



## PrairieCat Delegates Assembly

Oct. 18, 2023

10:30 a.m. – 12:00 p.m.

In person at Senica's Oak Ridge Golf Club, LaSalle, IL

Online via Zoom

Please visit L2 for in person registration or click on the link below:

[https://prairiecat-org.zoom.us/webinar/register/WN\\_eCsWEF7PRJmNab8EN1YRAw#/registration](https://prairiecat-org.zoom.us/webinar/register/WN_eCsWEF7PRJmNab8EN1YRAw#/registration)

### Agenda

The Delegates Assembly will meet on Wednesday, Oct. 18, 10:30 a.m. – 12:00 p.m. Delegates Assembly participation is required of all Fully Participating and Basic Online libraries and the four Union List reps. As always, please remember that only officially designated Delegates or their Alternates can vote on behalf of their library. Substitutes will not be permitted to vote, and there are no proxy votes if a delegate is not present.

**PUBLIC COMMENT: Public comments may be submitted via email to:**  
[carolyn.coulter@prairiecat.org](mailto:carolyn.coulter@prairiecat.org) at least two hours before the beginning of the meeting.

- I. Call to order and welcome
- II. Introductions and welcome new delegates or alternates
- III. Introduction of Guests
- IV. Review of agenda for additions/changes
- V. Public Comments via Zoom Meeting
- VI. Consent Agenda (pp. 2-18)
  - a. Approve minutes for July 26, 2023, PrairieCat Delegates Assembly meeting.
  - b. Central Site report including financial and statistical reports.
- VII. Administrative Council Report
  - a. Finance Committee Report – No report.
  - b. Resource Sharing Committee Report – No report.
- VIII. PrairieCat Membership Update, Training and Outreach report (pp. 19-20)
- IX. ACTION: Approve changes to the PrairieCat bylaws regarding bonding for the Administrative Council Treasurer (pp. 21.-22\_
- X. Review, PrairieCat annual financial audit results (pp. 23-68)
- XI. Presentations: Library of Things
  - I. Public Comments via previously submitted email (see above), in person or online.
  - II. Adjournment
- III. Next regularly scheduled meeting, January 24, 2024, North Suburban Public Library District, Loves Park and online via Zoom.



## **PrairieCat Delegates Assembly**

**July 26, 2023**

**10:30 a.m. – 12:00 p.m.**

**In person at the New Lenox Public Library, 120 Veterans Parkway, New**

**Lenox, IL**

**Online via Zoom**

**Please visit L2 for in person registration or click on the link below:**

<https://librarylearning.org/event/18828/register>

**Please use the link below to register online via Zoom:**

[https://prairiecat-org.zoom.us/webinar/register/WN\\_eCsWEF7PRJmNab8EN1YRAw#/registration](https://prairiecat-org.zoom.us/webinar/register/WN_eCsWEF7PRJmNab8EN1YRAw#/registration)

### **Minutes**

The Delegates Assembly met on Wednesday, July 26, 10:30 a.m. – 12:00 p.m. Delegates Assembly participation is required of all Fully Participating and Basic Online libraries and the four Union List reps. As always, please remember that only officially designated Delegates or their Alternates can vote on behalf of their library. Substitutes will not be permitted to vote, and there are no proxy votes if a delegate is not present.

**PUBLIC COMMENT: Public comments may be submitted via email to:**  
[carolyn.coulter@prairiecat.org](mailto:carolyn.coulter@prairiecat.org) **at least two hours before the beginning of the meeting.**

#### **I. Call to order and welcome**

**Present in New Lenox:** Linda Schreiber, Kelly McCully, Jodie DePatis, Emily Porter, Lynette Heiden, Jolene Franciskovich, Jennifer Shugrue, Karen Lonergan, Heather Black, Laura Long, Deb Wunsch, Ashley Huffines, Jenna Diedrich, Claire Crawford, Mary Wilkening, Laura Watson, Rylie Roubal, Mindy Long, Beth Ryan, Jourdan Wendt, Janet Clark, Ashley Hopper, Jamie Lockwood, Sondra Terry, Jan Ambrose, Cathy Palmer, Bryon Lear, Resa Mai, Mary Cheatwood, Bryon Lear Shalyn Rodriguez, Michelle Krooswyk, Emily Schaub, Lou Carlile, Mary Petro, Stephanie Nissen, Pennie Miller, Penny Bryant, Noreen Bormet, Deanna Howard, Julie Wayland, Annette Davis, Molly DeBernardi, Elaine Chapman, Tari Sangston, Kathy Peschang, Beth Wood, Angela Campbell, Kim Brozovich, Andy Newgren, Barbara Posinger, Yana Serdyuk, Cynthia Maxwell, Megan Gove, Debbie Griggs, Beth Tepen, Michelle Bailey, Maria Meachum, Nicholas Weber, Shelley Augustine, Chelsey Knippel, Carolyn Coulter, Elizabeth Smith, Magda Bonny, Roy Arey, Rene Leyva, Jason Jensen

**Present via Zoom:** Kristi Scherer, Paige Frechmann, Cynthia Cole, Denise Tollensdorf, Sue Stevens, Kimberly Martin, Valerie Woodley, Meredith Layne, Amy Runkle, Jennifer Barton, Laurel Reiss, Carol McSweeney, Tori Drews, Melissa Landis, Sarah Flanagan, Karen Sutera, Julie Voss, Allison Beasley, Amy Freeman, Janice May, Brenda Weinberg, April Hoste, Marilyn Calbow, Lynne Noffke, Ann Marie Jinkins, Lynn Sheedy, Brittany Gaulrapp, Jaclyn Trujillo, Sheree Kozellaha, Brandy Marsden, Katie Schmoyer, Britni Hartman, Emily Kofoid, Kimberly Udstrand, Laura Crisp

**Libraries represented:** See vote and quorum sheet.

Huffines (Chair-FP) started the meeting at 10:43 am. Faulkner welcomed everyone.

- II. Introductions and welcome new delegates or alternates  
Shalyn Rodriguez introduced herself as the new Alternate Delegate for New Lenox Public Library.
- III. Introduction of Guests  
Huffines (FP) introduced Monica Harris, RAILS Director, Kate Hall and Kelly Durov, both from Northbrook Public Library. All will be giving presentations later in the meeting.
- IV. Review of agenda for additions/changes  
There were no revisions.
- V. Public Comments via Zoom Meeting  
There were no public comments.
- VI. Consent Agenda – Add Maria Meachum to the attendance for April.
  - a. Approve minutes for April 26, 2023, PrairieCat Delegates Assembly meeting
  - b. Central Site report including financial and statistical reports

**Motion #1: Gove (TF) moved and Long (EM) seconded to approve the consent agenda as presented. There was no discussion on the motion. Motion carries by vocal affirmation.**

**Ayes: 86**

**Nays: 0**

**Abstentions: 0**

- VII. Administrative Council Report
  - a. Finance Committee Report – Report from June 15, 2023  
Ryan (JO) stated that the Finance Committee met at Moline Public Library on June 15<sup>th</sup>. Sharon Swanson and Elena Mendoza, our accountants from RAILS, joined the meeting to help explain and discuss our FY24 investment strategy. They presented six CD options from five different lenders: BankOrion, PMA, Black Hawk Bank and Trust, Quad City Bank and Trust and American Bank and Trust. It was explained that the interest rate projections by the Federal Reserve are not expected to increase for the remainder of the calendar year. In fact, they are projected to decrease over the next year-two years. With that in mind, Swanson and Mendoza recommend locking in a two-year CD now at the higher rates. PrairieCat would invest a total of \$500,000 between two CDs. The best rate is offered by PMA. Investing with PMA would require PrairieCat to open an iPrime account which will primarily be used for coupon interest deposits. Additionally, PMA offers two types of CDs, a traditional CD which is placed directly at the bank or a DTC which is placed at the bank through a broker. The main difference between traditional and DTC CDs is that DTCs are bought and sold like treasuries and will pay interest at intervals. The Finance Committee recommended having a PMA representative present at the Administrative Council to answer questions, which was done and was very helpful.

Ryan continued, stating that the second thing discussed and recommended was increasing the credit card limit for PrairieCat staff from \$10,000 to

\$15,000. The reason for this is due to moving our IT away from RAILS and the cost of in-person meetings and conferences.

Ryan explained another topic at the Finance Committee meeting was the discussion of adding temporary, part-time hours for a Cataloger to perform catalog clean up stemming from our move to Vega and recently adding several new libraries to the membership. This would not be a funded position and because of the timing with the budget, we will need to pull this money from the general fund. Keeping the salary for this person below \$20,000 for the year allows Administrative Council to approve the spending. It is on the agenda for August.

Finally, the Committee discussed moving future meetings to a single, central location to make it easier for all committee members to attend in person. Dekalb Public Library will be hosting us quarterly going forward. We also pushed back the start time of the meeting to 10:30 as an additional accommodation.

Gove (TF) asked if \$15,000 is a large enough increase on the credit cards. Coulter (PrairieCat) responded, yes, it will be enough because we are working on moving many of the monthly IT charges to an annual charge and we should be able to pay these by ACH at that time.

b. Resource Sharing Committee Report – No report.

VIII. PrairieCat Membership Update, Training and Outreach report (Elizabeth Smith)  
Smith (PrairieCat) updated the Delegates, saying, Putnam County Schools continues to work on adding items for their primary school. Mt. Carroll went live as a Basic Online member in early June. As will be discussed later in this meeting, Winnebago Public Library would like to join PrairieCat as a fully participating member. That migration project should begin soon. Freeport Memorial Hospital's Health and Science library, a union list member, did cancel their membership with PrairieCat as of June 30, 2023.

Smith reminded the Delegates that the new PrairieCat site has launched. The login page has been updated to help reduce some confusion on how library staff can log into the site. Library staff will need to use their L2 credentials to log into the PrairieCat site. The meeting documents and registrations links are posted on the event page for each individual event. From the homepage, you can see upcoming events. You can then select the event and scroll down for the agenda, packet and minutes. If you have any issues with the website, please submit a help desk ticket. As for Vega Discover updates, PrairieCat will be scheduling some training sessions in the month of August for members. We will cover and review searching and touch upon showcases. The Vega documentation and projection information is on the PrairieCat website under policies and procedures and online catalogs. There you will find all the recent project updates, links to the innovative support, resources and project roadmap. PrairieCat is currently working with Innovative on eCommerce configuration. Once the configuration is complete, we will be able to test it on the Vega side and move forward to fully launch Vega to patrons. Homepage customization is now available. Carousels can be added to your site to showcase new releases. If you would like to add carousels to your Vega site, please submit a help desk ticket.

Smith reminded the Delegates that PUG Day 2023 registration is now open. This is a live, in person event. Sessions will not be recorded. PUG Day is scheduled for

September 29, 2023 at Waubensee Community College in Sugar Grove, IL. Library staff can register for the event on L2. There is no registration fee, so it is a great opportunity to send staff at a minimal cost to the libraries. Attendees will have to option to opt in for lunch at a cost of \$14/person. If you would like to opt in for lunch, please register for the Waubensee + lunch option under location. Libraries will be billed after the event for their staff who chose the lunch option. Please visit the PUG Day site for more details on the event.

Weber (WO) asked if the eMaterials will be integrated into the Vega kiosk sites. Coulter (PrairieCat) replied, stating, at this time, eContent will not be integrated into kiosk sites. This is because kiosk sites were set up as an interface to be used in a library for the patrons to see exactly what is in that library's stacks, in that specific building. If you want see what's on hand and your library and the eContent available for that specific library, I recommend searching the collection site and using the location facets to search a specific library. But if you would like to see eMaterials integrated into the kiosk sites, Coulter will suggest it to Innovative. Drews (SD) stated she would like to see eMaterials Sherrard's kiosk site as well. Coulter also suggested teaching patrons to lock a facet so that all future searches will use that same criteria.

Weber asked when we can expect Vega to go live. Coulter said we are waiting for eCommerce to be set up and working before we can go live. We do have eCommerce set up on our test site, so once Innovative has it working correctly, we can go live. We are hoping this will happen in August.

