

**Township of Palatine
(Located within the State of Illinois)**

Annual Financial Report

**Year Ended February 28, 2021 All Funds
Except
Road and Bridge Fund Year Ended March 31, 2021**

**Township of Palatine
Financial Statements
For the Years Ended February 28, 2021 and March 31, 2021**

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Board of Trustees
Township of Palatine
Palatine, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Palatine as of and for the year ended February 28, 2021 and for the Road and Bridge Fund for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Palatine, as of February 28, 2021, and the Road and Bridge Fund as of March 31, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Palatine's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Ligke Gross : Dir, PC

Elgin, Illinois
September 21, 2021

Township of Palatine
Management's Discussion and Analysis
Year Ended February 28, 2021 and March 31, 2021

As the Township of Palatine, Illinois (Township) Board, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended February 28, 2021 and March 31, 2021. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

Financial Highlights

The net position of the Township of Palatine as of February 28 and March 31, 2021 and February 29 and March 31, 2020, was \$12,421,853 and \$11,930,978, respectively. The Township's net position increased by \$490,875 for the years ended February 28 and March 31, 2021. The term "net position" represents the difference between total assets/deferred outflows and liabilities/deferred inflows of resources.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Palatine's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and additional information.

Government-Wide Financial Analysis

The government-wide financial statements are prepared using the full accrual basis of accounting and are designed to provide readers with a broad overview of the Township of Palatine's finances, in a manner similar to private-sector businesses.

The statement of net position presents financial information on all of the Township of Palatine's assets/deferred outflows and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Palatine is improving or deteriorating.

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the Township of Palatine that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a portion of the costs through user fees and charges. The governmental activities of the Township of Palatine include general government, road projects, transportation for senior citizens and disabled individuals, social services assistance, and the funding of social service agencies that provide essential human care services to Township residents. The Township of Palatine Board is responsible for the maintenance of the Township of Palatine Cemeteries.

Fund Financial Statements

All of the funds of the Township of Palatine are governmental funds. The Fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Fund financial statements report the Township's operations in more detail than the government-wide statements by providing

**Township of Palatine
Management's Discussion and Analysis
Year Ended February 28, 2021 and March 31, 2021**

information about the Township's five funds.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

Notes to Financial Statements

The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information concerning the changes in the Township of Palatine's net pension liability and multiyear schedule of contributions. Additionally, required supplementary information regarding the schedule of revenues and expenditures - budget vs. actual for each major fund and a schedule of changes in the net other post-employment benefits (OPEB) liability, total OPEB liability and ratios, and schedule of contributions – OPEB are presented in this section.

Financial Analysis

As noted earlier, increases or decreases in net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Palatine, assets/deferred outflows exceeded liabilities/deferred inflows of resources by \$12,421,853 and \$11,930,978, for the years ended February 28 and March 31, 2021 and February 29 and March 31, 2020, respectively. A portion of the Township's net position reflects its investment in capital assets, \$3,491,469. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is made up of \$5,336,729 which is restricted, and \$3,593,655 that is unrestricted.

Condensed Statement of Net Position

| | For Years Ended | |
|---|--------------------------------------|--------------------------------------|
| | February 28 and March 31, 2021 | February 29 and March 31, 2020 |
| Current and other assets | \$ 11,027,108 | \$ 10,067,010 |
| Capital assets, net of accumulated depreciation | 3,491,469 | 3,811,757 |
| Net pension asset | 876,655 | 111,946 |
| Total Assets | \$ 15,395,232 | \$ 13,990,713 |
| | | |
| Deferred Outflows of Resources | \$ 490,929 | \$ 846,040 |
| | | |
| Current liabilities | \$ 210,067 | \$ 93,559 |
| Non-current liabilities | 172,148 | 121,181 |
| Total Liabilities | \$ 382,215 | \$ 214,740 |
| | | |
| Deferred Inflows of Resources | \$ 3,082,093 | \$ 1,844,995 |
| | | |
| Net Position | | |
| Net investment in capital assets | \$ 3,491,469 | \$ 3,811,757 |
| Restricted | 5,336,729 | 4,847,529 |
| Unrestricted | 3,593,655 | 3,271,692 |
| Total Net Position | \$ 12,421,853 | \$ 11,930,978 |

**Township of Palatine
Management's Discussion and Analysis
Year Ended February 28, 2021 and March 31, 2021**

Condensed Statement of Activities

| | For Years Ended | |
|---------------------------------------|-----------------------------------|-----------------------------------|
| | February 28 and March 31, 2021 | February 29 and March 31, 2020 |
| Revenue | | |
| Program Revenue | | |
| Charges for services | \$ 316,798 | \$ 308,771 |
| Grants and contributions | 589,905 | 176,103 |
| General Revenues | | |
| Property taxes | 3,539,034 | 3,542,402 |
| Replacement taxes | 141,836 | 152,429 |
| Interest income | 25,578 | 48,525 |
| Other | 72,595 | 35,108 |
| Total Revenues | 4,685,746 | 4,263,338 |
| Expenses | | |
| Program Expenses | | |
| Administration | 1,204,833 | 1,399,983 |
| Assessor | 120,485 | 139,825 |
| Senior and disabled transportation | 283,546 | 306,878 |
| Human needs funding | 553,916 | 564,390 |
| Home relief | 124,868 | 66,651 |
| Cemetery maintenance | 27,398 | 51,151 |
| Quentin Road facilities | 31,902 | 51,424 |
| Maintenance of roads | 1,239,807 | 968,798 |
| Health, safety and communication | 33,382 | 38,628 |
| Depreciation/Amortization-unallocated | 574,734 | 630,665 |
| Total Expenses | 4,194,871 | 4,218,393 |
| Changes in Net Position | 490,875 | 44,945 |
| Net Position, Beginning of Year | 11,930,978 | 11,886,033 |
| Net Position, End of Year | \$ 12,421,853 | \$ 11,930,978 |

The following is a summary of changes in fund balances for the years ended February 28 and March 31, 2021:

| Governmental Funds | Fund Balances February 29 and March 31, 2020 | Increase (Decrease) | Fund Balance February 28 and March 31, 2021 |
|---------------------|--|------------------------|---|
| General(Town) | \$ 2,860,879 | \$ 293,095 | \$ 3,153,974 |
| General Assistance | 953,012 | (186,074) | 766,938 |
| Road and Bridge | 3,208,297 | 306,642 | 3,514,939 |
| Needy Family | 696,213 | 388,285 | 1,084,498 |
| Capital Improvement | 511,541 | (141,631) | 369,910 |
| | \$ 8,229,942 | \$ 660,317 | \$ 8,890,259 |

**Township of Palatine
Management's Discussion and Analysis
Year Ended February 28, 2021 and March 31, 2021**

Budgetary Highlights

There were line item changes to the original appropriations for the Town Fund, General Assistance Fund and the Road and Bridge Fund which did not impact the budget overall. Revenue in the Town Fund of \$2,212,148 was more than expenditures by \$293,095, and expenditures were \$421,313 less than the appropriation of \$2,345,366. Revenues in the General Assistance and Road and Bridge Funds adequately funded expenditures as well.

Differences from original to final appropriated expenditures are line item transfers, overall appropriated expenditures did not change.

General Assistance, a mandated local form of public aid administrated solely by Township government, must budget sufficient funds to accommodate all those that seek assistance. The number of residents seeking services through General Assistance Department remained consistent with the prior fiscal year. Many of Palatine Township residents are seeking assistance for programs such as Food Pantry, Angel Tree, Adopt a Family Program, Apple Tree Program, etc. were serviced by paid staff, the commodity was not expensed in the General Assistance budget. These programs were funded by community donations made to the Needy Family Fund and for the most part coordinated by volunteers, who are supervised by the Outreach & Food Pantry Coordinators.

During the year ended February 28, 2021, Township of Palatine partnered with 30 social service agencies to provide various programs for children, teens, adults, senior citizens and disabled individuals. The Township of Palatine provided \$548,916 in funding to these not-for-profit agencies so that services would be available to Township residents.

Capital Assets

The following is a summary of capital assets, net of accumulated depreciation, for the years ended:

| | For Years Ended | |
|---|--------------------------------------|--------------------------------------|
| | February 28 and March 31, 2021 | February 29 and March 31, 2020 |
| Land | \$ 119,098 | \$ 119,098 |
| Infrastructure Work In Progress | - | 63,072 |
| Land Improvements | 903,812 | 903,812 |
| Buildings | 2,685,888 | 2,685,888 |
| Buildings Improvements | 246,382 | 243,722 |
| Machinery and Equipment | 2,546,037 | 2,305,691 |
| Infrastructure Work In Progress | 3,447,886 | 3,394,903 |
| Cost of Capital Assets | 9,949,103 | 9,716,186 |
| Less: Accumulated Depreciation/Amortization | 6,457,634 | 5,904,429 |
| Net Capital Assets | \$ 3,491,469 | \$ 3,811,757 |

**Township of Palatine
Management's Discussion and Analysis
Year Ended February 28, 2021 and March 31, 2021**

The most significant capital asset additions during the year were for land improvements and machinery and equipment purchases. Additional information regarding the Township's capital assets can be found in Note 4 on page 20.

