,733</u>
Noncurrent Liabilities	
Compensated Absences	118,906
Net Pension Liability - IMRF	<u>2,090,798</u>
Total Noncurrent Liabilities	<u>2,209,704</u>
Total Liabilities	<u>2,506,437</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	897,326
Property Taxes	<u>5,402,229</u>
Total Deferred Inflows of Resources	<u>6,299,555</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,805,992</u>

NET POSITION

Investment in Capital Assets	9,085,316
Restricted	
Property Tax Levies	
Audit	20,117
Illinois Municipal Retirement	204,784
Social Security	167,103
Building Maintenance	242,793
Unemployment Reserve	49,011
Tort Immunity	46,627
Unrestricted	<u>2,919,806</u>
Total Net Position	<u><u>12,735,557</u></u>

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended June 30, 2020

	<u>Program Revenues</u>		Net
	Charges	Operating	(Expenses)/
	for	Grants	Revenues and
Expenses	Services		Changes in
			Net Position
Functions/Programs			
Culture and Recreation	<u>\$ 7,340,114</u>	<u>76,424</u>	<u>134,459</u>
			(7,129,231)
	General Revenues		
	Taxes		
	Property Taxes		6,773,108
	Replacement Taxes		69,052
	Miscellaneous		6,109
	Investment Income		<u>112,057</u>
			<u>6,960,326</u>
	Change in Net Position		(168,905)
	Net Position - Beginning		<u>12,904,462</u>
	Net Position - Ending		<u><u>12,735,557</u></u>

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds
June 30, 2020**

	General	Special Revenue Special Reserve	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 3,881,346	1,687,128	730,435	6,298,909
Receivables - Net of Allowances				
Accounts	13,407	-	-	13,407
Property Taxes	4,827,384	-	574,845	5,402,229
Prepays	53,358	-	-	53,358
Total Assets	8,775,495	1,687,128	1,305,280	11,767,903
LIABILITIES				
Liabilities				
Accounts Payable	214,013	-	-	214,013
Accrued Payroll	52,993	-	-	52,993
Total Liabilities	267,006	-	-	267,006
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,827,384	-	574,845	5,402,229
Total Liabilities and Deferred Inflows of Resources	5,094,390	-	574,845	5,669,235
FUND BALANCES				
Nonspendable	53,358	-	-	53,358
Restricted	-	-	730,435	730,435
Assigned	-	1,687,128	-	1,687,128
Unassigned	3,627,747	-	-	3,627,747
Total Fund Balances	3,681,105	1,687,128	730,435	6,098,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	8,775,495	1,687,128	1,305,280	11,767,903

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

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

June 30, 2020

Total Fund Balances	\$ 6,098,668
Amounts reported in the Statement of Net Position are different because:	
Capital assets are not financial resources and therefore, are not reported in the funds.	9,085,316
Deferred Outflows of Resources related to IMRF not reported in the funds. Deferred Items - IMRF	(208,996)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences	(148,633)
Net Pension Liability - IMRF	<u>(2,090,798)</u>
Net Position	<u><u>12,735,557</u></u>

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	General	Special Revenue Special Reserve	Nonmajor	Totals
Revenues				
Taxes	\$ 5,937,660	-	904,500	6,842,160
Charges for Services	76,424	-	-	76,424
Grants and Donations	134,459	-	-	134,459
Interest	112,057	-	-	112,057
Miscellaneous	6,109	-	-	6,109
Total Revenues	6,266,709	-	904,500	7,171,209
Expenditures				
Current				
Culture and Recreation	5,407,829	-	880,195	6,288,024
Capital Outlay	-	445,155	-	445,155
Total Expenditures	5,407,829	445,155	880,195	6,733,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	858,880	(445,155)	24,305	438,030
Other Financing Sources (Uses)				
Transfers In	-	600,000	-	600,000
Transfers Out	(600,000)	-	-	(600,000)
	(600,000)	600,000	-	-
Net Change in Fund Balance	258,880	154,845	24,305	438,030
Fund Balances - Beginning	3,422,225	1,532,283	706,130	5,660,638
Fund Balances - Ending	3,681,105	1,687,128	730,435	6,098,668

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

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

For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances	\$ 438,030
------------------------------------	-------------------

Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	389,306
Depreciation Expense	(777,769)

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(1,952,686)
---------------------------------	-------------

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences	2,853
Change in Net Pension Liability - IMRF	<u>1,731,361</u>

Changes in Net Position	<u>(168,905)</u>
--------------------------------	-------------------------

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

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

BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide and Fund Financial Statements – Continued