- IX. ACTION: Approve Winnebago Public Library IGA for Fully Participating membership in PrairieCat

**Motion #2: Meachum (WL) moved and Ryan (JO) seconded to approve Winnebago Public Library IGA for Fully Participating membership in PrairieCat. There was no discussion on the motion. Motion carries on by vocal affirmation.**

**Ayes: 87  
Nays: 0  
Abstentions: 0**

- X. ACTION: Discussion and vote, FY24 PrairieCat payscale  
Huffines (FP) stated that every year, PrairieCat reviews the staff pay scale. Per recommendations from HR Source, the scale was adjusted up 2.65% for FY24 to avoid compression.

**Motion #3: McCulley (BD) moved and Porter (BY) seconded to approve FY24 PrairieCat payscale. There was no discussion on the motion. Motion carries on by vocal affirmation.**

**Ayes: 88  
Nays: 0  
Abstentions: 0**

- XI. Review, investment decision for PrairieCat funds  
Coulter (PrairieCat) explained that Ryan (JO) covered the investment decision previously in the meeting and asked if there were any other questions around this decision. There were no other questions.

XII. Presentations:

- a. Monica Harris, Introduction and RAILS update  
Harris (RAILS) introduced herself and gave the RAILS update.
  
- b. Kate Hall and Kelly Durov, Northbrook Public Library: Intellectual Freedom and First Amendment Audits  
Hall (Northbrook) and Durov (Northbrook) presented on Intellectual Freedom and First Amendment Audits.

I. Public Comments via previously submitted email (see above), in person or online  
There were no public comments.

II. Adjournment

The meeting adjourned at 12:21pm.

III. Next regularly scheduled meeting, October 18, 2023, Senica's Oak Ridge Golf Club and online via Zoom.

PrairieCat Delegates Assembly Vote Tally  
FY20

Total voting members: 105		Total needed for quorum: 53			52			Total needed for 2/3 vote: 70												
LLSAP Code	Agency (highlighted libraries attended via Zoom)	In person: 0 Zoom: 0 Total: 0	Motion 1: to approve the consent agenda as presented			Motion 2: to approve Winnebago Public Library IGA for Fully Participating membership in PrairieCat			Motion 3: to approve FY24 PrairieCat payscale.			Motion			Motion			Motion		
			Move: Gove (TF)			Move: Meachum (WL)			Move: McCully (BD)			Move:			Move:			Move:		
			Second: Long (EM)			Second: Ryan (JO)			Second: Porter (BY)			Second:			Second:			Second:		
		1 = in person NP= Not present for vote	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain
AN	Andalusia TL																			
BM	Bertolet ML		1			1			1											
BD	Bourbonnais PL		1			1			1											
BR	Bradley PL		1			1			1											
BY	Byron PLD		1			1			1											
CP	Charles B. Phillips PL		1			1			1											
CH	Cherry Valley PLD		1			1			1											
CT	Clinton Township PLD		1			1			1											
CC	Coal City PL		1			1			1											
CL	Colona PL		1			1			1											
CF	Community Unit SD #2		1			1			1											
CO	Cordova PL		1			1			1											
CN	Cortland Community Library		1			1			1											
CR	Creston-Dement PL		1			1			1											
DK	DeKalb PL																			
EA	Earlville PL		1			1			1											
EP	East Dubuque DL		1			1			1											
EM	East Moline PL		1			1			1											
EL	Elizabeth TL		1			1			1											
EJ	Ella Johnson ML																			
ER	Erie PL		1			1			1											
FL	Flagg-Rochelle PLD		1			1			1											
FO	Forreston PL (UL rep)		1			1			1											
FR	Fossil Ridge PL		1			1			1											
FG	Franklin Grove PLD		1			1			1											
FP	Freeport PLD		1			1			1											
GA	Galena PLD		1			1			1											
GP	Geneseo PL		1			1			1											
GE	Genoa PLD		1			1			1											
GR	Grant Park PL		1			1			1											
GV	Graves-Hume PL (Mendota)		1			1			1											
HN	Hanover TL		1			1			1											
HR	Harvard Diggins Library		1			1			1											
HE	Henry C Adams ML (Prophetstown)																			
HC	Highland Community College		1			1			1											
HK	Hinckley PLD		1			1			1											
HD	Homer Township Public Library		1			1			1											
BL	Ida PL		1			1			1											
JO	Johnsburg PL		1			1			1											
JC	Joliet HS District #204																			
JH	Julia Hull PL																			
KK	Kankakee Public Library		1			1			1											
LS	LaSalle PL		1			1			1											
LE	Lena CL		1			1			1											
LI	Limestone PL		1			1			1											
LO	Lostant CL		1			1			1											
ML	Malta PL		1			1			1											
MT	Manhattan PL		1			1			1											
MN	Manteno PL																			

PrairieCat Delegates Assembly Vote Tally  
FY20

LLSAP Code	Agency (highlighted libraries attended via Zoom)	In person: 0 Zoom: 0 Total: 0	Motion 1: to approve the consent agenda as presented			Motion 2: to approve Winnebago Public Library IGA for Fully Participating membership in PrairieCat			Motion 3: to approve FY24 PrairieCat payscale.			Motion			Motion			Motion		
			Move: Gove (TF)			Move: Meachum (WL)			Move: McCully (BD)			Move:			Move:			Move:		
			Second: Long (EM)			Second: Ryan (JO)			Second: Porter (BY)			Second:			Second:			Second:		
		1 = in person NP= Not present for vote	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain
MP	Maple Park PL		1			1			1											
MU	Marengo-Union PLD		NP			1			1											
MB	Marseilles PL		1			1			1											
MS	Meridian Schools																			
MK	Mokena PL		1			1			1											
MX	Moline PL		1			1			1											
MV	Moline High School (UL rep)																			
MR	Morris Area PL		1			1			1											
MM	Mount Morris PL		1			1			1											
NL	New Lenox PL		1			1			1											
KR	Nippersink PLD		1			1			1											
NC	North Chicago		1			1			1											
LP	North Suburban PLD		1			1			1											
OD	Odell PL		1			1			1											
OG	Oglesby PL		1			1			1											
OR	Oregon PL		1			1			1											
PP	Pearl City PL		NP			NP			1											
PT	Pecatonica PL		1			1			1											
PE	Peotone PL		1			1			1											
PU	Peru PL		1			1			1											
PD	Plano Community PL		1			1			1											
PX	Plano CUSD#88		1			1			1											
PO	Polo PLD																			
PR	Princeton PL		1			1			1											
PF	Princeton Twp HS																			
TW	Prophetstown-Lyndon-Tampico SD		1			1			1											
UC	Putnam County Schools		1			1			1											
UE	Putnam County PL		1			1			1											
RL	Reddick PL (Ottawa)		1			1			1											
MA	Richard A Mautino (Spring Valley)		1			1			1											
RD	River Valley DL (Port Byron)		1			1			1											
CV	Robert R. Jones DL (Coal Valley)																			
RO	Robert W. Rowe PL (Sheridan)		1			1			1											
RW	Rochelle Twp High School (UL rep)		1			1			1											
RP	Rock Island PL		1			1			1											
RU	Rockford University		1			1			1											
RY	Rockridge High School (UL rep)																			
SA	Sandwich PLD		1			1			1											
SC	Schmaling ML (Fulton)		1			1			1											
SE	Seneca PL		1			1			1											
SD	Sherrard PLD		1			1			1											
SL	Silvis PL																			
SK	Stockton PL																			
SN	Somonauk PL																			
SB	South Beloit PL		1			1			1											
SR	Streator PL		1			1			1											
SY	Sycamore PL																			
TF	Talcott Free LD		1			1			1											
TC	Three Rivers PL		1			1			1											
UT	United Township HS		1			1			1											



PrairieCat Delegates Assembly Vote Tally  
FY20

LLSAP Code	Agency (highlighted libraries attended via Zoom)	In person: 0 Zoom: 0 Total: 0	Motion 1: to approve the consent agenda as presented			Motion 2: to approve Winnebago Public Library IGA for Fully Participating membership in PrairieCat			Motion 3: to approve FY24 PrairieCat payscale.			Motion			Motion			Motion					
			Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain	Yes	No	Abstain			
			<b>Move:</b> Gove (TF)			<b>Move:</b> Meachum (WL)			<b>Move:</b> McCully (BD)			<b>Move:</b>			<b>Move:</b>			<b>Move:</b>					
			<b>Second:</b> Long (EM)			<b>Second:</b> Ryan (JO)			<b>Second:</b> Porter (BY)			<b>Second:</b>			<b>Second:</b>			<b>Second:</b>					
		1 = in person NP= Not present for vote																					
WA	Walnut PL		1			1			1														
WR	Warren Township PL		1			1			1														
WD	Western Dist PL (Orion)		1			1			1														
WL	Wilmington PL		1			1			1														
WO	Woodstock PL		1			1			1														
YK	Yorkville PL		1			1			1														
	Totals:	0	86	0	0	87	0	0	88	0	0	0	0	0	0	0	0	0	0	0	0	0	0



**Date:** 10/6/2023  
**To:** PrairieCat Administrative Council  
**From:** Elena Mendoza, RAILS Staff Accountant  
**Subject:** PrairieCat Financial Report – August 2023

Please find attached the PrairieCat Financial Reports for the month of August 2023. The attached statements include the Cash Report, Balance Sheet, Statement of Revenues and Expenses, and Check Register for the period of August 25 through September 22.

As of August 31, of the total cash balance of \$1,214,982, \$566,785 was undesignated working cash, \$636,672 was designated for capital reserves, \$11,524 was eCommerce receipts payable to the membership, and \$1 was a member library overpayment of their first quarter member fees. Cash decreased \$665,662 during the month of August primarily due to the purchase of two 24-month CDs with PMA (Prudent Man Advisors) in the amounts of \$226,050 and \$226,150. In addition to the CD purchases, cash also decreased due to the annual OCLC membership fees for the entire consortium \$140,345, three monthly payrolls in August, payroll-related expenses, as well as other vendor expenses.

The balance of working cash was sufficient to fund 3.4 months of budgeted FY2024 operating expenses, and the capital reserves amount could fund an additional 3.8 months of budgeted operating expenses. The \$452,200 principal of PrairieCat's CDs would be sufficient to fund an additional 2.7 months of budgeted operating expenses.

Total revenues through August of \$329,428 were \$6,017 below budget primarily due to the budgeted amount of the RAILS support grant which included the in-kind services that RAILS provides PrairieCat. These services are deducted from the total grant support allocation, the net of which is recorded as support grant revenue. This below budgeted amount is partially offset by above budgeted investment income through August.

Total year-to-date interest as of the end of August was \$6,623, which was \$3,623 above the year-to-date budgeted amount of \$3,000. The Federal Reserve has raised the interest rates eleven times since March 2022. During the Federal Reserve's September meeting, they chose not to raise the interest rate, but indicated there might be one more increase before the end of the calendar year, keeping the expected rate goal to 5.6% by the end of calendar year 2023. Their projections for the following two calendar years show fewer reductions in interest rates than previously mentioned, bringing the expected rates

from 4.6% to 5.1% for calendar year 2024 and from 3.4% to 3.9% for calendar year 2025. To take advantage of this current peak in rates, PrairieCat transferred \$500,000 from IL Funds in August to secure two 24-month CDs with PMA (Prudent Man Advisors), leaving a liquid balance of \$232,510 to float with the market and remain available for PrairieCat's immediate use, if needed. PrairieCat purchased two CDs on August 30 in the amounts of \$226,150 and \$226,050, for a total of \$452,200. The total amount invested for each CD is less than \$250,000 to stay below the FDIC insurance coverage limits of \$250,000 after the projected net interest for each CD has accrued and the CD's have matured. The remainder of the balance transferred from IL Funds (\$47,800) will remain in PrairieCat's iPrime money market (ISC) account to float with the market, and be available for PrairieCat's immediate use, if needed. The average August interest rates were 5.454% and 5.250% for the IL Funds and iPrime money market (ISC) accounts, respectively.