Description of Current and Expected Conditions

A sample of the services provided to the Township of Palatine residents during the past calendar year include:

- 4,796 bus and van rides (-58.5%)
- 3,884 visits to the Food Pantry (-11,6%)
- 61 Emergency Food Bags (-66.7%)
- 919 Taxi Rides (-52.9%)
- 0 Cook County Vehicle Stickers sold (-100%)
- 774 students received assistance with school supplies from the Apple Tree program (-18.6%)
- 1,044 Senior citizens and children in need received Angel Tree gifts (+5.99%)
- 557 Thanksgiving baskets were distributed to needy families and senior citizens (-51.7%)
- 870 Easter baskets were distributed to needy children (+7.54%)
- 179 families received gifts thru the holiday Adopt-a-Family Program (-14.8%)
- 17 RTA Senior Passes issued (-91.2%)
- 116 Temporary Handicap Placards issued (-25.2%)
- 345 Emergency Fund requests (+248%)
- 57 Voters registered (714%)
- Toy Drive 33 Families & 75 Kids (+33.9%)

The Township of Palatine's Mission Statement is "Serving People." The Board responsibly applies tax dollars to meet the growing needs of residents, while controlling expenses and balancing budgets. Resources were used efficiently by maintaining and expanding partnership relationships with individuals, organizations, businesses, local governments, churches, hospitals and volunteers. The results are numerous cost-effective programs that assist the greatest number of residents with a multitude of services, while keeping levies and expense budgets as low as possible.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Administrator, Township of Palatine, 721 S. Quentin Road, Palatine, Illinois 60067.

Basic Financial Statements

**Township of Palatine
Statement of Net Position
February 28 and March 31, 2021**

| | Governmental Activities |
|---|----------------------------|
| Assets and Deferred Outflows of Resources | |
| Current Assets: | |
| Cash and investments | \$ 7,921,972 |
| Receivables | |
| Property taxes, net | 2,965,910 |
| Replacement taxes | 32,452 |
| Other current assets | 63,716 |
| Prepaid expenses | 43,058 |
| Total Current Assets | 11,027,108 |
| Non-Current Assets: | |
| Capital assets, net of accumulated depreciation/amortization | 3,491,469 |
| Net pension asset | 876,655 |
| Total Non-current Assets | 4,368,124 |
| Total Assets | 15,395,232 |
| Deferred Outflow of Resources: | |
| Deferred items related to pension (IMRF) | 490,929 |
| Total Assets and Deferred Outflow of Resources | \$ 15,886,161 |
| Liabilities and Deferred Inflows of Resources | |
| Current Liabilities: | |
| Accounts payable | \$ 19,361 |
| Accrued salaries and wages | 71,194 |
| Payroll liabilities | 49,535 |
| Compensated absences | 69,977 |
| Total Current Liabilities | 210,067 |
| Non-Current Liabilities: | |
| Net other post-employment benefits payable | 172,148 |
| Total Noncurrent Liabilities | 172,148 |
| Total Liabilities | 382,215 |
| Deferred Inflows of Resources: | |
| Deferred revenue | 1,996,759 |
| Deferred items related to pension (IMRF) | 1,085,334 |
| Total Deferred Inflows of Resources | 3,082,093 |
| Total Liabilities and Deferred Inflows of Resources | \$ 3,464,308 |
| Net Position | |
| Net Position: | |
| Net investment in capital assets | \$ 3,491,469 |
| Restricted | 5,336,729 |
| Unrestricted | 3,593,655 |
| Total Net Position | \$ 12,421,853 |

See accompanying notes to financial statements.

**Township of Palatine
Statement of Activities
For the Years Ended February 28 and March 31, 2021**

| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net Revenue and Changes in Net Position |
|---------------------------------------|---------------------|-------------------------|---------------------------------------|-------------------------------------|---|
| Government Activities | | | | | |
| Administration | \$ 1,204,833 | \$ 183,024 | \$ - | \$ 8,000 | \$ (1,013,809) |
| Assessor | 120,485 | - | - | - | (120,485) |
| Senior and disabled transportation | 283,546 | - | - | - | (283,546) |
| Human needs funding | 553,916 | - | - | - | (553,916) |
| Home relief | 124,868 | - | 581,905 | - | 457,037 |
| Cemetery maintenance | 27,398 | 1,300 | - | - | (26,098) |
| Quentin Road facilities | 31,902 | - | - | - | (31,902) |
| Maintenance of roads | 1,239,807 | 132,474 | - | - | (1,107,333) |
| Health, safety, and communication | 33,382 | - | - | - | (33,382) |
| Depreciation/amortization-unallocated | 574,734 | - | - | - | (574,734) |
| Total Governmental Activities | \$ 4,194,871 | \$ 316,798 | \$ 581,905 | \$ 8,000 | (3,288,168) |
| General Revenues: | | | | | |
| Property taxes | | | | | 3,539,034 |
| Replacement taxes | | | | | 141,836 |
| Interest income | | | | | 25,578 |
| Miscellaneous | | | | | 72,595 |
| Total General Revenues | | | | | <u>3,779,043</u> |
| Change in Net Position | | | | | 490,875 |
| Net Position - Beginning of Year | | | | | 11,930,978 |
| Net Position - End of Year | | | | | <u>\$ 12,421,853</u> |

See accompanying notes to financial statements.

Township of Palatine
Balance Sheet - Governmental Funds
February 28 and March 31, 2021

| Assets | <u>Town Fund</u> | <u>General Assistance Fund</u> | <u>Road and Bridge Fund</u> | <u>Needy Family Fund</u> | <u>Non-Major Capital Improvement Fund</u> | <u>Total Governmental Funds</u> |
|--|----------------------------|--|-------------------------------------|----------------------------------|---|---|
| Assets: | | | | | | |
| Cash and investments | \$ 2,376,985 | \$ 693,380 | \$ 3,455,809 | \$ 1,025,888 | \$ 369,910 | \$ 7,921,972 |
| Receivables | | | | - | - | |
| Property taxes, net | 1,904,524 | 242,949 | 818,437 | - | - | 2,965,910 |
| Replacement taxes | 4,105 | - | 28,347 | - | - | 32,452 |
| Other current assets | - | - | - | 63,716 | - | 63,716 |
| Prepaid expenses | 31,392 | - | 11,666 | - | - | 43,058 |
| Total Assets | \$ <u>4,317,006</u> | \$ <u>936,329</u> | \$ <u>4,314,259</u> | \$ <u>1,089,604</u> | \$ <u>369,910</u> | \$ <u>11,027,108</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 12,091 | \$ 734 | \$ 3,012 | \$ 3,524 | \$ - | \$ 19,361 |
| Accrued salaries and wages | 32,748 | 11,559 | 26,887 | - | - | 71,194 |
| Payroll liabilities | 16,331 | 16,080 | 17,124 | - | - | 49,535 |
| Total Liabilities | <u>61,170</u> | <u>28,373</u> | <u>47,023</u> | <u>3,524</u> | <u>-</u> | <u>140,090</u> |
| Deferred Inflows of Resources: | | | | | | |
| Deferred revenue | 1,101,862 | 141,018 | 752,297 | 1,582 | - | 1,996,759 |
| Total Liabilities and Deferred Inflows of Resources | <u>1,163,032</u> | <u>169,391</u> | <u>799,320</u> | <u>5,106</u> | <u>-</u> | <u>2,136,849</u> |
| Fund Balances: | | | | | | |
| Nonspendable | 31,392 | - | 11,666 | - | - | 43,058 |
| Restricted for statutory purpose | - | 748,958 | 3,503,273 | - | - | 4,252,231 |
| Restricted by donors | - | - | - | 1,084,498 | - | 1,084,498 |
| Committed | 37,022 | 17,980 | - | - | 369,910 | 424,912 |
| Unassigned | 3,085,560 | - | - | - | - | 3,085,560 |
| Total Fund Balances | <u>3,153,974</u> | <u>766,938</u> | <u>3,514,939</u> | <u>1,084,498</u> | <u>369,910</u> | <u>8,890,259</u> |
| Total Liabilities and Fund Balances | \$ <u>4,317,006</u> | \$ <u>936,329</u> | \$ <u>4,314,259</u> | \$ <u>1,089,604</u> | \$ <u>369,910</u> | \$ <u>11,027,108</u> |

See accompanying notes to financial statement.