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

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

The following fund types are used by the District:

Governmental Funds

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

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

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

Basis of Accounting

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

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

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

Receivables

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

Prepays

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

Interfund Receivables, Payables and Activity

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Capital assets are recorded at estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20 - 40 Years
Equipment, Furniture, and Fixtures	5 - 10 Years

Net Position

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

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

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

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 15th the District Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding July 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to September 30th.
- The District Treasurer, in consultation with the Board of Trustees, is authorized to expend the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was adopted on September 17, 2019 and was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.
- There were no budget amendments during the fiscal year.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

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

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

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$4,783,061 and the bank balances totaled \$5,147,874. In addition, the District has \$1,515,848 invested in iPrime at year end.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the policy of the of the District to invest all funds under the District's control in a manner that will provide the highest investment return using authorized instruments, while meeting the District's daily cash flow demands and in conformance with all State statutes governing the invest of public funds.

At year-end, the District's investments in iPrime are all rated AAA by Standard & Poor's.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy states that in order to meet the objective of safety of capital, the District will require deposits in excess of the federally insured amount to be collateralized to the extent of 110% and evidenced by an approved written agreement. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk for investments.

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

PROPERTY TAXES

Property taxes for the 2019 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in March and August. The County collects such taxes and remits them periodically.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 926,032	-	-	926,032
Construction in Process	-	303,163	-	303,163
	<u>926,032</u>	<u>303,163</u>	<u>-</u>	<u>1,229,195</u>
Depreciable Capital Assets				
Buildings and Improvements	21,092,607	86,143	-	21,178,750
Equipment, Furniture, and Fixtures	1,283,856	-	-	1,283,856
	<u>22,376,463</u>	<u>86,143</u>	<u>-</u>	<u>22,462,606</u>
Less Accumulated Depreciation				
Buildings and Improvements	12,824,159	679,995	-	13,504,154
Equipment, Furniture, and Fixtures	1,004,557	97,774	-	1,102,331
	<u>13,828,716</u>	<u>777,769</u>	<u>-</u>	<u>14,606,485</u>
Total Depreciable Capital Assets	<u>8,547,747</u>	<u>(691,626)</u>	<u>-</u>	<u>7,856,121</u>
Total Capital Assets	<u>9,473,779</u>	<u>(388,463)</u>	<u>-</u>	<u>9,085,316</u>

Depreciation expense of \$777,769 was charged to the culture and recreation function.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Special Reserve	General	<u>\$ 600,000</u>

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 151,486	2,852	5,705	148,633	29,727
Net Pension Liability - IMRF	3,822,159	-	1,731,361	2,090,798	-
	<u>3,973,645</u>	<u>2,852</u>	<u>1,737,066</u>	<u>2,239,431</u>	<u>29,727</u>

Legal Debt Margin

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

Assessed Valuation - 2019	<u>\$ 2,605,107,615</u>
Legal Debt Limit - 2.875% of Assessed Value	74,896,844
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>74,896,844</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Fund Balance Classification

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

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

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

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

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

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

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classification – Continued

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

	General	Special Revenue Special Reserve	Nonmajor	Totals
Fund Balances				
Nonspendable				
Prepays	\$ 53,358	-	-	53,358
Restricted				
Property Tax Levies				
Audit	-	-	20,117	20,117
Illinois Municipal Retirement	-	-	204,784	204,784
Social Security	-	-	167,103	167,103
Building Maintenance	-	-	242,793	242,793
Unemployment Reserve	-	-	49,011	49,011
Tort Immunity	-	-	46,627	46,627
	-	-	730,435	730,435
Assigned				
Capital Projects	-	1,687,128	-	1,687,128
Unassigned	3,627,747	-	-	3,627,747
Total Fund Balances	3,681,105	1,687,128	730,435	6,098,668

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of June 30, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 9,085,316</u>

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

Grants

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

Litigation

The District is currently not involved in any litigation.

Financial Impact of COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

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

Illinois Municipal Retirement System

Plan Description

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

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

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Benefits Provided – Continued

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

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	145
Inactive Plan Members Entitled to but not yet Receiving Benefits	118
Active Plan Members	<u>77</u>
Total	<u><u>340</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year ended June 30 2020, the District's contribution was 12.64% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Actuarial Assumptions - Continued. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 4,771,048	2,090,798	(111,368)