Total expenses through August of \$300,211 were \$20,983 below budget primarily due to under budget Contractual Services expenses (\$16,437), Professional Services (\$5,156), and Travel and Continuing Education costs (\$4,877). Contractual Services expenses were under budget mostly due to the way that the Innovative Interfaces Sierra software and hosting subscriptions are required to be recorded under the Governmental Accounting Standards Board's (GASB's) new standard, GASB Statement No. 96, which provides guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end-users. The requirements became effective for PrairieCat in FY2023. Under this statement, PrairieCat records monthly amortization expense of the total amount due for the entire contractual agreement as well as interest expense over the subscription term, at the present value of subscription payments. The goal of this statement is to recognize that the signing of these agreements constitutes a right to use asset which should be expensed as though this is a financing arrangement with an interest expense component, capitalized similarly to other assets, and depreciated (amortized) over the term of the agreement. Formerly, the Sierra software and hosting subscription expense were expensed to information service costs and other contractual services, respectively. Professional Services costs were below budget primarily due to the budgeted RAILS accounting service costs. These in-kind services are deducted from the overall total support grant allocation and are not invoiced to PrairieCat. Other under budget professional services were due to a lower than anticipated need for legal services through August. Travel and Continuing Education costs were below budget through August but are expected to rise as conferences and in-person member and governance meetings take place throughout the fiscal year. These below budget costs were partially offset by above budget interest expense related to the SBITAs discussed above. If the SBITA Interest expense was combined with the Contractual Services expenses, Contractual Services would only be \$4,668 below the budgeted year-to-date expense amount.

**PrairieCat**  
Balance Sheet  
As of 8/31/2023

	Balance End of Month
<b>Assets</b>	
Cash & cash equivalents	
Cash - Bank Orion	934,296.90
Cash - Illinois Funds	232,510.24
Cash - PMA	48,174.74
PayPal Funds	953.48
Total Cash & cash equivalents	1,215,935.36
Investments	452,200.00
Accounts receivables	32,197.35
Accrued investment income	64.19
Prepaid expenses	503,285.94
Capital Assets, net	
Computers	287,558.00
Vehicles	12,450.50
Subscription Based IT Arrangements	1,641,552.00
Accumulated Depreciation	(300,008.50)
Accumulated Amortization - Subscription Based IT Arrangement	(383,028.34)
Total Capital Assets, net	1,258,523.66
Other Assets	
Deferred Outflows - Pension	507,441.62
Total Other Assets	507,441.62
Total Assets	3,969,648.12
<b>Liabilities</b>	
eCommerce Receipts Payable	12,477.08
Payroll	
Pension Payable	16,471.03
Retirement Payable	1,226.84
Total Payroll	17,697.87
Deferred revenue	220,399.13
Compensated absences	36,203.28
Net Pension Liability	481,796.00
Other long-term obligations	
Deferred Inflows - Pension	1,647.00
Deferred Inflows - OPEB	2,819.00
Subscription Based IT Arrangements Payable	1,243,500.25
Total Other long-term obligations	1,247,966.25
Total Liabilities	2,016,539.61
<b>Net Assets</b>	
Beginning Net Assets	1,923,891.64
Current YTD Net Income	29,216.87
Total Net Assets	1,953,108.51
Total Liabilities and Net Assets	3,969,648.12

**PrairieCat**

Statement of Revenues and Expenses - FY24 is 16.67% Completed

From 8/1/2023 Through 8/31/2023

	<u>Current Month</u>	<u>YTD Actual</u>	<u>YTD Budget - Original</u>	<u>Percent of YTD Budget</u>	<u>Total Budget - Original</u>	<u>Percent of Annual Budget</u>
<b>REVENUES</b>						
Fees for Services and Materials						
Union List Member Revenue	4,999.16	4,999.16	4,999.00	100.00%	29,995.00	16.66%
Fully Participating and Basic Online Member Revenue	101,859.66	203,719.32	203,720.00	99.99%	1,222,316.14	16.66%
ILL Barcode Revenue	300.00	800.00	500.00	160.00%	3,000.00	26.66%
Fully Participating & Basic Online - CR Contribution	5,033.17	10,066.34	10,066.00	100.00%	60,398.00	16.66%
Union List - CR Contribution	915.84	915.84	916.00	99.98%	5,495.00	16.66%
<b>Total Fees for Services and Materials</b>	<b>113,107.83</b>	<b>220,500.66</b>	<b>220,201.00</b>	<b>100.14%</b>	<b>1,321,204.14</b>	<b>16.69%</b>
Reimbursements						
Reimbursements	1,540.60	3,081.20	3,392.00	90.83%	20,353.28	15.13%
Reimbursements - Hosting Fee	4,197.34	8,394.68	8,394.00	100.00%	50,368.00	16.66%
Reimbursements - Capira Mobile App	2,349.42	4,698.84	5,750.00	81.71%	34,500.00	13.61%
<b>Total Reimbursements</b>	<b>8,087.36</b>	<b>16,174.72</b>	<b>17,536.00</b>	<b>92.24%</b>	<b>105,221.28</b>	<b>15.37%</b>
Investment Income	3,060.38	6,623.44	3,000.00	220.78%	18,000.00	36.79%
Other						
Other Grants	0.00	0.00	332.00	0.00%	2,000.00	0.00%
Other Grants - RAILS Grants for Members	43,064.70	86,129.40	94,210.00	91.42%	565,262.00	15.23%
Other Revenue	0.00	0.00	166.00	0.00%	1,000.00	0.00%
<b>Total Other</b>	<b>43,064.70</b>	<b>86,129.40</b>	<b>94,708.00</b>	<b>90.94%</b>	<b>568,262.00</b>	<b>15.16%</b>
<b>Total REVENUES</b>	<b>167,320.27</b>	<b>329,428.22</b>	<b>335,445.00</b>	<b>98.21%</b>	<b>2,012,687.42</b>	<b>16.37%</b>
<b>EXPENSES</b>						
Personnel						
Other Professionals	51,930.92	103,861.84	103,442.00	100.40%	672,370.57	15.44%
Support Services	10,797.51	21,714.04	21,714.00	100.00%	141,146.97	15.38%
Social Security Taxes	4,414.09	8,823.62	9,574.00	92.16%	62,234.09	14.17%
Unemployment Insurance	0.00	0.00	584.00	0.00%	3,500.00	0.00%
Worker's Compensation	(434.09)	(290.34)	286.00	(101.51)%	1,720.00	(16.88)%
Retirement Benefits	8,104.53	16,224.44	16,170.00	100.33%	105,106.47	15.43%
Health, Dental And Life Insurance	13,834.17	27,614.53	28,477.00	96.97%	170,861.58	16.16%
Other Fringe Benefits	178.00	178.00	166.00	107.22%	1,000.00	17.80%
Tuition Reimbursements	0.00	0.00	83.00	0.00%	500.00	0.00%
Staff Professional Memberships	0.00	258.32	166.00	155.61%	1,000.00	25.83%
<b>Total Personnel</b>	<b>88,825.13</b>	<b>178,384.45</b>	<b>180,662.00</b>	<b>98.74%</b>	<b>1,159,439.68</b>	<b>15.39%</b>
Buildings and Grounds						
Property Insurance	232.08	464.16	416.00	111.57%	2,500.00	18.56%
<b>Total Buildings and Grounds</b>	<b>232.08</b>	<b>464.16</b>	<b>416.00</b>	<b>111.58%</b>	<b>2,500.00</b>	<b>18.57%</b>
Vehicle Expenses						
Fuel	93.46	95.46	333.00	28.66%	2,000.00	4.77%
Repairs And Maintenance	0.00	0.00	333.00	0.00%	2,000.00	0.00%

**PrairieCat**

Statement of Revenues and Expenses - FY24 is 16.67% Completed  
From 8/1/2023 Through 8/31/2023

	<u>Current Month</u>	<u>YTD Actual</u>	<u>YTD Budget - Original</u>	<u>Percent of YTD Budget</u>	<u>Total Budget - Original</u>	<u>Percent of Annual Budget</u>
Vehicle Insurance	121.83	243.66	333.00	73.17%	2,000.00	12.18%
Vehicles Leasing And Rent	0.00	0.00	83.00	0.00%	500.00	0.00%
Other Vehicle Expenses	0.00	0.00	125.00	0.00%	750.00	0.00%
<b>Total Vehicle Expenses</b>	<b>215.29</b>	<b>339.12</b>	<b>1,207.00</b>	<b>28.10%</b>	<b>7,250.00</b>	<b>4.68%</b>
<b>Travel and Continuing Education</b>						
In-State Travel	0.00	0.00	833.00	0.00%	5,000.00	0.00%
Out-Of-State Travel	0.00	0.00	1,166.00	0.00%	7,000.00	0.00%
Registrations And Meeting, Other Fees	200.86	410.86	1,666.00	24.66%	10,000.00	4.10%
Conferences And Continuing Education Meetings	80.87	80.87	2,500.00	3.23%	15,000.00	0.53%
Public Relations	879.01	879.01	83.00	1,059.04%	500.00	175.80%
<b>Total Travel and Continuing Education</b>	<b>1,160.74</b>	<b>1,370.74</b>	<b>6,248.00</b>	<b>21.94%</b>	<b>37,500.00</b>	<b>3.66%</b>
Commercial Insurance	604.83	1,209.66	1,900.00	63.66%	11,400.00	10.61%
<b>Supplies, Postage and Printing</b>						
Computers, Software And Supplies	2,332.41	4,435.07	5,081.00	87.28%	30,486.00	14.54%
General Office Supplies And Equipment	66.77	66.77	416.00	16.05%	2,500.00	2.67%
<b>Total Supplies, Postage and Printing</b>	<b>2,399.18</b>	<b>4,501.84</b>	<b>5,497.00</b>	<b>81.90%</b>	<b>32,986.00</b>	<b>13.65%</b>
Telephone and Telecommunications	154.24	154.24	916.00	16.83%	5,500.00	2.80%
<b>Equipment Repair and Maintenance</b>						
Equipment Repair And Maintenance Agreements	88.14	176.28	500.00	35.25%	3,000.00	5.87%
<b>Total Equipment Repair and Maintenance</b>	<b>88.14</b>	<b>176.28</b>	<b>500.00</b>	<b>35.26%</b>	<b>3,000.00</b>	<b>5.88%</b>
<b>Professional Services</b>						
Legal	0.00	0.00	1,166.00	0.00%	7,000.00	0.00%
Accounting	4,800.00	4,800.00	9,266.00	51.80%	55,600.00	8.63%
Consulting	750.00	750.00	416.00	180.28%	2,500.00	30.00%
Payroll Service Fees	885.36	1,475.60	1,334.00	110.61%	8,000.00	18.44%
<b>Total Professional Services</b>	<b>6,435.36</b>	<b>7,025.60</b>	<b>12,182.00</b>	<b>57.67%</b>	<b>73,100.00</b>	<b>9.61%</b>
<b>Contractual Services</b>						
Information Service Costs	31,418.84	38,668.66	95,735.30	40.39%	574,411.73	6.73%
Outside Printing Services	0.00	0.00	333.00	0.00%	2,000.00	0.00%
Other Contractual Services	255.00	510.00	14,266.00	3.57%	85,600.00	0.59%
Amortization - Subscription Based IT Arrangements	27,359.17	54,718.34	0.00	0.00%	0.00	0.00%
<b>Total Contractual Services</b>	<b>59,033.01</b>	<b>93,897.00</b>	<b>110,334.30</b>	<b>85.10%</b>	<b>662,011.73</b>	<b>14.18%</b>
Professional Association Membership Dues	99.58	241.04	333.00	72.38%	2,000.00	12.05%
SBITA Interest	5,884.75	11,769.50	0.00	0.00%	0.00	0.00%
Miscellaneous	74.25	253.25	83.00	305.12%	500.00	50.65%

**PrairieCat**

Statement of Revenues and Expenses - FY24 is 16.67% Completed  
From 8/1/2023 Through 8/31/2023