Township of Palatine
Reconciliation of Fund Balances of Governmental Funds
to the Governmental Activities in the Statement of Net Position
February 28 and March 31, 2021

| | | |
|---|----|-------------|
| Fund Balances of Governmental Funds | \$ | 8,890,259 |
| Amounts reported in governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance. | | 3,491,469 |
| Deferred outflows of resources for pension are not recognized on governmental fund statement. | | 490,929 |
| Deferred inflows of resources for pension are not recognized on governmental fund statement. | | (1,085,334) |
| Compensated absences are only recognized in the Statement of Net Position. | | (69,977) |
| Net Other Post-Employment Benefits Payable, listed as a Noncurrent Liability, is only recognized in the Statement of Net Position. | | (172,148) |
| Net Pension Asset for IMRF, listed as Noncurrent Asset, is only recognized in the Statement of Net Position. | | 876,655 |
| Net Position of Governmental Activities | \$ | 12,421,853 |

See accompanying notes to financial statements.

Township of Palatine
Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Years Ended February 28 and March 31, 2021

| | Town Fund | General Assistance Fund | Road and Bridge Fund | Needy Family Fund | Non-Major Capital Improvements Fund | Total Governmental Funds |
|---|---------------------|-------------------------------|----------------------------|-------------------------|--|--------------------------------|
| Revenues Received: | | | | | | |
| Property tax | \$ 1,967,754 | \$ 257,435 | \$ 1,313,845 | \$ - | \$ - | \$ 3,539,034 |
| Replacement tax | 68,540 | - | 73,296 | - | - | 141,836 |
| Interest income | 2,939 | 958 | 15,816 | 5,574 | 291 | 25,578 |
| Reimbursements | - | 15,496 | 15,493 | - | - | 30,989 |
| Grants | 5,000 | 3,000 | - | - | - | 8,000 |
| Contributions | - | - | - | 581,905 | - | 581,905 |
| Fees and permits | 11,198 | - | 196 | - | - | 11,394 |
| Fines | - | - | 1,656 | - | - | 1,656 |
| Cook County vehicle sticker fee | - | - | - | - | - | - |
| Charges for services | 19,740 | - | 115,129 | - | - | 134,869 |
| Cemetery receipts | 1,300 | - | - | - | - | 1,300 |
| Donated rental income | 136,590 | - | - | - | - | 136,590 |
| Miscellaneous | 4,087 | 542 | 65,666 | 2,300 | - | 72,595 |
| Total Revenues Received | <u>2,217,148</u> | <u>277,431</u> | <u>1,601,097</u> | <u>589,779</u> | <u>291</u> | <u>4,685,746</u> |
| Expenditures Disbursed: | | | | | | |
| Current: | | | | | | |
| Administration | 873,424 | 374,216 | 141,632 | 165,915 | 30 | 1,555,217 |
| Assessor | 120,485 | - | - | - | - | 120,485 |
| Senior and disabled transportation | 283,546 | - | - | - | - | 283,546 |
| Human needs funding | 553,916 | - | - | - | - | 553,916 |
| Home relief | - | 89,289 | - | 35,579 | - | 124,868 |
| Cemetery maintenance | 27,398 | - | - | - | - | 27,398 |
| Quentin Road facilities | 31,902 | - | - | - | - | 31,902 |
| Maintenance of roads | - | - | 1,152,823 | - | 141,892 | 1,294,715 |
| Health, safety, and communication | 33,382 | - | - | - | - | 33,382 |
| Total Expenditures Disbursed | <u>1,924,053</u> | <u>463,505</u> | <u>1,294,455</u> | <u>201,494</u> | <u>141,922</u> | <u>4,025,429</u> |
| Excess(deficiency) of Revenues over (under) Expenditures | <u>293,095</u> | <u>(186,074)</u> | <u>306,642</u> | <u>388,285</u> | <u>(141,631)</u> | <u>660,317</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfer in | - | - | - | - | - | - |
| Transfer out | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Changes in Fund Balances | 293,095 | (186,074) | 306,642 | 388,285 | (141,631) | 660,317 |
| Fund Balance - Beginning of Year | 2,860,879 | 953,012 | 3,208,297 | 696,213 | 511,541 | 8,229,942 |
| Fund Balance - End of Year | <u>\$ 3,153,974</u> | <u>\$ 766,938</u> | <u>\$ 3,514,939</u> | <u>\$ 1,084,498</u> | <u>\$ 369,910</u> | <u>\$ 8,890,259</u> |

See accompanying notes to financial statements.

Township of Palatine
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances
To the Governmental Activities in the Statement of Activities
February 28 and March 31, 2021

| | | |
|--|--|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ 660,317 |
| Amounts reported in governmental activities in the statement of net position are different because: | | |
| Governmental funds report capital outlays as expenditures | | |
| However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period. | | |
| Capital outlay | | 254,446 |
| Depreciation expense | | <u>(574,734)</u> |
| Total | | <u>(320,288)</u> |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The expenses include the changes in | | |
| Net Other Post-Employment Benefits. | | (17,797) |
| Recognizing the pension revenue (expense) relating to changes in the net pension liability. | | |
| | | 168,643 |
| Change in Net Position of Governmental Activities | | <u>\$ 490,875</u> |

See accompanying notes to the financial statements.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 1- Summary of Significant Accounting Policies

The Township of Palatine, Illinois (the “Township”) operates under the Township Act (60 ILCS) and the Revenue code (35 ILCS) of the Illinois Compiled Statutes (ILCS). The Township provides the following services as authorized by its charter: maintenance of roads in the unincorporated area, senior and disabled services, general assistance, and property tax related matters and general administrative services.

The financial statements of the Township of Palatine 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 the Township's accounting policies are described below.

Reporting Entity

The Township's reporting entity includes all entities for which the Township exercises oversight responsibility as defined by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of a primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable.

The Township has developed criteria to determine whether these legally separate organizations should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Township (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). In applying these criteria, the Township has included in its financial statements the activities of the Township of Palatine Road District, Palatine Township Needy Family Fund, Inc. and Palatine Township Report, Inc. Although a legally separate entity, the Road District shares the same Board of Trustees as the Township and is, therefore, a component unit blended with the Township identified as the Road and Bridge Fund. Palatine Township Needy Family Fund, Inc. and Palatine Township Report, Inc. are nonprofit corporations which exist solely to serve the Township of Palatine and are, therefore, component units blended with the Township.

Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. They include all the governmental funds of the reporting entity. The governmental fund financial statements (i.e. the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance) are organized by fund. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Major individual governmental funds are reported as separate columns in the fund financial statements. The major funds are the Town Fund, General Assistance Fund, Road and Bridge Fund, and Needy Family Fund. Following is a description of major and non-major funds.

Town Fund - The Town Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 1- Summary of Significant Accounting Policies (continued)

Special Revenue Funds - The Special Revenue Funds account for the proceeds of specific revenue sources, or to finance specified activities as required by law or administrative regulations. The Special Revenue Funds and their purposes are as follows:

- General Assistance Fund - Accounts for expenditures for general assistance services.
- Road and Bridge Fund - Accounts for the operations of the Road District. It is used to account for all financial resources at the Road District and accounts for expenditures related to maintenance and improvement of Township Roads. The Road District levies a separate property tax.
- Needy Family Fund - Accounts for contributions and emergency payments for residents who do not qualify for general assistance. Needy Family Fund is also responsible for Outreach Programs.
- Capital Improvement Fund - Capital Improvement Fund is used to accumulate resources for capital asset and project purchases in the future.

Basis of Accounting

The government-wide statements (the Statement of Net Position and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are accounted for using a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. With this measurement focus, only current assets/deferred outflows and current liabilities/deferred inflows of resources generally are included on the balance sheet. Revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after the year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The Township recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Township; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Township. Accordingly, the property tax levy for the 2020 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying balance sheet. Expenditures are recognized when the related obligations are incurred.

Interfund activity has been eliminated on the government wide statements.

Program Revenue

The Township receives program revenues in the form of charges for cemetery burial services and various permits and fees.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 1- Summary of Significant Accounting Policies (continued)

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the Town, General Assistance, Road and Bridge, and Capital Improvement Funds. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds is established by the amount of the total appropriation for the fund, but management control is exercised at appropriation line item levels.

Cash and Investments

Cash includes amounts in demand deposits (checking, NOW and money market accounts) and time deposits (certificates of deposits with maturity dates from twelve to twenty-four months). Investments include negotiable certificates of deposits with maturity dates that range from twenty-four to thirty-six months.

Illinois Revised Statutes authorize the Township to invest in securities guaranteed by the full faith and credit of the United States of America, interest-bearing saving accounts, certificates of deposits or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act, the State Treasurer's investment pool (authorized by ICLS 30, 235-2,e), and other permitted investments under paragraph 902, chapter 85 of the Statutes as amended by Public Act 86-426. Investments may only be made in banks that are insured by the Federal Deposit Insurance Corporation.

Investments are stated at fair market value.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation or amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------|--------------|
| Land Improvements | 20 years |
| Buildings | 50 years |
| Building Improvements | 10-20 years |
| Infrastructure | 10 years |
| Machinery and Equipment | 5 - 20 years |
| Intangibles | 5 years |

The minimum capitalization threshold is any item of Machinery and Equipment with a total cost greater than \$1,000, Buildings and Land Improvements of \$10,000 and Infrastructure of \$50,000.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 1- Summary of Significant Accounting Policies (continued)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources related to pension expense represent amounts related to the differences between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings on pension plan investments and post measurement date payments. See Note 6 for additional information on these deferred outflows.