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements
June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 20,876,780	17,054,621	3,822,159
Changes for the Year:			
Service Cost	292,400	-	292,400
Interest on the Total Pension Liability	1,478,505	-	1,478,505
Differences Between Expected and Actual Experience of the Total Pension Liability	520,355	-	520,355
Contributions - Employer	-	334,973	(334,973)
Contributions - Employees	-	134,109	(134,109)
Net Investment Income	-	3,355,020	(3,355,020)
Benefit Payments, including Refunds of Employee Contributions	(1,259,606)	(1,259,606)	-
Other (Net Transfer)	-	198,519	(198,519)
Net Changes	1,031,654	2,763,015	(1,731,361)
Balances at December 31, 2019	21,908,434	19,817,636	2,090,798

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

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

For the year ended June 30, 2020, the District recognized pension expense of \$599,172. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 374,397	-	374,397
Change in Assumptions	106,636	-	106,636
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(897,326)	(897,326)
Total Pension Expense			
to be Recognized in Future Periods	481,033	(897,326)	(416,293)
Pension Contributions Made Subsequent to the Measurement Date	207,297	-	207,297
Total Deferred Amounts Related to Pensions	688,330	(897,326)	(208,996)

\$207,297 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 136,058
2022	(199,738)
2023	75,391
2024	(428,004)
2025	-
Thereafter	-
Total	(416,293)

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Notes to the Financial Statements June 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The District has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the District provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the District has not recorded a liability as of June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

June 30, 2020

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 339,939	\$ 359,636	\$ 19,697	\$ 2,710,838	13.27%
2016	361,506	361,506	-	2,880,524	12.55%
2017	390,610	390,609	(1)	2,895,551	13.49%
2018	376,788	376,789	1	2,882,849	13.07%
2019	361,653	361,653	-	2,938,006	12.31%
2020	377,847	377,847	-	2,989,625	12.64%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market, 20% Corridor
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP 2017 (base year 2015)

Note:

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2020**

	December 31, 2014
Total Pension Liability	
Service Cost	\$ 338,111
Interest	1,154,512
Differences Between Expected and Actual Experience	260,271
Change of Assumptions	717,562
Benefit Payments, Including Refunds of Member Contributions	<u>(702,586)</u>
Net Change in Total Pension Liability	1,767,870
Total Pension Liability - Beginning	<u>15,575,733</u>
Total Pension Liability - Ending	<u><u>17,343,603</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 359,636
Contributions - Members	129,056
Net Investment Income	889,681
Benefit Payments, Including Refunds of Member Contributions	(702,586)
Other (Net Transfer)	<u>81,400</u>
Net Change in Plan Fiduciary Net Position	757,187
Plan Net Position - Beginning	<u>14,691,887</u>
Plan Net Position - Ending	<u><u>15,449,074</u></u>
Employer's Net Pension Liability	<u><u>\$ 1,894,529</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08%
Covered Payroll	\$ 2,710,838
Employer's Net Pension Liability as a Percentage of Covered Payroll	69.89%

Note:

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

December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
307,597	307,304	307,368	276,020	292,400
1,278,726	1,344,590	1,418,122	1,419,448	1,478,505
148,829	282,263	20,304	383,488	520,355
21,921	(69,375)	(649,751)	566,372	-
(804,258)	(900,399)	(1,012,374)	(1,113,018)	(1,259,606)
952,815	964,383	83,669	1,532,310	1,031,654
17,343,603	18,296,418	19,260,801	19,344,470	20,876,780
18,296,418	19,260,801	19,344,470	20,876,780	21,908,434
361,506	390,609	376,789	396,886	334,973
131,133	130,882	138,696	133,582	134,109
76,466	1,035,790	2,983,231	(1,145,691)	3,355,020
(804,258)	(900,399)	(1,012,374)	(1,113,018)	(1,259,606)
206,864	202,858	(399,820)	415,815	198,519
(28,289)	859,740	2,086,522	(1,312,426)	2,763,015
15,449,074	15,420,785	16,280,525	18,367,047	17,054,621
15,420,785	16,280,525	18,367,047	17,054,621	19,817,636
2,875,633	2,980,276	977,423	3,822,159	2,090,798
84.28%	84.53%	94.95%	81.69%	90.46%
2,880,524	2,895,551	2,882,849	2,968,480	2,980,192
99.83%	102.93%	33.90%	128.76%	70.16%

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 6,613,975	6,613,975	5,937,660
Charges for Services	136,984	136,984	76,424
Grants and Donations	192,216	192,216	134,459
Interest	40,000	40,000	112,057
Miscellaneous	2,696	2,696	6,109
Total Revenues	6,985,871	6,985,871	6,266,709
Expenditures			
Culture and Recreation	5,958,680	5,958,680	5,407,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,027,191	1,027,191	858,880
Other Financing (Uses)			
Transfers Out	-	-	(600,000)
Net Change in Fund Balance	1,027,191	1,027,191	258,880
Fund Balance - Beginning			3,422,225
Fund Balance - Ending			3,681,105