	<u>Current Month</u>	<u>YTD Actual</u>	<u>YTD Budget - Original</u>	<u>Percent of YTD Budget</u>	<u>Total Budget - Original</u>	<u>Percent of Annual Budget</u>
Miscellaneous - eCommerce Fees	424.47	424.47	916.00	46.33%	5,500.00	7.71%
Total EXPENSES	<u>165,631.05</u>	<u>300,211.35</u>	<u>321,194.30</u>	<u>93.47%</u>	<u>2,002,687.41</u>	<u>14.99%</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>1,689.22</u>	<u>29,216.87</u>	<u>14,250.70</u>	<u>205.02%</u>	<u>10,000.01</u>	<u>292.16%</u>

**PrairieCat**  
Check/Voucher Register  
1000 - Cash - Bank Orion  
From 8/25/2023 Through 9/22/2023

Vendor Name	Effective Date	Check Amount
Bank Orion	8/28/2023	252.00
First Bankcard	8/28/2023	1,965.87
Cherry Hill Company	8/30/2023	3,140.00
Lauterbach & Amen, LLP	8/30/2023	4,800.00
Paycom Payroll LLC	8/31/2023	295.12
Paycom Payroll LLC	8/31/2023	20,113.47
Paycom Payroll LLC	8/31/2023	8,021.94
Bank Orion	8/31/2023	58.25
ICMA Retirement Corporation	9/1/2023	1,226.84
MerchantE	9/5/2023	272.74
MerchantE	9/5/2023	45.51
Klein, Thorpe and Jenkins, Ltd.	9/6/2023	129.00
Illinois Municipal Retirement Fund	9/7/2023	10,980.65
Bank Orion	9/12/2023	30.00
LIMRICC	9/13/2023	18,222.19
Paycom Payroll LLC	9/14/2023	295.12
Paycom Payroll LLC	9/14/2023	20,226.90
Paycom Payroll LLC	9/14/2023	8,096.67
ICMA Retirement Corporation	9/15/2023	1,226.84
Bradley Public Library District	9/20/2023	281.00
Charles B. Phillips Public Library District	9/20/2023	35.00
Cherry Hill Company	9/20/2023	4,192.50
Coal City Public Library District	9/20/2023	57.09
Fossil Ridge Public Library District	9/20/2023	18.00
Kankakee Public Library	9/20/2023	85.00
LaSalle Public Library	9/20/2023	33.98
LOSTANT COMMUNITY LIBRARY	9/20/2023	20.00
Manhattan-Elwood Public Library District	9/20/2023	118.00
Manteno Public Library District	9/20/2023	17.96
Mokena Community Public Library District	9/20/2023	35.30
New Lenox Public Library	9/20/2023	126.00
Peotone Public Library District	9/20/2023	17.00
Plano Community Library District	9/20/2023	30.00
RAILS	9/20/2023	193.84
Reddick Public Library District	9/20/2023	27.00
Seneca Public Library District	9/20/2023	64.20
Somonauk Public Library District	9/20/2023	20.00
Three Rivers Public Library	9/20/2023	20.00
Wilmington Public Library District	9/20/2023	50.00
Report Total		104,840.98



**PRAIRIECAT  
CASH REPORT  
FOR THE PERIOD ENDING August 31, 2023**

Beginning Cash Balance	\$ 1,880,644.10
<b>Cash Received</b>	
Payments from Member Libraries, etc.	54,380.50
Interest - BankORION	291.03
Interest - Illinois Funds	2,330.42
Interest - PMA	374.74
eCommerce Receipts Payable	<u>6,120.35</u>
Total Cash Received	63,497.04
<b>Expenses Paid</b>	
Checks and Vendor ACH Payments	173,901.31
Payroll and Retirement Contributions	98,654.03
ACH Credit Card Payments	3,901.20
Miscellaneous (Lockbox & Misc. Bank Fees, eCommerce Fees, etc.)	<u>502.72</u>
Total Disbursements	276,959.26
<b>Investments Made</b>	
PMA CD Investment Purchase of two CD's	452,200.00
Ending Cash Balance	<u><u>\$ 1,214,981.88</u></u>

**CASH DETAILS:**

Member Library Deposit Accounts/Prepayments	\$ 0.75
eCommerce Cash Receipts Payable	11,523.60
Capital Reserve Designation	636,672.59
Working Cash	566,784.94

**TOTAL CASH**

\$ 1,214,981.88

**PAYPAL FUNDS DETAILS:**

August PayPal Receipts in Transit to Bank	\$953.48
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**CD INVESTMENT DETAILS:**

Cornerstone Bank: 24-month CD Principal @ 5.112% Interest 8/30/2023 - 8/27/2025	\$ 226,050.00
Financial Federal Bank: 24-month CD Principal @ 5.250% Interest 8/30/2023 - 8/27/2025	\$ 226,150.00
Accrued Investment Income as of August 2023	\$ 64.19

**TOTAL CD INVESTMENT VALUE UPON MATURITY**

\$ 452,264.19

Invested in Capital Assets Balance as of August 2023	\$0.00
Invested Subscription IT Arrangement Capital Assets Balance as of August 2023	\$1,258,523.66
Unrestricted Fund Balance as of August 2023	\$694,584.85
FY24 operating expenses excluding planned capital reserve designation:	\$ 1,992,687.41
Working Cash % of operating expenses:	28.44%

	July 2023	July 2022	Aug 2023	Aug 2022	Sept 2023	Sept 2022	Oct 2023	Oct 2022	Nov 2023	Nov 2022	Dec 2023	Dec 2022	Jan 2024	Jan 2023	Feb 2024	Feb 2023	Mar 2024	Mar 2023	Apr 2024	Apr 2023	May 2024	May 2023	June 2024	June 2023	FY23 Totals	
<b>General</b>																										
Bibliographic records	1,218,077	1,211,017	1,217,302	1,209,331	-	1,206,499	-	1,226,849	-	1,225,612	-	1,224,624	-	1,223,124	-	1,221,543	-	1,221,663	-	1,222,047	-	1,220,995	-	1,219,011	1,219,011	
Item records	5,130,722	5,142,475	5,129,098	5,141,450	-	5,118,515	-	5,170,302	-	5,164,903	-	5,160,306	-	5,155,078	-	5,142,598	-	5,142,184	-	5,148,380	-	5,140,536	-	5,129,702	5,129,702	
Patron records	335,278	349,095	341,166	354,815	-	358,694	-	371,248	-	372,189	-	372,299	-	374,606	-	377,525	-	380,479	-	366,283	-	349,172	-	329,824	329,824	
Total circulation	444,070	442,427	416,179	431,013	-	392,512	-	386,612	-	379,399	-	329,603	-	404,704	-	378,131	-	432,486	-	373,796	-	368,789	-	472,168	4,791,640	
ILL transactions on LLSAP	52,525	52,033	56,782	57,066	-	54,709	-	52,583	-	52,224	-	45,731	-	62,328	-	55,892	-	63,062	-	51,601	-	49,798	-	55,074	652,101	
Reciprocal borrowing	49,484	49,276	47,347	48,160	-	43,301	-	43,631	-	42,487	-	36,391	-	45,815	-	44,489	-	50,995	-	43,442	-	43,343	-	55,008	546,338	
<b>Training, Outreach and Engagement</b>																										
Training events	6	7	10	2	-	7	-	4	-	7	-	8	-	6	-	6	-	3	-	3	-	8	-	3	64	
Training participants	80	23	74	12	-	17	-	202	-	16	-	64	-	17	-	14	-	14	-	6	-	18	-	22	425	
Training contact hours	132	33	92	18	-	25	-	301	-	21	-	73	-	25	-	20	-	22	-	6	-	26	-	14	580	
TalentLMS Course Completions	228	292	265	420	-	302	-	302	-	184	-	126	-	228	-	192	-	207	-	192	-	236	-	196	2,877	
Site visits	2	1	1	4	-	-	-	5	-	2	-	2	-	1	-	2	-	1	-	4	-	5	-	1	28	
Member Meetings/Events	5	10	13	9	-	10	-	10	-	6	-	9	-	7	-	9	-	7	-	9	-	9	-	8	103	
Meeting/Event participants	150	183	172	129	-	406	-	201	-	80	-	154	-	165	-	140	-	46	-	219	-	123	-	86	1,932	
Meeting/Event contact hours	393	257	230	184	-	85	-	322	-	251	-	197	-	276	-	214	-	55	-	459	-	174	-	106	2,577	
<b>Troubleshooting</b>																										
HelpDesk Calls Opened	186	242	307	388	-	236	-	291	-	384	-	285	-	247	-	320	-	327	-	263	-	312	-	302	3,597	
HelpDesk Calls Closed	227	225	298	385	-	193	-	281	-	364	-	251	-	248	-	512	-	339	-	256	-	274	-	292	3,620	
<b>Database Enrichment</b>																										
Bibload records loaded - PC staff	1,701	1,980	1,537	1,620	-	1,751	-	1,520	-	1,801	-	1,562	-	1,857	-	1,532	-	1,774	-	1,372	-	1,728	-	1,879	20,376	
Bibload records loaded - MARC catalogers	2,093	1,968	2,955	2,173	-	2,481	-	2,273	-	2,266	-	1,688	-	1,750	-	1,909	-	2,722	-	2,250	-	2,347	-	2,153	25,980	
Cleanup/overlays/merges - PC staff	1,189	704	748	2,712	-	1,417	-	3,051	-	1,226	-	1,226	-	1,656	-	1,499	-	1,717	-	931	-	960	-	711	19,121	
Cleanup/overlays/merges - MARC catalogers	864	825	852	1,142	-	1,320	-	913	-	1,178	-	896	-	906	-	767	-	1,026	-	1,068	-	936	-	975	11,952	
Enhancements/corrections - PC staff	8	22	12	43	-	48	-	49	-	9	-	26	-	50	-	8	-	8	-	14	-	11	-	7	295	
Enhancements/corrections - MARC catalogers	105	116	182	188	-	159	-	75	-	113	-	67	-	114	-	97	-	169	-	79	-	108	-	107	1,392	
Original catalogings - PC staff	11	26	11	29	-	34	-	53	-	24	-	34	-	40	-	2	-	21	-	4	-	13	-	24	304	
Original catalogings - MARC catalogers	45	36	29	-	-	-	-	31	-	36	-	19	-	-	-	-	-	-	-	-	-	-	-	-	122	
Special projects (Call number conversion, ICode1 conversion, Reclamation, etc)	57,887	68,998	11,635	29,015	-	64,216	-	126,732	-	48,009	-	46,693	-	89,781	-	93,886	-	53,236	-	42,387	-	36,958	-	39,952	739,863	
To see the full statistical spreadsheet, visit: <a href="https://support.prairiecatt.info/gov">https://support.prairiecatt.info/gov</a>																										

## Annual Report | July 2022-June 2023

PrairieCat assists members in the successful sharing of resources and services, expanding the quality and quantity of information accessible to our library users.

At its core, PrairieCat exists to provide an integrated library system (ILS) to members—having a central ILS provides efficiencies to 138 member libraries.

## Database Support

- 12 PrairieCat staff
- 25 monthly statistical reports
- 12 reports with further processing by PC staff
- 494 original cataloging records
- 47,942 record loads
- 33,225 record enhancement and cleanup
- 743,499 special project record cleanup
- 20 MARC Catalogers from member libraries
- 1 Sierra upgrades — v 5.5
- 1 Encore upgrade

Total Help Desk Tickets Processed: 3,620

## Member Libraries

### 138 Member Libraries

- 83 Fully Participating Members
- 19 Basic Online Members
- 36 Union Listing Members

### Multi-type Consortium

- 103 public libraries
- 31 school libraries
- 2 academic libraries
- 2 corporate, medical, or other special libraries

## Resource Sharing Network

Access to more than 1.2 million unique titles and 5.1 millions items.

- 4,791,640 items circulated
- 652,101 interlibrary loan holds filled
- 546,338 reciprocal borrowing transactions between PrairieCat libraries



## Engagement

Members are actively engaged at all levels, which creates connections and advances the organization.