Deferred inflows relating to property taxes do not fit the definition of a liability, which is the use of resources to satisfy an obligation. Rather, deferred property taxes represent a future recognition of revenue, therefore are classified as deferred inflows of resources. Deferred inflows related to pensions represent differences between expected and actual experience. See Note 6 for additional information on these deferred inflows.

Compensated Absences

In the event of termination, Township employees are not reimbursed for accumulated sick leave. Vacation pay does not carryover; employees must take vacation by the end of the calendar year. Terminated employees are reimbursed for any accumulated unpaid vacation pay. Non-exempt employees accrue overtime in the form of compensatory time. Accumulated compensatory time must be taken as time off or as payment by the end of the 26th pay period after the pay period in which it was earned. Vacation pay and compensatory time are accrued in the Statement of Net Position and Statement of Activities.

Defined Benefit Pension Plan (IMRF)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

The Township follows GASB statement 54 "Fund Balance Reporting and Government Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expense) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grants, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

**Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021**

Note 1- Summary of Significant Accounting Policies (continued)

- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. An assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose (but is neither restricted nor committed).

When expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, management applies restricted amounts first, unless a determination is made to use unrestricted fund balance. The Township's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

Reimbursements

Other organizations occupy space in the Township building. The Township bills any operating costs to the organizations on a monthly basis. These receipts are classified as charges for services in the statement of activities and as reimbursements in the statement of revenues, expenditures and changes in fund balance. See Note 9 for more information.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2- Deposits and Investments

Deposits

At year-end, the carrying amount of the Township's deposits, excluding petty cash of \$973 was \$7,920,999 and the bank balance was \$8,171,792. Of the bank balance, \$2,150,004 was covered by federal depository insurance, and \$6,021,788 was collateralized with securities held by the pledging financial institution's agent in the Township's name.

Included in deposits are four certificates of deposit totaling \$714,375 with terms of up 1 to 10 months and rates of 0.25 % to 2.45%.

Investments

At year-end, the Township's investment balances were as follows:

| <u>Investments</u> | <u>Weighted Average Maturity (In months)</u> | <u>Weighted Average Rate</u> | <u>Cost</u> | <u>Fair Value</u> |
|----------------------------|--|--------------------------------------|-------------|-----------------------|
| Negotiable Certificates | 5.5 | 1.53% | \$ 678,000 | \$ 714,375 |

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 2- Deposits and Investments (continued)

The Township has investments in negotiable certificates of deposit. Each certificate is a marketable security that can be actively traded. The Township has the ability and intent to hold each certificate to maturity. Each certificate is fully covered by federal depository insurance.

Fair Value Measurement is measured by the Township using the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value asset. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Township's investments carried at fair value are valued using quoted market prices (Level 1 inputs).

Note 3- Property Taxes

The Township passed the 2020 Tax Levy Ordinances for the Township and for the Road District in December 2019. Property Taxes from the 2020 levy attached as an enforceable lien on property as of January 1, 2020. Taxes are payable in two installments on or around March 1 and August 1. As such, significant tax monies are received between March and December. The County of Cook collects such taxes and remits them periodically.

The current property tax levy is recorded as a receivable. Property tax revenue is recognized to the extent of taxes due and collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year. Such time thereafter does not exceed 60 days. The current net tax levy receivable is recorded on the balance sheet along with a corresponding amount of deferred revenue. Deferred revenue represents the 2020 levy which is used to fund fiscal 2020 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 4- Capital Assets

Capital asset activity for the years ended February 28 and March 31, 2021 was as follows:

| | Balance February 29 and March 31, 2020 | | | Additions | Retirements | Balance February 28 and March 31, 2021 | |
|--|--|---------------------|-------------|--------------------|--------------------|--|--|
| Capital Assets, not being depreciated | | | | | | | |
| Land | \$ 119,098 | \$ - | \$ - | \$ - | \$ - | \$ 119,098 | |
| Infrastructure work in progress | 63,072 | - | - | (63,072) | - | - | |
| Total Capital Assets, not being depreciated | <u>182,170</u> | <u>-</u> | <u>-</u> | <u>(63,072)</u> | <u>(63,072)</u> | <u>119,098</u> | |
| Capital Assets, being depreciated/amortized | | | | | | | |
| Land improvements | 903,812 | - | - | - | - | 903,812 | |
| Building | 2,685,888 | - | - | - | - | 2,685,888 | |
| Building improvements | 243,722 | 2,660 | - | - | - | 246,382 | |
| Machinery and equipment | 2,305,691 | 261,875 | - | (21,529) | - | 2,546,037 | |
| Infrastructure | 3,394,903 | 52,983 | - | - | - | 3,447,886 | |
| Total Capital Assets, Being Depreciated/Amortized | <u>9,534,016</u> | <u>317,518</u> | <u>-</u> | <u>(21,529)</u> | <u>(21,529)</u> | <u>9,830,005</u> | |
| Less Accumulated Depreciation/Amortization for | | | | | | | |
| Land improvements | (404,339) | (33,447) | - | 9,774 | - | (428,012) | |
| Building | (1,919,747) | (38,124) | - | - | - | (1,957,871) | |
| Building improvements | (87,740) | (16,784) | - | - | - | (104,524) | |
| Machinery and equipment | (1,244,177) | (209,331) | - | 21,529 | - | (1,431,979) | |
| Infrastructure | (2,248,426) | (286,822) | - | - | - | (2,535,248) | |
| Total Accumulated Depreciation/Amortization | <u>(5,904,429)</u> | <u>(584,508)</u> | <u>-</u> | <u>31,303</u> | <u>31,303</u> | <u>(6,457,634)</u> | |
| Total Capital Assets, being depreciated/amortized, net | <u>3,629,587</u> | <u>(266,990)</u> | <u>-</u> | <u>9,774</u> | <u>9,774</u> | <u>3,372,371</u> | |
| Total Capital Assets, Net | <u>\$ 3,811,757</u> | <u>\$ (266,990)</u> | <u>\$ -</u> | <u>\$ (53,298)</u> | <u>\$ (53,298)</u> | <u>\$ 3,491,469</u> | |

In the government-wide statement of activities depreciation/amortization expense is not allocated among Government Activities. Total depreciation expense for the years ended February 28, 2021 and March 31, 2021 totals \$574,734.

Note 5- Non-Current Liabilities

Changes in non-current liabilities during the year were as follows:

| Type of Debt | Balance at February 29, 2020 | Increases | Decreases | Balance at February 28, 2021 | Amount Due Within One Year |
|-------------------------------------|------------------------------------|------------------|-------------|------------------------------------|----------------------------------|
| Non-Current Liabilities | | | | | |
| Post-employment benefits payable | \$ 121,181 | \$ 50,967 | \$ - | \$ 172,148 | \$ - |
| Total Non-Current Liabilities | <u>\$ 121,181</u> | <u>\$ 50,967</u> | <u>\$ -</u> | <u>\$ 172,148</u> | <u>\$ -</u> |

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 6- Defined Benefit Pension Plan

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The Township participates in the Regular Plan (RP). All three IMRF benefit plans have two tiers. 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.

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

| | |
|-------------------------------|-----------|
| Retirees and Beneficiaries | <u>36</u> |
| Inactive, non-retired members | 15 |
| Active Members | <u>26</u> |
| Total | <u>77</u> |

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 6- Defined Benefit Pension Plan (continued)

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2020 was 7.84%. For the fiscal years ended February 28, 2021 and March 31, 2021, the Township contributed \$245,264 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The *Actuarial Cost Method* used was Aggregate Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Price* was assumed to be 2.25%.
- *Salary Increases* were expected to be 2.85% to 13.75%
- The *Investment Rate of Return* was assumed to be 7.25%.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study from years 2017 to 2019.
- 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 Weights, 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.
- There were no benefit changes during the year.