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Special Reserve - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
Capital Outlay	745,965	745,965	445,155
Excess (Deficiency) of Revenues Over (Under) Expenditures	(745,965)	(745,965)	(445,155)
Other Financing Sources			
Transfers In	600,000	600,000	600,000
Net Change in Fund Balance	<u>(145,965)</u>	<u>(145,965)</u>	154,845
Fund Balance - Beginning			<u>1,532,283</u>
Fund Balance - Ending			<u>1,687,128</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Special Reserve Fund

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

Audit Fund

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

Illinois Municipal Retirement Fund

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

Social Security Fund

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

Building Maintenance Fund

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

Unemployment Reserve Fund

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

Tort Immunity Fund

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

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 6,601,259	6,601,259	5,868,608
Replacement Taxes	12,716	12,716	69,052
Total Taxes	6,613,975	6,613,975	5,937,660
Charges for Services			
Fines	48,069	48,069	27,388
Replacement Fees	15,774	15,774	6,973
Book Recovery Service	14,688	14,688	6,008
Copier Fees	8,954	8,954	6,807
Printing Fees	17,122	17,122	12,582
Vending Machines	1,989	1,989	1,563
Meeting Room Fees	10,547	10,547	6,885
Interlibrary Loans	201	201	31
Nonresident Fees	12,557	12,557	8,148
Used Materials	7,083	7,083	39
Total Charges for Services	136,984	136,984	76,424
Grants and Donations			
Per Capita Grants	111,229	111,229	111,229
Gifts and Donations	80,987	80,987	23,230
Total Grants and Donations	192,216	192,216	134,459
Interest	40,000	40,000	112,057
Miscellaneous			
Sale of Equipment	1,929	1,929	3,679
Miscellaneous	767	767	2,430
Total Miscellaneous	2,696	2,696	6,109
Total Revenues	6,985,871	6,985,871	6,266,709

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Salaries			
Salaries	\$ 3,390,561	3,390,561	3,223,134
Employer Health Insurance	300,972	300,972	258,732
	<u>3,691,533</u>	<u>3,691,533</u>	<u>3,481,866</u>
Materials			
Books/Audio-Visual	405,000	405,000	379,529
Electronic References	605,855	605,855	539,162
	<u>1,010,855</u>	<u>1,010,855</u>	<u>918,691</u>
Utilities			
Gas	30,000	30,000	26,412
Electricity	220,000	220,000	174,878
Water	14,615	14,615	6,845
	<u>264,615</u>	<u>264,615</u>	<u>208,135</u>
Equipment Purchases			
Furniture	40,000	40,000	-
Computers	192,871	192,871	120,166
	<u>232,871</u>	<u>232,871</u>	<u>120,166</u>
Contractual Services			
Copier Maintenance	29,463	29,463	31,311
Technology Support	72,152	72,152	84,381
Postage Machines	1,891	1,891	2,044
LAN Management	55,920	55,920	77,010
Library Information Services	169,170	169,170	93,706
Internet Service	25,556	25,556	23,788
Bibliographic Support	2,650	2,650	3,055
Book Recovery Services	5,338	5,338	2,542
Accounting	19,013	19,013	11,740
Consultants	47,500	47,500	7,400
Leases (Branch, Telephone and Copiers)	57,850	57,850	54,082
	<u>486,503</u>	<u>486,503</u>	<u>391,059</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2020

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Supplies			
Office and Kitchen	\$ 1,500	1,500	792
Art and Printing	11,000	11,000	9,075
Copiers	4,750	4,750	2,164
Library Services	37,000	37,000	37,985
Maintenance	-	-	25,056
Program	15,300	15,300	9,111
	<u>69,550</u>	<u>69,550</u>	<u>84,183</u>
Operating Expenditures			
General/Tort/Other Insurance	-	-	2,530
Interlibrary Loan/Reprints	3,839	3,839	8,019
Telephone	4,254	4,254	3,360
Postage	3,927	3,927	1,248
Cultural and Educational Training	44,000	44,000	27,819
In-Services Training	30,216	30,216	29,641
Memberships	11,805	11,805	5,735
Community Information	12,000	12,000	13,183
Legal	6,325	6,325	3,512
Want Ads/Legal Notices	1,387	1,387	339
Expenditures of Public Gifts	10,000	10,000	35,332
Sales Tax	-	-	1,339
Shared Administrative Costs	10,000	10,000	10,000
	<u>137,753</u>	<u>137,753</u>	<u>142,057</u>
Auxiliary Projects			
Newsletters	62,000	62,000	60,820
Volunteer Programs	3,000	3,000	852
	<u>65,000</u>	<u>65,000</u>	<u>61,672</u>
Total Expenditures	<u>5,958,680</u>	<u>5,958,680</u>	<u>5,407,829</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