PUG Days 2022 Virtual: 434 attendees from 67 member libraries (49% participation) | 9 live sessions

Virtual Member Updates: 2 meetings with 128 total attendees

In-Person Member Updates: 4 meetings across membership region with 44 total attendees

10 Governance and Standing Committees: 48 meetings

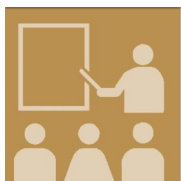
Site Visits with Member Libraries: 9 Virtual Site Visits | 20 In-Person Site Visits

Resource Sharing Summit: 31 participants

8 other events including New Director Welcome, Union List Members, and Back to School Session

# FY23 Annual Report

## Connecting Libraries to Strengthen Communities



**Training** | Learning opportunities equip members to provide excellent service to end users.

### PrairieCat Led Sessions

64 Live Training Sessions

425 Attendees

### Talent LMS Courses

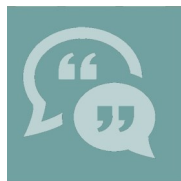
51 self-paced courses

2,877 courses completed | 419 users

TalentLMS: Self-paced courses available 24/7 through PrairieCat's online training platform. The majority of PrairieCat trainings are offered online such as searching, holds, circulation, and cataloging. More advanced classes and workshops are offered as live, on-demand classes.

Item Entry Certification: 43 library staff completed Item Entry Certification through TalentLMS. PrairieCat requires that any staff that adds new items to the PrairieCat database are item entry certified to help maintain the accuracy of the database.

Create Lists Training: Create Lists is available to Fully Participating members and the training must be completed to use this function. 25 library staff completed the training.



**User Experience** | Members are supported in their efforts to provide exceptional service to end users.

Innovative Interfaces: In July 2022, Innovative released Vega Discover for consortia. PrairieCat worked throughout the year with the Innovative team on implementation and configuration of the system for the 138 individual library agencies. Vega Discover has several features that will improve the end user experience such as roll-ups, e-material integration, improved searching, and site customization.

Fine Free Libraries: 10 PrairieCat libraries went fine free during FY23 bringing the total to 48. PrairieCat staff provided system support and resources to make these changes possible.

Mobile App: 55 PrairieCat libraries have opted in to the mobile app to provide a mobile option for their users.

PrairieCat Website: The redesigned and upgraded website launched in June 2023. The new site provides improved organization, member resources, and discoverable documentation.



**Governance** | Leadership is transparent, responsive, innovative, and accountable.

Delegates Assembly: 88% voting member attendance rate

FY24 Administrative Council and Standing Committees Election: 49% member participation

PrairieCat welcomed 16 new directors at member libraries.

Membership Changes: North Chicago Public Library went live as a Fully Participating member in October 2022. The Rock Island Public Library Watts-Midtown branch opened in February 2023. Lostant Community Library joined as a new Basic Online member and went live in March 2023. Mount Carroll District Library upgraded to Basic Online in June 2023.

Sustainability: RAILS grant funds accounted for approximately 30% of PrairieCat budgeted revenues in FY23 in addition to in-kind services. PrairieCat completed the transition to support its own IT infrastructure.



**To: PrairieCat Delegates Assembly**

**From: Carolyn Coulter, PrairieCat director**

**Date: 10/18/2023**

**Re: Eliminating requirements for bonding of Administrative Council Treasurer**

Currently, PrairieCat Bylaws require that we bond our Administrative Council Treasurer. When speaking with our accountants from RAILS, they felt that this is unnecessary as the PrairieCat Treasurer does not handle any funds, and our requirements to have two signatures on all checks would sufficiently prohibit any possible malfeasance. Speaking with our lawyer at Klein, Thorpe and Jenkins, we have verified that as an intergovernmental instrumentality we are not required by statute to bond our treasurer. According to the email received from our lawyer regarding this matter:

“In the Acts that require a bonded treasurer, the reasoning is that the Treasurer position has some statutory duties as well and those duties imply a more direct role with money. The intergovernmental cooperation act does not require treasurer bonding directly for all public agencies formed under that statute.”

The Treasurer’s bond that we have obtained in the past has cost PrairieCat \$1,000 and must be reissued whenever we appoint a new treasurer to the Administrative Council. Given that bonding is not required and does involve significant and intrusive questions to the Treasurer, it is felt that we could drop this requirement from the Bylaws.

**Recommendation:**

It is suggested that the Delegates Assembly vote to remove Article III, Section 7, subsection “d” of the bylaws. The relevant subsection is highlighted in red below.

**SECTION 7. TREASURER.** The Treasurer shall be the principal accounting and financial officer of PRAIRIECAT. In performing these duties, the Treasurer shall oversee the work of the agent, consultant or independent contractor hired to perform financial services for PRAIRIECAT. He/she shall:

- a. have charge of and be responsible for the maintenance of adequate books of account for PRAIRIECAT;
- b. have charge and custody of all funds and securities of PRAIRIECAT, and be responsible therefore, and for the receipt and disbursement thereof and, subject to the provisions of Section 4 of Article VI below, shall deposit such funds and securities in such banks as the Administrative Council shall approve from time to time;

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220 W. 23<sup>rd</sup> Avenue  
Coal Valley, IL 61240  
(877) 542-7257  
<http://support.prairiecat.info>

- c. perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Chair or by the Administrative Council; and
- d. shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Administrative Council shall determine, which bond shall be paid for by PRAIRIECAT.
- e. the Treasurer shall serve as a member of the Finance Committee of the Administrative Council or of any other such committee created by the Administrative Council for consideration of annual budgetary matters.



**Date:** 10/18/2023  
**To:** PrairieCat Delegates Assembly  
**From:** Elena Mendoza, RAILS Staff Accountant for PrairieCat  
**Subject:** PrairieCat Fiscal Year 2023 Audit

**Executive Summary:**

The fiscal year 2023 audit was presented to the Administrative Council on 10/6/2023. The Administrative Council accepted the audit.

**Detailed Description:**

The auditors have issued a clean opinion, as usual.

GASB Statement No. 96 was implemented for the fiscal year ending June 30, 2023. This new statement provides guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. The requirements of this statement became effective and were implemented for PrairieCat in fiscal year 2023. The statement defines a SBITA as a contract that conveys control of the right to use another party's IT software. For PrairieCat, this means that the cost of the five-year contract with Innovative Interfaces needed to be recorded as an asset (\$1,641,552), which will be amortized over the term of the contract. Since the contract is being paid for in installments over the five years, GASB views this as a financing arrangement with Innovative Interfaces. The liability (\$1,276,983) for the remaining amount of the term of the contract was recorded in fiscal year 2023 and is shown as debt in the audit. As the annual payments are made to Innovative Interfaces, a portion of the subscription payments will be recorded as interest from this financing arrangement.

Also, during fiscal year 2023, PrairieCat's IMRF Net Pension Liability increased \$94,700 due to PrairieCat having its first full year of IMRF membership.

Moving through the report, the Management Discussion and Analysis (MD&A) discussed the major accomplishments that PrairieCat made as an organization during fiscal year 2023 and shortly thereafter. It also briefly explains the purpose of each of the presented financial statements and analyzes the financial results compared to the fiscal year 2023 budget as well as the fiscal year 2022 audited financial statements.

The financial statements show PrairieCat's fund balance, fiscal year 2023 change in net position, and the sources of the cash flows for the fiscal year. PrairieCat added \$95,385 to its net position for the fiscal year ended June 30, 2023, primarily due to net operating income of \$65,195 as well as investment income of \$30,190. The increase in net position from fiscal year 2022 to fiscal year 2023 was \$165,282 above the increase anticipated in the fiscal year 2023 budget. For the fiscal year ended, June 30, 2023, PrairieCat added \$103,387 to its cash and investment balance.

The notes to the financial statements provide insight into details behind the numbers in the financial statements and the organization's operations.

A schedule showing the comparison of the actual to the budgeted expenses for the year is included at the end of the report. This shows the detail of the budget variances noted earlier.



PRAIRIECAT  
COAL VALLEY, ILLINOIS  

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ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

220 West 23rd Avenue  
Coal Valley, IL 61240  
Phone: 877.542.7257

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## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

September 22, 2023

The Administrative Council  
PrairieCat  
Coal Valley, Illinois

### **Opinions**

We have audited the accompanying financial statements of PrairieCat as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise PrairieCat's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of PrairieCat as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PrairieCat’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PrairieCat’s ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise PrairieCat's 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information 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**



**Management's Discussion and Analysis**

**June 30, 2023**

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PrairieCat presents the following discussion and analysis of its financial performance, which provides an overview of its financial activities for the year ended June 30, 2023, PrairieCat's thirteenth year of operations. The management encourages the readers to review the information presented herein in conjunction with the basic financial statements that follow in order to enhance their understanding of PrairieCat's financial performance.

**Financial Highlights**

As of June 30, 2023, PrairieCat's total net position was \$1,923,891. Net position increased \$95,385 for the year ended June 30, 2023, as PrairieCat had net operating income of \$65,195 and investment income of \$30,190. This increase in net position was \$165,282 above the change anticipated in the budget. Beginning balances in capital assets and long-term debt were restated due to the implementation of GASB Statement No. 96; however, the net effect on the Statement of Activities was zero.

**Operational Highlights**

PrairieCat made progress in many areas during the year ended June 30, 2023. The outline below gives the reader an indication of PrairieCat's accomplishments and activities during the year:

- Fiscal year 2023 was the fifth year of PrairieCat's staff independence from the Reaching Across Illinois Library System (RAILS). In July 2018, PrairieCat staff resigned from RAILS and were immediately hired by PrairieCat. PrairieCat now budgets for staff salaries and benefits for its support staff, and bears all other related costs associated with this. On July 1, 2021, PrairieCat rejoined the Illinois Municipal Retirement Fund (IMRF), curtailing its 401(a) plan in lieu of membership in the pension plan. PrairieCat's annual IMRF contribution rate in fiscal year 2024 is 12.92%, down from 13.46% in fiscal year 2023.
- The COVID-19 pandemic's impact on physical meetings and site visits has somewhat dissipated. In fiscal year 2023, PrairieCat staff made 28 site visits to member libraries, provided 64 instructor-led training sessions representing 580 training contact hours, and closed 4,365 help desk tickets. Members also completed 2,877 TalentLMS courses using PrairieCat's online learning management system. In addition, PrairieCat held 103 member meetings or events, which included participation from 1,932 member staff and resulted in 2,577 contact hours of interaction with the membership.
- In fiscal year 2023, PrairieCat staff continued to balance telework with limited office hours during the week. Increasingly, PrairieCat staff worked primarily from home, and as we move forward in fiscal year 2024, we have removed our dedicated office spaces in the currently occupied RAILS facilities to minimize costs.
- The RAILS Local Library System Automation Program (LLSAP) fiscal year 2023 cataloging grant allowed the Mt. Carroll Public Library, formerly a Union Listing member, to upgrade to Basic Online status. Lostant Community Library also finished their implementation in fiscal year 2023 and is now sharing resources in the PrairieCat system. PrairieCat just signed an Intergovernmental Agreement with Winnebago Public Library in Winnebago, IL, who will join as a fully participating member in fiscal year 2024.

Some other significant accomplishments during (or shortly after) fiscal year 2023 were:

- The fiscal year 2023 PUG Day event was again moved online. Attendance was good, and surveys have shown that an ongoing online option is desired by the membership, even after PrairieCat returned to in-person meetings and events. PrairieCat will hold PUG Day as a both an in-person event as well as providing smaller virtual sessions throughout fiscal year 2024.