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.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 6- Defined Benefit Pension Plan (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Portfolio Target Percentage</u> | <u>Long-Term Expected Rate of Return</u> |
|-------------------------|--|--|
| Domestic Equity | 37% | 5.00% |
| International Equity | 18% | 6.00% |
| Fixed Income | 28% | 1.30% |
| Real Estate | 9% | 6.20% |
| Alternative Investments | 7% | 2.85%-6.95% |
| Cash Equivalents | 1% | 0.70% |
| Total | <u>100%</u> | |

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current continuation rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. A long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits)
2. Tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plant investments is 7.25%, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index"), and the resulting Single Discount Rate is 7.25%.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 6- Defined Benefit Pension Plan (continued)

Changes in the Net Pension Liability

| | Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension (Asset)/Liability (A) - (B) |
|--|--------------------------------------|--|--|
| Balances at December 31, 2019 | \$ 7,131,605 | \$ 7,243,551 | \$ (111,946) |
| Changes for the year: | | | |
| Service Cost | 136,175 | - | 136,175 |
| Interest on the Total Pension Liability | 505,597 | - | 505,597 |
| Changes of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience of the Total Pension Liability | 58,563 | - | 58,563 |
| Changes of Assumptions | (63,261) | - | (63,261) |
| Contributions - Employer | - | 241,515 | (241,515) |
| Contributions - Employees | - | 60,056 | (60,056) |
| Net Investment Income | - | 1,071,960 | (1,071,960) |
| Benefit Payments, including Refunds of Employee Contributions | (451,881) | (451,881) | - |
| Other (Net Transfer) | - | 28,252 | (28,252) |
| Net Changes | <u>185,193</u> | <u>949,902</u> | <u>(764,709)</u> |
| Balances at December 31, 2020 | <u>\$ 7,316,798</u> | <u>\$ 8,193,453</u> | <u>\$ (876,655)</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | 1% Decrease 6.25% | Current Discount 7.25% | 1% Increase 8.25% |
|-------------------------------|----------------------|---------------------------|-----------------------|
| Total Pension Liability | \$ 8,089,440 | \$ 7,316,798 | \$ 6,684,147 |
| Plan Fiduciary Net Position | 8,193,453 | 8,193,453 | 8,193,453 |
| Net Pension Liability/(Asset) | <u>\$ (104,013)</u> | <u>\$ (876,655)</u> | <u>\$ (1,509,306)</u> |

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

For the years ended February 28, 2021 and March 31, 2021, the Township recognized pension income of \$219,610. At December 31, 2020, the Township reported deferred outflows of resources related to pensions from the following sources:

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 6- Defined Benefit Pension Plan (continued)

| <u>Deferred Amounts Related to Pensions</u> | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Net Outflows/(Inflows) of Resources</u> |
|---|--|--|--|
| Deferred Amount to be Recognized in Pension Expense in Future Periods | | | |
| Difference between expected and actual experience | \$ 94,473 | \$ - | \$ 94,473 |
| Assumption Changes | - | 41,119 | (41,119) |
| Net difference between projected and actual earnings on pension plan investments | - | 671,046 | (671,046) |
| Pension Contributions made subsequent to the Measurement Date, through February 28, 2021 | <u>23,287</u> | <u>-</u> | <u>23,287</u> |
| Total Deferred Amounts Related to Pension to the Measurement Date, through February 28, 2021 | <u>\$ 117,760</u> | <u>\$ 712,165</u> | <u>\$ (594,405)</u> |

Deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date totaling \$23,287 are recognized as a reduction of the net pension liability in the year ended February 28, 2021. Other 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:

| <u>Year Ending December 31,</u> | <u>Net Deferred Outflows of Resources</u> |
|-------------------------------------|---|
| 2021 \$ | (137,723) |
| 2022 | (80,629) |
| 2023 | (265,806) |
| 2024 | (110,247) |
| 2025 | - |
| Thereafter | - |
| Total \$ | <u>(594,405)</u> |

Note 7- Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

The Township provides post-employment health care benefits (OPEB) for retired employees of the Township. The benefits, benefit levels, employee contributions and employer contributions are governed by the Township and can be amended by the Township through its personnel manual.

The plan is not accounted for as a trust fund as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Township's Town Fund. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are available to retired employees of the Township and are provided through the Township's health plan. The benefit levels are the same as those afforded to active employees.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 7- Other Post-Employment Benefits (continued)

All retirees contribute 100% of the actuarially determined premium to the plan. Active employees do not contribute to the OPEB plan until retirement.

Employee membership data related to the Plan, as of February 28, 2021 was as follows:

| | OPEB |
|---|------|
| Total Active Employees | 22 |
| Inactive Employees Currently Receiving Benefit Payments | - |
| Inactive Employees Entitled to but not yet Receiving Benefit Payments | - |
| Total | 22 |

Total OPEB Liability

The Township's net OPEB liability was measured as of March 1, 2021. The total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Statement of Significant Assumptions

| | | |
|-----------------------------|-------|--|
| Salary Increases | 2.50% | |
| Retirement Rates | | Based on Rates from IMRF Experience Study Report dated November 8, 2017. Age 60 for Tier I IMRF Employees. Age 62 for Tier II IMRF Employees. |
| Termination Rates | | Based on Rates from IMRF Experience Study Report dated November 8, 2017. |
| Disability Rates | | Based on Rates from IMRF Experience Study Report dated November 8, 2017. |
| Healthcare Cost Trend Rates | | The initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. HMO rates fall between 5.00% and 6.60%. PPO rates fall between 5.00% and 7.20%. |
| Mortality | | RP-2014 with Blue Collar Adjustment and MP-2016 Improvement, weighted per IMRF Experience Study dated November 8, 2017; Age 85 for males, Age 88 for females. All mortality rates are adjusted for retirement status. Spouses use the same mortality tables as retirees. For any active IMRF participant who will not meet the service requirement necessary to retire at assumed retirement ages, it is assumed they have prior service with a different Employer and therefore will be eligible to retire. In the current valuation, there are 6 participants impacted by this assumption. Retirement rates shown above were used to estimate assumed retirement rates. Termination and disability rates were used to estimate probabilities of working to retirement age. Mortality rates shown above were used to estimate assumed ages at death. Assumptions follow the guidance in GASB 74/75 for the Alternative Measurement Method where noted. |

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 7- Other Post-Employment Benefits (continued)

Assumption Changes

The assumed rate on High Quality 20-year Tax-Exempt G.O. Bonds was changed from 2.27% to 2.44% for current year. The underlying index used is the Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 74 and Statement 75.

Since the Employer does not have a trust dedicated exclusively to the payment of OPEB benefits, the discount rate used in the determination of the Total OPEB Liability was also changed from 2.27% to 2.44%.

Discount Rate

The Township does not have a dedicated Trust to pay retiree benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.44% was used, which is the Bond Buyer 20-Bond GO Index.

Changes in Total OPEB Liability

| | Total OPEB Liability (a) | OPEB Plan Net Position (b) | Net OPEB Liability/(Asset) (a)-(b) |
|--------------------------------------|--------------------------------|----------------------------------|--|
| | <u> </u> | <u> </u> | <u> </u> |
| Balances Beginning at 3/1/2020 | \$ 121,181 | \$ - | \$ 121,181 |
| Charges for the year: | | | |
| Service Cost | 12,974 | - | 12,974 |
| Interest | 2,711 | - | 2,711 |
| Actual Experience | 36,020 | - | 36,020 |
| Changes in Assumptions | 2,792 | - | 2,792 |
| Contributions - Employer | - | 3,530 | (3,530) |
| Contributions - Employee | - | - | - |
| Contributions - Other | - | - | - |
| Net Investment Income | - | - | - |
| Benefit Payments from the Plan | (3,530) | (3,530) | - |
| Administrative Expense | - | - | - |
| Net Change in OPEB Plan Net Position | <u>50,967</u> | <u>-</u> | <u>50,967</u> |
| Balances Ending at 2/28/2021 | <u>\$ 172,148</u> | <u>\$ -</u> | <u>\$ 172,148</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table shows the Plan's Net OPEB Liability using the current single discount rate of 2.44%. The following table illustrates the sensitivity of the net OPEB liability to the discount rate assumption:

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 7- Other Post-Employment Benefits (continued)

| | 1% Decrease <u>(1.44%)</u> | Current Discount Rate (2.44%) <u>Rate (2.44%)</u> | 1% Increase <u>(3.44%)</u> |
|---------------------------------------|----------------------------------|--|----------------------------------|
| Employer's Net OPEB Liability/(Asset) | \$ 191,680 | \$ 172,148 | \$ 155,969 |

Below is a table illustrating the sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rates assumption:

| | 1% Decrease <u>(Varies)</u> | Healthcare Cost Trend Rates <u>(Varies)</u> | 1% Increase <u>(Varies)</u> |
|---------------------------------------|-----------------------------------|---|-----------------------------------|
| Employer's Net OPEB Liability/(Asset) | \$ 155,413 | \$ 172,148 | \$ 192,014 |

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

For the year ended February 28 and March 31, 2021, the Township recognized OPEB expense of \$50,967. The Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources <u>of Resources</u> | Deferred Inflows of Resources <u>of Resources</u> |
|---|--|---|
| Differences between expected and actual experience | \$ - | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on postretirement plan investments | - | - |
| Total deferred to be recognized in future expense | <u>\$ -</u> | <u>\$ -</u> |

Subsequent to the Measurement Date, the following amounts will be recognized in OPEB Expense in the upcoming years:

| Year Ended | |
|---------------------|-------------|
| February 28, | |
| 2021 | \$ - |
| 2022 | - |
| 2023 | - |
| 2024 | - |
| 2025 | - |
| Thereafter | - |
| Total | <u>\$ -</u> |

Note 8- Fund Balances

As of February 28, 2021, the Township has \$1,084,498 that is restricted by donors for social service emergencies which include a food pantry and other one-time emergency payments for residents of the Township who do not qualify for General Assistance from the Township. The program is funded through contributions from the community through a nonprofit organization, Township of Palatine Needy Family Fund, Inc.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 8- Fund Balances (continued)

During the year, a resolution was passed by the Board of Trustees to commit funds in the Town Fund and General Assistance Fund for future health and welfare benefits. The Town Fund committed \$37,022 and the General Assistance Fund committed \$17,980 for this purpose.