June 30, 2020

	<u>Audit</u>	<u>Illinois Municipal Retirement</u>
ASSETS		
Cash and Investments	\$ 20,117	204,784
Receivables - Net of Allowances		
Property Taxes	<u>311</u>	<u>223,553</u>
Total Assets	<u>20,428</u>	<u>428,337</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	311	223,553
FUND BALANCES		
Restricted	<u>20,117</u>	<u>204,784</u>
Total Deferred Inflows of Resources and Fund Balances	<u>20,428</u>	<u>428,337</u>

Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
167,103	242,793	49,011	46,627	730,435
176,086	146,995	310	27,590	574,845
343,189	389,788	49,321	74,217	1,305,280
176,086	146,995	310	27,590	574,845
167,103	242,793	49,011	46,627	730,435
343,189	389,788	49,321	74,217	1,305,280

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020**

	Audit	Illinois Municipal Retirement
Revenues		
Taxes	\$ 13,212	349,117
Expenditures		
Culture and Recreation	5,200	377,848
Net Change in Fund Balances	8,012	(28,731)
Fund Balances - Beginning	12,105	233,515
Fund Balances - Ending	20,117	204,784

Social Security	Building Maintenance	Unemployment Reserve	Tort Immunity	Totals
275,468	229,886	484	36,333	904,500
240,638	187,325	-	69,184	880,195
34,830	42,561	484	(32,851)	24,305
132,273	200,232	48,527	79,478	706,130
167,103	242,793	49,011	46,627	730,435

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Audit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 6,300	6,300	13,212
Expenditures			
Culture and Recreation			
Accounting	5,200	5,200	5,200
Net Change in Fund Balance	<u>1,100</u>	<u>1,100</u>	8,012
Fund Balance - Beginning			<u>12,105</u>
Fund Balance - Ending			<u>20,117</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Illinois Municipal Retirement - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 316,257	316,257	349,117
Expenditures			
Culture and Recreation			
Illinois Municipal Retirement	388,321	388,321	377,848
Net Change in Fund Balance	<u>(72,064)</u>	<u>(72,064)</u>	(28,731)
Fund Balance - Beginning			<u>233,515</u>
Fund Balance - Ending			<u>204,784</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 229,800	229,800	275,468
Expenditures			
Culture and Recreation			
Employer Contribution	259,378	259,378	240,638
Net Change in Fund Balance	<u>(29,578)</u>	<u>(29,578)</u>	34,830
Fund Balance - Beginning			<u>132,273</u>
Fund Balance - Ending			<u>167,103</u>

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Building Maintenance - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 225,363	225,363	229,886
Expenditures			
Culture and Recreation			
Cleaning Service	97,200	97,200	91,064
Equipment Repair	500	500	494
Trash	3,295	3,295	2,312
Landscaping and Lawn Service	12,636	12,636	15,122
Fire and Security	12,000	12,000	5,465
Elevator	8,000	8,000	16,142
Building Maintenance	27,500	27,500	14,297
Snow Removal	10,000	10,000	7,353
Heating, Ventilating and Air Conditioning	55,000	55,000	29,023
Parking Areas	10,000	10,000	-
Van Maintenance	500	500	110
Roof Maintenance	4,500	4,500	5,101
Van Fuel	1,300	1,300	842
Maintenance Supplies	35,000	35,000	-
Total Expenditures	277,431	277,431	187,325
Net Change in Fund Balance	(52,068)	(52,068)	42,561
Fund Balance - Beginning			200,232
Fund Balance - Ending			242,793

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Unemployment Reserve- Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 484	484	484
Expenditures			
Culture and Recreation			
Unemployment Compensation	500	500	-
Net Change in Fund Balance	(16)	(16)	484
Fund Balance - Beginning			48,527
Fund Balance - Ending			49,011

PALATINE PUBLIC LIBRARY DISTRICT, ILLINOIS

Tort Immunity - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 35,562	35,562	36,333
Expenditures			
Culture and Recreation			
Insurance	71,114	71,114	69,184
Net Change in Fund Balance	<u>(35,552)</u>	<u>(35,552)</u>	(32,851)
Fund Balance - Beginning			<u>79,478</u>
Fund Balance - Ending			<u>46,627</u>