**Management's Discussion and Analysis**

**June 30, 2023**

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- PrairieCat kept pace with Innovative upgrade rollouts. PrairieCat remains a development partner with Innovative for their patron engagement suite of products associated with their new software, Vega. In addition, PrairieCat continues to work toward implementation of the new Vega discovery product and is very close to replacing PrairieCat's existing discovery layer, Encore, with Vega discovery in fiscal year 2024. PrairieCat members continue to provide input to the Vega Promote product, and in fiscal year 2024 or fiscal year 2025 the hope is that PrairieCat will be participating in a rollout of this product in production, given final acceptance of the software by membership.
- PrairieCat has nearly all its training materials available via the consortium's learning management system, TalentLMS. PrairieCat continues to support in-person and online training when requested by membership.
- PrairieCat signed a contract in fiscal year 2020 with CapiraTech (now OCLC) to provide a mobile application (app) for members who elect to join the project. In year three of the mobile app project, PrairieCat had 55 participating libraries. The app has been very popular with both members and patrons. New upgrades that will allow individual libraries to customize their own interfaces to the app are coming out in fiscal year 2024.
- In fiscal year 2023, PrairieCat completed a complete redesign of its support website. Contracting with its hosting service provider, Cherry Hill, PrairieCat completed this major project and launched it to members in the fourth quarter of fiscal year 2023.
- In fiscal year 2023, PrairieCat's Delegates Assembly voted to have all circulating members (basic online and fully participating) join the eRead Illinois program provided by RAILS. This membership of all PrairieCat libraries will commence in fiscal year 2024.
- In fiscal year 2023, PrairieCat identified a customer management software suite (CMS) that meets its needs and has proven to be affordable. PrairieCat will implement LibGuides CMS in fiscal year 2024 as part of its strategic plan goals. PrairieCat is also currently leveraging the LibGuides product for its training and outreach efforts.
- When possible, PrairieCat's staff and board members will continue to attend vendor and other library association conferences and participate in the growth and development of PrairieCat's ILS platform.
- Member update meetings are generally held bi-annually in April and November throughout the PrairieCat service area to promote member engagement and communication. Online member updates are also held to reach out to various member groups, such as Union List and School Library members.
- The General Policy Manual and PrairieCat Bylaws were updated and revisions approved by the appropriate governance bodies, as well as changes to the Circulation and Technical Services Policy and Procedures Manuals at the suggestions of their respective standing committees.
- PrairieCat continues to produce a popular monthly e-newsletter, PrairieCat e-news, as well as a Facebook page.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to PrairieCat's basic financial statements. The basic financial statements are comprised of the enterprise fund financial statements and the notes to the financial statements.

# PRAIRIECAT

## Management's Discussion and Analysis

June 30, 2023

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### Financial Statements

The financial statements of PrairieCat are intended to provide the reader with an understanding of the financial position of PrairieCat as of the close of the fiscal year and the results of activities for the year then ended. The enterprise fund financial statements are similar to a private-sector business. PrairieCat charges to member libraries for the services it provides and for group purchase reimbursements are reported in the enterprise fund. The expenses that PrairieCat incurs to provide services to the member libraries are also reported in the enterprise fund.

In addition to the basic financial statements, the notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

### Financial Analysis

Net position may serve, over time, as a useful indicator of an organization's financial position. PrairieCat's total assets/deferred outflows exceeded liabilities/deferred inflows by \$1,923,891 as of the close of the fiscal year ended June 30, 2023. A portion of PrairieCat's net position, \$36,259, reflects its net investment in capital assets (for example, computers, vehicles, and subscription assets), less any related debt used to acquire those assets that is still outstanding. Of the total unrestricted net position balance of \$1,887,632, \$618,910 was designated for future capital expenses and \$1,268,722 was available for subsequent year's expenses. The net position balance available for subsequent year's expenses of \$1,268,722 is adequate to fund operations for a little over seven months, assuming that current spending remains static, membership remains steady, and the continuation of the grant agreement with RAILS which subsidizes PrairieCat operations.

PrairieCat's net position for the years ended June 30, 2023 and 2022 is summarized as follows:

### Condensed Statement of Net Position

	2023	2022
Current Assets	\$ 2,044,676	1,890,860
Capital Assets, Net of Accumulated Depreciation and Amortization	1,313,242	2,490
Total Assets	<u>3,357,918</u>	<u>1,893,350</u>
Deferred Outflows	507,441	440,900
Total Assets and Deferred Outflows	<u>3,865,359</u>	<u>2,334,250</u>
Current Liabilities	443,213	92,312
Long-Term Liabilities	1,493,789	410,248
Total Liabilities	<u>1,937,002</u>	<u>502,560</u>
Deferred Inflows	4,466	3,184
Total Liabilities and Deferred Inflows	<u>1,941,468</u>	<u>505,744</u>
Net Investment in Capital Assets	36,259	2,490
Unrestricted	<u>1,887,632</u>	<u>1,826,016</u>
Total Net Position	<u><u>1,923,891</u></u>	<u><u>1,828,506</u></u>

# PRAIRIECAT

## Management's Discussion and Analysis

June 30, 2023

For the year ended June 30, 2023, 60.9 percent of PrairieCat's total assets were current and consisted of cash and investments, amounts prepaid to vendors, and accounts receivable due from members as well as amounts due from vendors. Non-current assets consisted of net assets including computers, vehicles, and subscription assets. Liabilities as of June 30, 2023, represent amounts owed to vendors, amounts owed to member libraries related to eCommerce activity, fees prepaid by members, wages and benefits earned but not yet paid to PrairieCat staff, and long-term debt related to the implementation of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs).

### Condensed Statement of Revenues, Expenses and Changes in Net Position

	2023	2022
Operating Revenues		
Charges for Services	\$ 1,327,179	1,359,431
Grants - RAILS Support	564,277	559,218
Total Operating Revenues	<u>1,891,456</u>	<u>1,918,649</u>
Operating Expenses		
Administration	1,495,461	1,705,932
Depreciation and Amortization	330,800	4,496
Total Operating Expenses	<u>1,826,261</u>	<u>1,710,428</u>
Operating Income	<u>65,195</u>	<u>208,221</u>
Non-Operating Revenues		
Investment Income	30,190	6,169
Disposal of Capital Assets	—	8,191
Total Non-Operating Revenues	<u>30,190</u>	<u>14,360</u>
Change in Net Position	95,385	222,581
Net Position - Beginning	<u>1,828,506</u>	<u>1,605,925</u>
Net Position - Ending	<u><u>1,923,891</u></u>	<u><u>1,828,506</u></u>

The Statement of Revenues, Expenses and Changes in Net Position shows the nature and source of the changes in net position during the year ended June 30, 2023. PrairieCat's operating revenues decreased by \$27,193 in fiscal year 2023 from fiscal year 2022 due to several factors. The primary reason was the change in the net pension liability from fiscal year 2022. In fiscal year 2022, PrairieCat had net pension income of \$97,764 due to joining the Illinois Municipal Retirement Fund (IMRF) as of July 1, 2021, and in fiscal year 2023 they had net pension expense of \$29,805. This decrease in operating revenues was partially offset by the addition of the North Chicago Public Library to the consortium during fiscal year 2023. The North Chicago Public Library migration, data scoping fees, and annual Sierra subscription (\$14,000); their member fees (\$10,944); and their one-time capital reserve contribution (\$5,000). The migration, data scoping, and subscription revenues do not add to PrairieCat's net asset balance since they are completely offset by the corresponding vendor expense recorded in Information Service Costs. Other operating revenue increases from fiscal year 2022 included the RAILS support grant increase (\$5,059) and PrairieCat's 401(a) forfeiture payout (\$4,034), the plan of which was terminated on June 30, 2021, and replaced by the Illinois Municipal Retirement Fund (IMRF) as of July 1, 2021.

# PRAIRIECAT

## Management's Discussion and Analysis

June 30, 2023

Operating expenses increased by \$115,833 in fiscal year 2023 from fiscal year 2022, primarily due to an increase in total personnel expenses (\$96,593). The personnel expense increases included salary increases from the prior fiscal year (\$31,924), due to the budgeted 2% COLA increase and 1% merit increase for all staff in fiscal year 2023. Other personnel expense increases included net pension expense (\$29,805) from the Illinois Municipal Retirement Fund (IMRF); in the prior fiscal year PrairieCat had net pension income. Additional increases included social security taxes, worker's compensation, retirement benefits, and health, dental and life insurance from the prior year (\$24,714), as well as an increase in earned but unused vacation time. Other operating expense increases included supplies, postage, and printing (\$67,331) which were primarily due to the complete redesign and migration of PrairieCat's support website (\$40,000); purchases of twelve laptops, docking stations, computer support and protection plans for PrairieCat staff (\$12,944); purchases of computer office equipment for PrairieCat staff for remote work (\$2,790); Microsoft licensing, networking and storage charges (\$1,594); Zoom webinar and communications subscriptions (\$1,241); AT&T hotspot services (\$972); and Foxit PDF software and licenses (\$816). These operating expense increases were partially offset by a decrease in contractual services from the prior year fiscal year (\$42,582). The decrease in contractual services was primarily due to the fiscal year 2023 implementation of GASB Statement No. 96, which provides guidance regarding Subscription-Based Information Technology Arrangements (SBITAs). Both the ILS licensing and the hosting provided through Innovative Interfaces fall under this new statement.

PrairieCat's operating expenses were under-budget by \$118,778 in fiscal year 2023, primarily due to under budget contractual services (\$59,954), mostly due to the Vega discovery project not having gone live during the fiscal year. Supplies, postage, and printing costs were under budget (\$38,868), primarily due to savings that were achieved compared to budget for computers, software and supplies. Professional services costs were under budget (\$7,044), primarily due to a lower than budgeted need for legal, accounting, and consulting services during the fiscal year, and partially offset by higher than projected payroll services fees. Other under-budget expenses included travel and continuing education (\$4,919), as well as vehicle expenses (\$3,432) during the fiscal year mostly due to lower than budgeted conference and continuing education meeting costs, and lower than budgeted expenses for insurance, repairs and maintenance, fuel, and other vehicle expenses.

### Capital Assets

PrairieCat's investment in capital assets as of June 30, 2023 and 2022 is shown below:

	2023	2022
Computers	\$ 287,558	287,558
Vehicles	12,450	12,450
Subscription Assets - Software	1,280,897	1,280,897
Subscription Assets - Hosting	360,655	360,655
Less: Accumulated Depreciation and Amortization	(628,318)	(297,518)
Total Net Capital Assets	<u>1,313,242</u>	<u>1,644,042</u>

The change in the net capital assets components from fiscal year 2022 to fiscal year 2023 was due to the depreciation of PrairieCat's one vehicle and the amortization of the software and hosting subscription assets during fiscal year 2023.

# PRAIRIECAT

## Management's Discussion and Analysis

June 30, 2023

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### Long-Term Debt

PrairieCat's long-term debt as of June 30, 2023 and 2022 is shown below:

	<u>2023</u>	<u>2022</u>
Subscription Arrangements	<u>\$ 1,276,983</u>	<u>1,641,552</u>

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

The Governmental Accounting Standards Board (GASB) established a new statement, GASB Statement No. 96, which provides guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. The requirements of this statement became effective and were implemented for PrairieCat in fiscal year 2023. The statement defines a SBITA as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time (exceeding 12 months) in an exchange or exchange-like transaction. Under this statement, PrairieCat would record a right-to-use subscription asset and a corresponding subscription liability at the present value of subscription payments expected to be made during the subscription term. The subscription payments would need to include the discounted interest rate the SBITA vendor charges the government, or the government's incremental borrowing rate. In addition, PrairieCat would record amortization expense of the discount on the subscription liability during the subscription term. It was determined that the five-year contract PrairieCat has with Innovative Interfaces for Sierra software and hosting subscription would fall under this statement.

### Factors Bearing on PrairieCat's Future

Even though PrairieCat achieved staff independence from RAILS in fiscal year 2019, RAILS continued to support PrairieCat in other ways, providing the consortium with facilities/housing, accounting services, IT support, and phone-dialer hosting and support. In addition, RAILS provided PrairieCat with annual grant funding, which accounts for approximately 30% of budgeted revenues in fiscal year 2023. In fiscal year 2021, PrairieCat began hosting its support websites outside of the RAILS environment, which is another step towards increasing independence. In fiscal year 2023, PrairieCat redesigned the entire website and launched the changes in Q4 of the year.