The Road District has a 5-year plan to spend \$1,066,010 on new machinery and equipment. Additionally, the Road District has set aside approximately \$613,200 for a future bridge replacement and road re-alignment.

Note 9- In Kind Support

The Township records in-kind support in the form of rental income and agency support. Two not-for-profit agencies occupy space in the Township building. In lieu of charging each rent and providing financial support to them as agencies, the Township records \$136,590 as Donated Rental Income and the same amount classified as "Human Needs Funding" expense/expenditure in the Statement of Activities and the Funds Statement of Revenue and Expenditures.

Note 10- Nonprofit Corporations

Palatine Township Needy Family Fund, Inc.

In 1995, the Township formed a nonprofit corporation entitled the Palatine Township Needy Family Fund, Inc. The corporation is a qualified tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The corporation was established for the purpose of generating contributions and providing assistance to residents not covered under the Township's general assistance program. All activities for the corporation are recorded in a separate fund column of the Township's balance sheet and statement of revenues, expenditures and changes in fund balances.

Palatine Township Report, Inc.

Palatine Township Report, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The corporation was established for the purpose of generating and mailing the Township newsletter. The corporation had expenditures of \$120 funded by the General Fund and a cash balance of \$121 as of February 28, 2021. These amounts are included in the General (Town) Fund.

Note 11- Provision for Income Taxes

Palatine Township Needy Family Fund, Inc. and Palatine Township Report, Inc. are tax-exempt entities as defined in Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Township and recognize a tax liability if the Township has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Township, and has concluded that as of February 28, 2021 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Township is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 12- Risk Management

The Township is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions and natural disasters for which the Township carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 13- Motor Fuel Tax Fund

Every year the Township of Palatine Road District receives an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the State to Cook County where it is held for pending projects. Projects are petitioned by the Palatine Township's Highway Commissioner to the Cook County Highway Department for approval to use these MFT funds. When the projects are approved, all management, payment and accounting for the projects are done through Cook County. These funds are reflected in the financial statements of the Township as MFT Revenue and capitalized as infrastructure assets. The unused allotment is not reflected in the financial statements of the Township. During the year ended March 31, 2021, no MFT Funds were used.

Note 14- Future Minimum Lease Payments

The Township had the following lease commitments, accounted for as operating leases:

On May 23, 2017, the Township entered into a lease agreement for new copiers and printers with Konica Minolta. The lease requires monthly payments of \$143.39 for 48 months.

On June 1, 2017, the Township entered into a lease agreement for a new copier with Konica Minolta. The lease requires monthly payments of \$143 for 48 months.

On March 26, 2018, the Township entered into a lease agreement for new copiers and printers with Konica Minolta. The lease requires monthly payments of \$326.90 for 60 months.

On February 28, 2019, the Township entered into a lease agreement for a new mailing system with Pitney Bowes. The lease requires monthly payments of \$157.85 for 36 months.

The following is a schedule of future minimum lease payments required in the above operating leases:

| | | |
|-------------------------|------|----------------------|
| | 2022 | 6,677 |
| | 2023 | 3,923 |
| | 2024 | <u>654</u> |
| Total lease commitments | \$ | <u><u>11,254</u></u> |

Note 15- Effect of COVID-19

During the fiscal year ended February 28, 2021 and March 31, 2021, as a result of the spread of the COVID 19 virus, economic uncertainties arose which impacted the operations of the Township. The Township has made efforts to reduce expenses. The Township followed restrictions, guidelines, and other health protocols.

Note 16- Date of Management's Review

Subsequent events have been evaluated through the date of this report. It was concluded that there are no subsequent events that are required to be disclosed.

Required Supplementary Information

Township of Palatine
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | <u>Appropriation</u> | | <u>Actual</u> | <u>Positive/ (Negative)</u> |
|--|----------------------------|-------------------------|---------------------|---------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| Revenues Received: | | | | |
| Property tax | \$ 1,968,900 | \$ 1,968,900 | \$ 1,967,754 | \$ (1,146) |
| Replacement tax | 68,300 | 68,300 | 68,540 | 240 |
| Interest income | 13,000 | 13,000 | 2,939 | (10,061) |
| Fees | 28,000 | 28,000 | 11,198 | (16,802) |
| PACE charges for services | 25,000 | 25,000 | 19,740 | (5,260) |
| Cook County vehicle sticker fee | - | - | - | - |
| Cemetery receipts | 1,100 | 1,100 | 1,300 | 200 |
| Cemetery contributions | 500 | 500 | - | (500) |
| Donated rental income | 136,590 | 136,590 | 136,590 | - |
| Grants | - | - | 5,000 | 5,000 |
| Miscellaneous income | 3,700 | 3,700 | 4,087 | 387 |
| Total Revenues Received | <u>2,245,090</u> | <u>2,245,090</u> | <u>2,217,148</u> | <u>(27,942)</u> |
| Expenditures: | | | | |
| Current | | | | |
| Administration | 1,055,100 | 1,051,000 | 873,424 | 177,576 |
| Assessor | 156,026 | 156,626 | 120,485 | 36,141 |
| Senior and disabled transportation | 430,600 | 432,000 | 283,546 | 148,454 |
| Human needs funding | 569,540 | 569,540 | 553,916 | 15,624 |
| Cemetery maintenance | 45,700 | 47,800 | 27,398 | 20,402 |
| Quentin road facilities | 49,600 | 49,600 | 31,902 | 17,698 |
| Health, safety, and communication | 38,800 | 38,800 | 33,382 | 5,418 |
| Total Expenditures Disbursed | <u>2,345,366</u> | <u>2,345,366</u> | <u>1,924,053</u> | <u>421,313</u> |
| Excess (deficiency) of Revenues Over Expenditures | <u>(100,276)</u> | <u>(100,276)</u> | <u>293,095</u> | <u>393,371</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | - | - | - | - |
| Transfer out | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> | <u>(100,000)</u> |
| Total Other Financing Sources (Uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> | <u>(100,000)</u> |
| Net Changes in Fund Balances | <u>\$ (200,276)</u> | <u>\$ (200,276)</u> | 293,095 | <u>\$ 293,371</u> |
| Fund Balance - Beginning of Year | | | 2,860,879 | |
| Fund Balance - End of Year | | | <u>\$ 3,153,974</u> | |

Township of Palatine
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
General Assistance Fund
For the Year Ended February 28, 2021

| | <u>Appropriation</u> | | <u>Actual</u> | <u>Positive/ (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| Revenues Received: | | | | |
| Property tax | \$ 233,000 | \$ 233,000 | \$ 257,435 | \$ 24,435 |
| Interest income | 6,000 | 6,000 | 958 | (5,042) |
| Grants | 3,000 | 3,000 | 3,000 | - |
| SSI reimbursements | 1,000 | 1,000 | 8,310 | 7,310 |
| LIHEAP reimbursements | 7,000 | 7,000 | 7,186 | 186 |
| Miscellaneous income | - | - | 542 | 542 |
| Total Revenues Received | <u>250,000</u> | <u>250,000</u> | <u>277,431</u> | <u>27,431</u> |
| Expenditures: | | | | |
| Current | | | | |
| Administration | 389,450 | 389,450 | 374,216 | 15,234 |
| Home relief | 115,100 | 115,100 | 89,289 | 25,811 |
| Total Expenditures Disbursed | <u>504,550</u> | <u>504,550</u> | <u>463,505</u> | <u>41,045</u> |
| Excess (deficiency) of Revenues Over (under) Expenditures | <u>(254,550)</u> | <u>(254,550)</u> | <u>(186,074)</u> | <u>68,476</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | - | - | - | - |
| Transfer out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Changes in Fund Balances | <u>\$ (254,550)</u> | <u>\$ (254,550)</u> | (186,074) | <u>\$ 68,476</u> |
| Fund Balance - Beginning of Year | | | 953,012 | |
| Fund Balance - End of Year | | | <u>\$ 766,938</u> | |

Township of Palatine
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2021

| | <u>Appropriation</u> | | <u>Actual</u> | <u>Positive/ (Negative)</u> |
|--|----------------------------|-------------------------|---------------------|---------------------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| Revenues Received: | | | | |
| Property tax | \$ 1,290,000 | \$ 1,290,000 | \$ 1,313,845 | \$ 23,845 |
| Replacement tax | 65,000 | 65,000 | 73,296 | 8,296 |
| Interest income | 10,000 | 10,000 | 15,816 | 5,816 |
| Fines | 2,500 | 2,500 | 1,656 | (844) |
| Leaf bags/stickers | 750 | 750 | 196 | (554) |
| Reimbursements | 20,000 | 20,000 | 15,493 | (4,507) |
| Miscellaneous | 5,000 | 5,000 | 65,666 | 60,666 |
| Intergovernmental agreements | 75,000 | 75,000 | 115,129 | 40,129 |
| Total Revenues Received | <u>1,468,250</u> | <u>1,468,250</u> | <u>1,601,097</u> | <u>132,847</u> |
| Expenditures: | | | | |
| Current | | | | |
| Administration | 165,340 | 165,390 | 141,632 | 23,758 |
| Maintenance of roads | 1,609,200 | 1,625,650 | 1,152,823 | 472,827 |
| Contingency | 40,000 | 23,500 | - | 23,500 |
| Total Expenditures Disbursed | <u>1,814,540</u> | <u>1,814,540</u> | <u>1,294,455</u> | <u>520,085</u> |
| Excess (deficiency) of Revenues Over (under) Expenditures | <u>(346,290)</u> | <u>(346,290)</u> | <u>306,642</u> | <u>652,932</u> |
| Other Financing Sources (Uses) | | | | |
| Transfer in | - | - | - | - |
| Transfer out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Changes in Fund Balances | <u>\$ (346,290)</u> | <u>\$ (346,290)</u> | 306,642 | <u>\$ 652,932</u> |
| Fund Balance - Beginning of Year | | | 3,208,297 | |
| Fund Balance - End of Year | | | <u>\$ 3,514,939</u> | |

Township of Palatine
Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios
For the Years Ended February 28, 2021 and March 31, 2021
Last 10 Calendar Years
(Schedule to be built prospectively from 2015)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 136,175 | \$ 131,050 | \$ 110,979 | \$ 124,558 | \$ 125,009 | \$ 122,059 | \$ - | \$ - | \$ - | \$ - |
| Interest on total pension liability | 505,597 | 479,822 | 449,370 | 457,989 | 448,737 | 425,242 | - | - | - | - |
| Benefit changes | - | - | - | - | - | - | - | - | - | - |
| Difference between expected and actual experience | 58,563 | 183,063 | 310,859 | (85,317) | (72,486) | 112,897 | - | - | - | - |
| Assumption changes | (63,261) | - | 168,451 | (204,493) | (19,516) | 12,894 | - | - | - | - |
| Benefit payments and refunds | (451,881) | (430,088) | (416,010) | (385,749) | (378,616) | (311,068) | - | - | - | - |
| Net Change in Total Pension Liability | 185,193 | 363,847 | 623,649 | (93,012) | 103,128 | 362,024 | - | - | - | - |
| Total Pension Liability - Beginning | 7,131,605 | 6,767,758 | 6,144,109 | 6,237,121 | 6,133,993 | 5,771,969 | - | - | - | - |
| Total Pension Liability - Ending (a) | \$ 7,316,798 | \$ 7,131,605 | \$ 6,767,758 | \$ 6,144,109 | \$ 6,237,121 | \$ 6,133,993 | \$ - | \$ - | \$ - | \$ - |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer contributions | \$ 241,515 | \$ 51,594 | \$ 96,792 | \$ 118,869 | \$ 761,953 | \$ 131,278 | \$ - | \$ - | \$ - | \$ - |
| Employee contributions | 60,056 | 57,185 | 57,471 | 50,321 | 52,325 | 51,934 | - | - | - | - |
| Pension plan net investment income | 1,071,960 | 1,224,159 | (424,461) | 1,124,610 | 354,600 | 26,643 | - | - | - | - |
| Benefit payments and refunds | (451,881) | (430,088) | (416,010) | (385,749) | (378,616) | (311,068) | - | - | - | - |
| Other | 28,252 | 46,770 | 139,525 | (133,898) | (108,213) | 93,185 | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 949,902 | 949,620 | (546,683) | 774,153 | 682,049 | (8,028) | - | - | - | - |
| Plan Fiduciary Net Position - Beginning | 7,243,551 | 6,293,931 | 6,840,614 | 6,066,461 | 5,384,412 | 5,392,440 | - | - | - | - |
| Plan Fiduciary Net Position - Ending (b) | \$ 8,193,453 | \$ 7,243,551 | \$ 6,293,931 | \$ 6,840,614 | \$ 6,066,461 | \$ 5,384,412 | \$ - | \$ - | \$ - | \$ - |
| Net Pension Liability/(Asset) - Ending (a) - (b) | (876,655) | (111,946) | 473,827 | (696,505) | 170,660 | 749,581 | - | - | - | - |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 111.98% | 101.57% | 93.00% | 111.34% | 97.26% | 87.78% | - | - | - | - |
| Covered Valuation Payroll | \$ 1,331,728 | \$ 1,270,766 | \$ 1,223,803 | \$ 1,118,244 | \$ 1,162,778 | \$ 1,146,535 | \$ - | \$ - | \$ - | \$ - |
| Net Pension Liability as Percentage of Covered Valuation Payroll | -65.83% | -8.81% | 38.72% | -62.29% | 14.68% | 65.38% | - | - | - | - |

Township of Palatine
Multiyear Schedule of Contributions - IMRF
For the Years Ended February 28, 2021 and March 31, 2021
 Last 10 Fiscal Years
 (Schedule to be built prospectively from 2016)

| Fiscal Year Ending February 28, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--|--|--------------------------------|---|----------------------------|--|
| 2/28/2016 | \$ 131,278 | \$ 131,278 | \$ - | \$ 1,146,535 | 11.45% |
| 2/28/2017 | 129,766 | 761,502 | (632,187) | 1,162,778 | 65.53% |
| 2/28/2018 | 115,279 | 115,279 | - | 1,118,244 | 10.63% |
| 2/28/2019 | 87,568 | 87,568 | - | 1,285,862 | 6.95% |
| 2/29/2020 | 60,963 | 60,963 | - | 1,262,312 | 4.83% |
| 2/28/2021 | 105,127 | 245,264 | (140,137) | 1,331,728 | 18.42% |

Valuation Date : Actuarially determined contribution rate are calculated as of December 31 each year each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

| | |
|---------------------------------------|---|
| <i>Actuarial Cost Method:</i> | Aggregate entry age normal |
| <i>Amortization Method:</i> | Level percentage of payroll, closed |
| <i>Remaining Amortization Period:</i> | Non-Taxing bodies: 10-year rolling period. Taxing bodies: (Regular, SLEP, and ESO group): 23-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years). |
| <i>Asset Valuation Method:</i> | 5-year smoothed market; 20% corridor |
| <i>Wage Growth:</i> | 3.25% |
| <i>Price Inflation:</i> | 2.50% |
| <i>Salary Increases:</i> | 3.35% to 14.25% including inflation |
| <i>Investment Rate of Return:</i> | 7.25% |
| <i>Retirement Age:</i> | Experienced-based table of rates that are specific to the type of eligibility condition. Last update for 2017 valuation pursuant to an experience study of the period 2014-2016. |
| <i>Mortality:</i> | For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017(base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustment to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017(base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. |
| <i>Other Information:</i> | |
| <i>Notes</i> | There were no benefits changes during the year. |

Township of Palatine
Schedule of Changes in the Net OPEB Liability
For the Years Ended February 28, 2021 and March 31, 2021

Last 10 Fiscal Years

(Schedule to be built prospectively from 2019)

| | <u>2/28/2021</u> | <u>2/29/2020</u> | <u>2/28/2019</u> | <u>2/28/2018</u> | <u>2/28/2017</u> | <u>2/28/2016</u> | <u>2/28/2015</u> | <u>2/28/2014</u> | <u>2/28/2013</u> | <u>2/28/2012</u> |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total OPEB Liability | | | | | | | | | | |
| Service cost | \$ 12,974 | \$ 12,704 | \$ 12,263 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest on the total OPEB liability | 2,711 | 3,627 | 3,008 | - | - | - | - | - | - | - |
| Benefit changes | - | - | - | - | - | - | - | - | - | - |
| Difference between expected and actual experience | 36,020 | - | - | - | - | - | - | - | - | - |
| Assumption changes | 2,792 | 19,402 | (2,986) | - | - | - | - | - | - | - |
| Benefit payments and refunds | (3,530) | (2,450) | (4,622) | - | - | - | - | - | - | - |
| Net Change in Total OPEB Liability | 50,967 | 33,283 | 7,663 | - | - | - | - | - | - | - |
| Total OPEB Liability - Beginning | 121,181 | 87,898 | 80,235 | - | - | - | - | - | - | - |
| Total OPEB Liability - Ending (a) | <u>\$ 172,148</u> | <u>\$ 121,181</u> | <u>\$ 87,898</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer contributions | \$ 3,530 | \$ 2,450 | \$ 4,622 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employee contributions | - | - | - | - | - | - | - | - | - | - |
| OPEB plan net investment income | - | - | - | - | - | - | - | - | - | - |
| Benefit payments and refunds | (3,530) | (2,450) | (4,622) | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | - | - | - | - | - | - | - | - | - | - |
| Plan Fiduciary Net Position - Beginning | - | - | - | - | - | - | - | - | - | - |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net OPEB Liability/(Asset) - Ending (a) - (b) | 172,148 | 121,181 | 87,898 | - | - | - | - | - | - | - |