PrairieCat is mindful that it must achieve more independence of its operations to be more sustainable for the future. In fiscal year 2023, PrairieCat implemented our own online helpdesk ticketing system, as well as a new list management system, also hosted online. In fiscal year 2023, PrairieCat purchased its own laptops and other hardware, such as side printers, and is now operating on PrairieCat equipment for all needs aside from the main copier/printer at Coal Valley, which RAILS still allows PrairieCat to use. PrairieCat has implemented its own instance of Zoom meeting and phones, Exchange and Office 365 systems, asset management hosted solution, and other ancillary software specifically for PrairieCat use. PrairieCat has now moved off of RAILS IT infrastructure almost completely, although PrairieCat does retain the phone auto-dialer at the RAILS datacenter. PrairieCat looks to budget for the move to a cloud hosted solution in fiscal year 2025. As stated above, in fiscal year 2024 PrairieCat is moving to a completely remote workforce to save on office housing costs. PrairieCat has also outfitted staff with appropriate office supplies, chairs, desks, etc. to facilitate the staffs' work from home environments.

In order that to be prepared for unexpected events, PrairieCat maintains an emergency finance plan that addresses any short-term fiscal issues. PrairieCat also maintains a disaster recovery and incident response plan for such emergencies.

## **PRAIRIECAT**

### **Management's Discussion and Analysis**

**June 30, 2023**

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PrairieCat continues to stabilize and grow. Recently, the Winnebago Public Library joined the PrairieCat consortium. The consortium continues to receive inquiries from other libraries, and PrairieCat looks forward to adding more members to its rolls in the coming years.

#### **Requests for Information**

This financial report is designed to provide PrairieCat's members, creditors, and other users with a general overview of PrairieCat's finances and to demonstrate PrairieCat's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact PrairieCat, Attention, Carolyn Coulter, PrairieCat Director, at 220 West 23rd Avenue, Coal Valley, Illinois 61240.

## **FINANCIAL STATEMENTS**



**PRAIRIECAT**

**Statement of Net Position**

**June 30, 2023**

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**See Following Page**

**PRAIRIECAT**

**Statement of Net Position**

**June 30, 2023**

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**ASSETS**

Current Assets

Cash and Investments	\$ 1,585,770
Accounts Receivables - Net of Allowances	5,429
Prepays	453,477
Total Current Assets	<u>2,044,676</u>

Noncurrent Assets

Capital Assets

Computers	287,558
Vehicles	12,450
Subscription Assets - Software	1,280,897
Subscription Assets - Hosting	360,655
Accumulated Depreciation and Amortization	<u>(628,318)</u>
Total Noncurrent Assets	<u>1,313,242</u>
Total Assets	<u>3,357,918</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Items - IMRF	<u>507,441</u>
Total Assets and Deferred Outflows of Resources	<u>3,865,359</u>

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## LIABILITIES

Current Liabilities	
Accounts Payable	\$ 42,064
Accrued Liabilities	3,520
eCommerce Receipts Payable	19,465
Accrued Payroll	43,545
Deferred Revenue	19,132
Other Payables	14,294
Compensated Absences	7,241
Subscription Arrangements	293,952
Total Current Liabilities	<u>443,213</u>
Noncurrent Liabilities	
Compensated Absences	28,962
Net Pension Liability - IMRF	437,836
Total OPEB Liability - RBP	43,960
Subscription Arrangements	983,031
Total Noncurrent Liabilities	<u>1,493,789</u>
Total Liabilities	<u>1,937,002</u>

## DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	1,647
Deferred Items - RBP	2,819
Total Deferred Inflows of Resources	<u>4,466</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,941,468</u>

## NET POSITION

Net Investment in Capital Assets	36,259
Unrestricted	<u>1,887,632</u>
Total Net Position	<u>1,923,891</u>

**PRAIRIECAT**

**Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended June 30, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>
Operating Revenues		
Fees for Services and Materials	\$ 1,201,240	1,212,314
Reimbursements	101,125	109,417
Grants - RAILS Support	564,277	564,277
Grants - Other	2,000	—
Miscellaneous	1,000	5,448
Total Operating Revenues	<u>1,869,642</u>	<u>1,891,456</u>
Operating Expenses		
Administration	1,940,142	1,495,461
Depreciation and Amortization	4,897	330,800
Total Operating Expenses	<u>1,945,039</u>	<u>1,826,261</u>
Operating Income (Loss)	(75,397)	65,195
Non-Operating Revenues		
Investment Income	<u>5,500</u>	<u>30,190</u>
Change in Net Position	<u>(69,897)</u>	95,385
Net Position - Beginning		<u>1,828,506</u>
Net Position - Ending		<u><u>1,923,891</u></u>

## PRAIRIECAT

### Statement of Cash Flows For the Fiscal Year Ended June 30, 2023

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Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,212,314
Other Receipts	628,713
Payment to Suppliers	(320,126)
Payments to Employees	<u>(1,083,135)</u>
	437,766
Cash Flows from Capital and Related Financing Activities	
Payment of Debt Principal	(364,569)
Cash Flows from Investing Activities	
Interest Received	<u>30,190</u>
Net Change in Cash, Cash Equivalents and Certificates of Deposits	103,387
Cash, Cash Equivalents and Certificates of Deposits	
Beginning	<u>1,482,383</u>
Ending	<u><u>1,585,770</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	65,195
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	330,800
Changes in Pension and OPEB Related Items	32,532
(Increase) Decrease in Current Assets	(50,429)
Increase (Decrease) in Current Liabilities	<u>59,668</u>
Net Cash Provided by Operating Activities	<u><u>437,766</u></u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of PrairieCat have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of PrairieCat's accounting policies are described below.

**REPORTING ENTITY**

PrairieCat was formed as an Illinois/Iowa Intergovernmental Instrumentality on December 1, 2010. Its assets were transferred from the Prairie Area Library System as of December 31, 2010. PrairieCat no longer has members in Iowa and is currently an Illinois Intergovernmental Instrumentality. The purpose of PrairieCat is to provide cost-effective and efficient resource discovery and acquisition for patrons of PrairieCat member libraries. PrairieCat is governed by a board of directors called the PrairieCat Administrative Council, which is in control of the spending of all monies and funds held in the name of the organization.

**BASIS OF PRESENTATION**

In the Statement of Net Position, PrairieCat's activities are reported on a full accrual, economic basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. PrairieCat's net position is reported in two parts: investment in capital assets and unrestricted.

PrairieCat uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." PrairieCat utilizes only the proprietary fund type.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to members or outside parties and are accounted for as enterprise funds.

**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.

On the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position, PrairieCat's activities are presented using the economic resources measurement focus as defined below. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with PrairieCat's activities are reported. Proprietary fund equity is classified as net position.

In the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, PrairieCat's 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 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.

# PRAIRIECAT

## Notes to the Financial Statements

June 30, 2023

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

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

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand and demand deposits. For the purpose of PrairieCat's Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, PrairieCat 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. All of PrairieCat's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

##### Receivables

In the Statement of Net Position, receivables, if any, consist of all revenues earned at year-end and not yet received.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation of capital assets in the proprietary fund types is computed using the straight-line method.

##### Compensated Absences

PrairieCat accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. All vacation pay is accrued in the financial statements when incurred. PrairieCat records a liability for employees' vacation leave earned, but not taken at salary rates in effect at the end of the fiscal year. A portion of this liability will be paid within the next fiscal year.

##### Net Position

In the basic financial statements, equity is classified as net position and displayed in two components:

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

Unrestricted - The remaining amount of net position.

# PRAIRIECAT

## Notes to the Financial Statements

June 30, 2023

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### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the enterprise fund and approved by the Delegates Assembly.

The Administrative Council prepares the annual budget. The budget is prepared by category and includes information on the current year estimates. The proposed budget is presented to the Delegates Assembly for review and approval. The budget was not amended in fiscal year 2023.

### NOTE 3 - DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS

#### DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize PrairieCat 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, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

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

*Deposits.* At year-end, the carrying amount of PrairieCat's deposits totaled \$858,869 and the bank balances totaled \$1,238,214. In addition, PrairieCat had \$726,901 invested in the Illinois Fund with an average maturity of less than one year.

*Interest Rate Risk* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. PrairieCat minimizes this risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operation funds primarily in shorter-term securities. PrairieCat does not have any investments subject to interest rate risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. PrairieCat minimizes its exposure to credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which PrairieCat will do business, and by diversifying the portfolio so that potential losses on individual securities will be minimized. PrairieCat's investment in Illinois Funds is rated AAAM by Standard & Poor's.

*Custodial Credit Risk. – Deposits.* In the case of deposits, this is the risk that in the event of bank failure, PrairieCat's deposits may not be returned to it. Per PrairieCat's investment policy, deposits in any one institution may exceed FDIC limits, with a signed collateralization agreement with the institution and with assets of the agreement to be held by a third party in PrairieCat's name. At year-end, the entire amount of the bank balance of deposits and investments was either covered by federal depository insurance or collateralized with securities held by a third party in PrairieCat's name. The Illinois Funds are not subject to custodial credit risk.



# PRAIRIECAT

## Notes to the Financial Statements

June 30, 2023

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### NOTE 3 - DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

#### Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration of Credit Risk - Continued

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of PrairieCat's investment in a single issuer. PrairieCat's investment policy requires that the portfolio be diversified so that potential losses on individual securities will be minimized. At year-end, PrairieCat 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).

#### CAPITAL ASSETS

The following is a summary of capital assets as of the date of this report:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Depreciable and Amortizable Capital Assets				
Computers	\$ 287,558	—	—	287,558
Vehicles	12,450	—	—	12,450
Subscription Assets - Software	1,280,897	—	—	1,280,897
Subscription Assets - Hosting	360,655	—	—	360,655
	<u>1,941,560</u>	<u>—</u>	<u>—</u>	<u>1,941,560</u>
Less Accumulated Depreciation and Amortization				
Computers	287,558	—	—	287,558
Vehicles	9,960	2,490	—	12,450
Subscription Assets - Software	—	256,179	—	256,179
Subscription Assets - Hosting	—	72,131	—	72,131
	<u>297,518</u>	<u>330,800</u>	<u>—</u>	<u>628,318</u>
Total Net Depreciable and Amortizable Capital Assets	<u>1,644,042</u>	<u>(330,800)</u>	<u>—</u>	<u>1,313,242</u>
Total Net Capital Assets	<u>1,644,042</u>	<u>(330,800)</u>	<u>—</u>	<u>1,313,242</u>

In PrairieCat's capital asset policy, the following estimated useful lives are used to calculate computer and vehicle depreciation:

Computers	4 - 5 Years
Vehicles	5 Years

**PRAIRIECAT**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 3 - DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS - Continued**

**LONG-TERM DEBT**

**Subscription Based Information Technology Arrangements (SBITAs)**

PrairieCat has the following Subscription Arrangements at year end.

Subscription Arrangements	Term Length	Start Date	Payments	Interest Rate
Sierra Software	5 Years	July 1, 2022	\$284,472 annually	5.53%
Sierra Cloud Hosting Subscription	5 Years	July 1, 2022	\$80,097 annually	5.53%

The future principal and interest subscription arrangement payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2024	\$ 293,952	70,617
2025	310,208	54,361
2026	327,361	37,208
2027	345,462	19,107
	<u>1,276,983</u>	<u>181,293</u>

**Long-Term Liabilities Activity**

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 32,804	8,505	5,106	36,203	7,241
Net Pension Liability - IMRF	343,136	94,700	—	437,836	—
Total OPEB Liability - RBP	40,869	3,091	—	43,960	—
Subscription Arrangements	1,641,552	—	364,569	1,276,983	293,952
	<u>2,058,361</u>	<u>106,296</u>	<u>369,675</u>	<u>1,794,982</u>	<u>301,193</u>

# PRAIRIECAT

## Notes to the Financial Statements

June 30, 2023

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### NOTE 3 - DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS - Continued

#### NET POSITION RESTATEMENT

Beginning balances in capital assets and long-term debt were restated due to the implementation of GASB Statement No. 96; however, the net effect on the Statement of Activities was zero.

#### NET POSITION DESIGNATIONS

The following are net position designations at year-end for PrairieCat:

Net Investment in Capital Assets	
Capital Assets - Net of Accumulated Depreciation and Amortization	\$ 1,313,242
Less Capital Related Debt:	
Subscription Arrangements	<u>(1,276,983)</u>
Total Net Investment in Capital Assets	<u>36,259</u>
Unrestricted Net Position	
Designated for Future Capital Purchases	618,910
Undesignated	<u>1,268,722</u>
Total Unrestricted Net Position	<u>1,887,632</u>
Total Net Position	<u><u>1,923,891</u></u>

The designations of the unrestricted net position may be amended or rescinded by the PrairieCat Administrative Council.

### NOTE 4 - OTHER INFORMATION

#### RISK MANAGEMENT

PrairieCat is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters. These risks are provided for through a commercial insurance policy purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### CONTINGENT LIABILITIES

##### Litigation

PrairieCat is not a defendant in any lawsuits.

**NOTE 4 - OTHER INFORMATION - Continued**

**COMMITMENTS**

From July 2011 through June 2019, PrairieCat maintained a contract for services with the Reaching Across Illinois Library System (RAILS), a governmental entity. These services included, with some variations between contracts: administration, management, finance, human resources, bibliographic services, information technology support, use of facilities, utilities, telecommunications, vehicles, and all personnel salaries and costs. Under these agreements, PrairieCat either paid an amount to RAILS to partially reimburse RAILS for its contract expenditures incurred or received a support amount from RAILS to supplement the other support received.

In July 2019, this contract transitioned to an annual grant award from RAILS to PrairieCat, subject to an annual application and semi-annual report process. The services in the fiscal year 2024 grant agreement include use of meeting rooms, communication and collaboration opportunities and services, grant opportunities for new members, financial services, and ILS phone notification dialer. Under the grant, PrairieCat will receive payment from RAILS to supplement its other support in the total amount of \$516,776 during fiscal year 2024. This agreement is cancellable by mutual written consent or by either party upon 120 days' written notice to the other party. RAILS may terminate this agreement due to the discontinuation of sufficient funding from the Illinois Secretary of State upon written notice to PrairieCat effective as of the date of termination or the discontinuance of such funding.

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

PrairieCat contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

**Illinois Municipal Retirement Fund (IMRF)**

**Plan Descriptions**

*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).

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

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

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

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>12</u>
 Total	 <u><u>12</u></u>

*Contributions.* As set by statute, PrairieCat’s Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2023, PrairieCat’s contribution was 13.46% of covered payroll.

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

**NOTE 4 - OTHER INFORMATION - Continued**

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

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

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

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

**NOTE 4 - OTHER INFORMATION - Continued**

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

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.* 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	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that PrairieCat 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 periods of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 540,199	437,836	346,298

**PRAIRIECAT**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

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

**Illinois Municipal Retirement Fund (IMRF) - 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, 2021	\$ 451,837	108,701	343,136
Changes for the Year:			
Service Cost	55,859	—	55,859
Interest on the Total Pension Liability	34,396	—	34,396
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	147,958	—	147,958
Changes of Assumptions	(1,954)	—	(1,954)
Contributions - Employer	—	104,260	(104,260)
Contributions - Employees	—	44,716	(44,716)
Net Investment Income	—	(1,592)	1,592
Benefit Payments, Including Refunds of Employee Contributions	(8,055)	(8,055)	—
Other (Net Transfer)	—	(5,825)	5,825
Net Changes	228,204	133,504	94,700
Balances at December 31, 2022	680,041	242,205	437,836



**PRAIRIECAT**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

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

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

For the year ended June 30, 2023, PrairieCat recognized pension expense of \$131,747. At June 30, 2023, PrairieCat reported deferred outflows or 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	\$ 442,550	—	442,550
Change in Assumptions	832	(1,647)	(815)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	13,860	—	13,860
Total Expense to be Recognized in Future Periods	457,242	(1,647)	455,595
Contributions Made Subsequent to Measurement Date	50,199	—	50,199
Total Deferred Amounts Related to IMRF	507,441	(1,647)	505,794

\$50,199 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, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2024	\$ 93,187
2025	93,187
2026	93,187
2027	92,399
2028	75,295
Thereafter	8,340
Total	455,595

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan Description.* PrairieCat administers a single-employer defined benefit healthcare plan, the Post-Retirement Health Plan. The plan provides limited healthcare insurance for eligible retirees through PrairieCat's group health insurance plan, which covers both active and retired members. The Post-Retirement Health Plan does not issue a publicly available financial report. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the PrairieCat Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* PrairieCat, through Library Insurance Management and Risk Control Combination (LIMRiCC), provides healthcare benefits for retirees over the age of 59.5 and terminating upon nonpayment of premiums. Retirees are not allowed to change healthcare plans after retirement, and retirees are not allowed to exit the plan and join at a later date. The benefit terms provide for 100% of the plan premiums and all administrative fees to be paid by the retirees.

*Plan Membership.* As of June 30, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>12</u>
Total	<u><u>12</u></u>

**Total OPEB Liability**

PrairieCat's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**PRAIRIECAT**

**Notes to the Financial Statements**

**June 30, 2023**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	4.13%
Healthcare Cost Trend Rates	HMO plan is 7.00% and PPO 7.30% with an ultimate health care cost trend rate of 4.50% in FY2037.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums and all administrative fees to be paid by the retirees.

The discount rate was based upon the expected rate of return associated with funded benefits, and unfunded benefits, the 20-year municipal bond rate.

Mortality rates were based on PbuG.H-2010 Mortality Table – General with mortality improvements using scale MP-2020.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	<u>\$ 40,869</u>
Changes for the Year:	
Service Cost	3,225
Interest on the Total OPEB Liability	1,636
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(76)
Benefit Payments	<u>(1,694)</u>
Net Changes	<u>3,091</u>
Balance at June 30, 2023	<u><u>43,960</u></u>

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The discount rate used to measure the total pension liability was 4.13%, while the prior valuation used 4.09%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

		Current	
	1% Decrease	Discount Rate	1% Increase
	(3.13%)	(4.13%)	(5.13%)
Total OPEB Liability	\$ 45,911	43,960	42,095

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		Healthcare	
	1% Decrease	Cost Trend	1% Increase
	(Varies)	Rates	(Varies)
	(Varies)	(Varies)	(Varies)
Total OPEB Liability	\$ 41,479	43,960	46,616

**PRAIRIECAT**

**Notes to the Financial Statements**

**June 30, 2023**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, PrairieCat recognized OPEB expense of \$4,420. At June 30, 2023, PrairieCat reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	—	(2,819)	(2,819)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Expense to be Recognized in Future Periods	—	(2,819)	(2,819)
Contributions Made Subsequent to Measurement Date	—	—	—
 Total Deferred Amounts Related to OPEB	 —	 (2,819)	 (2,819)

\$0 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2024	\$ (441)
2025	(441)
2026	(441)
2027	(441)
2028	(441)
Thereafter	(614)
Total	(2,819)

## **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 Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree Benefit Plan

**PRAIRIECAT**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2022	* \$ 96,214	\$ 96,214	\$ —	\$ 686,259	14.02%
2023	101,941	101,941	—	757,609	13.46%

Notes to the Required Supplementary Information:

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

Note:

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

\* PrairieCat joined IMRF commencing July 1, 2021.

**PRAIRIECAT**

**Illinois Municipal Retirement Fund  
Schedule of Changes in the Employer's Net Pension Liability  
June 30, 2023**

	<u>12/31/2021*</u>	<u>12/31/2022</u>
Total Pension Liability		
Service Cost	\$ —	55,859
Interest	—	34,396
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	450,657	147,958
Change of Assumptions	1,180	(1,954)
Benefit Payments, Including Refunds of Member Contributions	—	(8,055)
Net Change in Total Pension Liability	<u>451,837</u>	<u>228,204</u>
Total Pension Liability - Beginning	<u>—</u>	<u>451,837</u>
Total Pension Liability - Ending	<u><u>451,837</u></u>	<u><u>680,041</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 44,029	104,260
Contributions - Members	61,224	44,716
Net Investment Income	—	(1,592)
Benefit Payments, Including Refunds of Member Contributions	—	(8,055)
Other (Net Transfer)	3,448	(5,825)
Net Change in Plan Fiduciary Net Position	<u>108,701</u>	<u>133,504</u>
Plan Net Position - Beginning	<u>—</u>	<u>108,701</u>
Plan Net Position - Ending	<u><u>108,701</u></u>	<u><u>242,205</u></u>
Employer's Net Pension Liability	<u><u>\$ 343,136</u></u>	<u><u>437,836</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.06%	35.62%
Covered Payroll	\$ 314,046	743,652
Employer's Net Pension Liability as a Percentage of Covered Payroll	109.26%	58.88%

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

\* PrairieCat joined IMRF commencing July 1, 2021.



**PRAIRIECAT**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**June 30, 2023**

	6/30/2019	6/30/2020*	6/30/2021*	6/30/2022	6/30/2023
Total OPEB Liability					
Service Cost	\$ 13,724	—	—	3,784	3,225
Interest	334	—	—	868	1,636
Changes in Benefit Terms	—	—	—	—	—
Differences Between Expected and Actual Experience	—	—	—	—	—
Change of Assumptions or Other Inputs	237	—	—	(3,615)	(76)
Benefit Payments	(1,599)	—	—	—	(1,694)
Net Change in Total OPEB Liability	12,696	—	—	1,037	3,091
Total OPEB Liability - Beginning	12,018	—	—	39,832	40,869
Total OPEB Liability - Ending	24,714	—	—	40,869	43,960
Covered-Employee Payroll	\$ 772,282	—	—	754,464	785,018
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.20%	—%	—%	5.42%	5.60%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2019, 2022, and 2023.

\*The Total OPEB Liability was deemed to be immaterial for 6/30/2020 and 6/30/2021.

**OTHER SUPPLEMENTARY INFORMATION**

**PRAIRIECAT**

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

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	Original and Final Budget	Actual
Administration		
Salaries		
Other Professionals	\$ 642,723	645,181
Support Services	134,805	116,199
Compensated Absences - Vacation Expense	—	3,399
Social Security Taxes	59,450	53,667
Unemployment Insurance	3,500	—
Worker's Compensation	1,629	2,130
Retirement Benefits	108,953	102,143
Health, Dental And Life Insurance	157,109	159,692
Net Pension Expense	—	29,805
Other Post-Employment Benefits	—	2,726
Other Fringe Benefits	1,000	453
Tuition Reimbursements	500	—
Staff Professional Memberships	1,000	272
Property Insurance	2,500	2,502
Fuel	2,000	766
Repairs and Maintenance	2,000	1,847
Vehicle Insurance	2,500	1,523
Vehicle Leasing and Rent	500	—
Other Vehicle Expenses	750	183
In-State Travel	5,000	2,777
Out-of-State Travel	6,000	7,142
Registration and Meetings, and Other Fees	9,000	8,621
Conferences and Continuing Education Meetings	5,000	1,241
Public Relations	500	800
Commercial Insurance	7,500	7,610
Computers, Software and Supplies	112,000	71,556
General Office Supplies and Equipment	200	1,764
Postage	—	13
Telephone and Telecommunications	4,300	—
Equipment Repair and Maintenance Agreements	3,000	1,088
Legal	7,000	2,616
Accounting	7,000	4,800
Consulting	2,500	800
Payroll Service Fees	6,500	7,740

**PRAIRIECAT**

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

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	Original and Final Budget	Actual
Administration - Continued		
Information Service Costs	\$ 558,194	243,024
Outside Printing Services	2,000	338
Other Contractual Services	75,529	4,097
Professional Association Membership Dues	2,000	1,661
Miscellaneous	500	1,181
Miscellaneous - eCommerce Fees	5,500	4,104
Total Administration	<u>1,940,142</u>	<u>1,495,461</u>
Depreciation and Amortization	<u>4,897</u>	<u>330,800</u>
Total Operating Expenses	<u><u>1,945,039</u></u>	<u><u>1,826,261</u></u>