Township of Palatine
Schedule of Total OPEB Liability and Related Ratio
For the Years Ended February 28, 2021 and March 31, 2021
 Last 10 Fiscal Years
 (Schedule to be built prospectively from 2019)

| | <u>2/29/2021</u> | <u>2/29/2020</u> | <u>2/28/2019</u> | <u>2/28/2018</u> | <u>2/28/2017</u> | <u>2/28/2016</u> | <u>2/28/2015</u> | <u>2/28/2014</u> | <u>2/28/2013</u> | <u>2/28/2012</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total OPEB Liability - Ending (a) | \$ 172,148 | \$ 121,181 | \$ 87,898 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPEB Plan Net Position - Ending (b) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer's Net OPEB Liability/(Asset) - Ending (a) - (b) | \$ 172,148 | \$ 121,181 | \$ 87,898 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPEB Plan Net Position as a Percentage of Total OPEB Liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Covered Valuation Payroll | \$ 1,059,688 | \$ 1,262,312 | \$ 1,285,862 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net OPEB Liability as a Percentage of Covered Valuation Payroll | 16.25% | 9.60% | 6.84% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Covered-Employee Payroll shown for the current year is the total covered payroll for the Fiscal Year for all plan Members.

Township of Palatine
Schedule of Contributions - OPEB
For the Years Ended February 28, 2021 and March 31, 2021
 Last 10 Fiscal Years
 (Schedule to be built prospectively from 2019)

| | <u>2/28/2021</u> | <u>2/29/2020</u> | <u>2/28/2019</u> | <u>2/28/2018</u> | <u>2/28/2017</u> | <u>2/28/2016</u> | <u>2/28/2015</u> | <u>2/28/2014</u> | <u>2/28/2013</u> | <u>2/28/2012</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially Determined Contribution | N/A | N/A | N/A | - | - | - | - | - | - | - |
| Contributions in Relation to the Actuarially Determine Contribution | - | - | - | - | - | - | - | - | - | - |
| Contribution Deficiency (excess) | <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered Valuation Payroll | \$ 1,059,688 | \$ 1,424,543 | \$ 1,431,379 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions as a Percentage of Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Township of Palatine
Notes to Financial Statements
February 28 and March 31, 2021

Note 1- Summary of Significant Accounting Policies

Budgetary Process

The Township follows these procedures in establishing the budget data reflected in the required supplementary information.

1. The Board of Trustees appoints a committee to prepare the operating budget and a schedule of estimated revenues.
2. The proposed budget is reviewed and approved by the trustees.

Budgeted and actual figures are presented on the modified accrual basis of accounting.

Note 2- Expenditures Over Budget

The Township has incurred individual line item excess of expenditures over appropriations in funds; however, the overall individual funds indicated no aggregate excesses of expenditures over appropriations.

Note 3- Schedule of Contributions – OPEB

There is no Actuarial Determined Contribution (ADC) or Employer Contribution in relation to the ADC. As there is no Trust that exists for funding the OPEB Liability. However, the Township did make contributions from other Township resources in the current year in the amount of \$3,530.

Supplementary Information

Township of Palatine
Schedule of Expenditures-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | <u>Appropriation</u> | | <u>Actual</u> | <u>Positive/ (Negative)</u> |
|-----------------------------------|----------------------|----------------|----------------|---------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Administration | | | | |
| Personnel Services | | | | |
| Salaries | | | | |
| Supervisor | \$ 21,000 | \$ 21,000 | \$ 21,000 | \$ - |
| Clerk | 18,000 | 18,000 | 18,000 | - |
| Assessors | 20,000 | 20,000 | 20,000 | - |
| Highway commissioner | 10,000 | 10,000 | 9,235 | 765 |
| Board of Trustees | 20,000 | 20,000 | 20,000 | - |
| Board meetings | 12,000 | 12,000 | 8,405 | 3,595 |
| Road District Treasurer | 1,000 | 1,000 | 1,000 | - |
| Committees | - | - | - | - |
| Office personnel | 343,000 | 343,000 | 316,305 | 26,695 |
| Temporary personnel | 8,800 | 8,800 | 8,498 | 302 |
| Salary increases | 15,000 | 15,000 | 13,289 | 1,711 |
| Social security/medicare expense | 35,900 | 35,900 | 52,713 | (16,813) |
| Illinois retirement contribution | 28,100 | 28,100 | 44,305 | (16,205) |
| Health and life insurance | 67,300 | 67,300 | 26,351 | 40,949 |
| Workers' compensation insurance | 2,200 | 2,200 | 1,293 | 907 |
| Pension deficit payment | 69,000 | 69,000 | 68,857 | 143 |
| Total Personnel Services | <u>671,300</u> | <u>671,300</u> | <u>629,251</u> | <u>42,049</u> |
| Contractual Services | | | | |
| Building maintenance | 50,700 | 50,700 | 38,643 | 12,057 |
| Grounds maintenance | 14,500 | 14,500 | 13,239 | 1,261 |
| Equipment maintenance | 4,700 | 4,700 | 7,048 | (2,348) |
| Building improvements non-capital | 14,500 | 14,500 | 4,816 | 9,684 |
| Office equipment maintenance | 6,600 | 6,800 | 6,766 | 34 |
| Emergency management services | - | 19,000 | 18,929 | 71 |
| General insurance | 42,900 | 42,900 | 36,779 | 6,121 |
| Telephone and communications | 7,100 | 7,100 | 7,096 | 4 |
| Garbage | 2,700 | 2,700 | 2,635 | 65 |
| Sewers | 75,000 | 44,400 | - | 44,400 |
| Alarm | 5,800 | 6,500 | 6,462 | 38 |
| Utilities | 11,700 | 11,700 | 10,471 | 1,229 |
| Conferences and seminars | 3,600 | 3,600 | 624 | 2,976 |
| Travel expenses | 3,000 | 3,000 | 286 | 2,714 |
| Printing and publishing | 2,000 | 2,000 | 858 | 1,142 |
| Audit | 9,600 | 9,600 | 9,126 | 474 |
| Legal services | 15,000 | 15,000 | 11,251 | 3,749 |
| Engineering | 28,000 | 28,000 | 1,162 | 26,838 |
| Professional services | 17,500 | 22,500 | 22,473 | 27 |
| Community events | 9,000 | 9,000 | 825 | 8,175 |
| Township Officials Bonds | 300 | 300 | 268 | 32 |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|----------------------------------|------------------|------------------|----------------|-------------------------|
| | Original | Final | | |
| Supervisor bonds | \$ 3,300 | \$ 4,400 | \$ 4,305 | \$ 95 |
| Training | 3,000 | 3,000 | 2,333 | 667 |
| Dues and subscriptions | 12,400 | 12,400 | 7,813 | 4,587 |
| Recognition | 5,000 | 5,000 | 1,244 | 3,756 |
| Copier | 6,200 | 6,200 | 6,191 | 9 |
| Recruitment expense | 1,500 | 1,500 | 545 | 955 |
| Payroll services | 5,000 | 5,000 | 4,847 | 153 |
| Miscellaneous | 5,000 | 5,500 | 5,433 | 67 |
| Total Contractual Services | <u>365,600</u> | <u>361,500</u> | <u>232,468</u> | <u>129,032</u> |
| Commodities | | | | |
| Janitorial supplies | 2,500 | 2,500 | 2,465 | 35 |
| Postage | 3,500 | 3,500 | 1,976 | 1,524 |
| Office supplies | 4,000 | 4,000 | 2,974 | 1,026 |
| Total Commodities | <u>10,000</u> | <u>10,000</u> | <u>7,415</u> | <u>2,585</u> |
| Capital Outlay | | | | |
| Equipment purchases | 8,200 | 8,200 | 4,290 | 3,910 |
| Total Capital Outlay | <u>8,200</u> | <u>8,200</u> | <u>4,290</u> | <u>3,910</u> |
| Total Administration | <u>1,055,100</u> | <u>1,051,000</u> | <u>873,424</u> | <u>177,576</u> |
| Township Assessor | | | | |
| Personnel Services | | | | |
| Salaries | 93,740 | 93,740 | 88,503 | 5,237 |
| Salary increases | 1,750 | 1,750 | 1,723 | 27 |
| Social security/medicare expense | 6,923 | 6,923 | - | 6,923 |
| Illinois retirement contribution | 6,957 | 6,957 | - | 6,957 |
| Health and life insurance | 34,500 | 34,500 | 20,167 | 14,333 |
| Workers' compensation insurance | 200 | 200 | 147 | 53 |
| Total Personnel Services | <u>144,070</u> | <u>144,070</u> | <u>110,540</u> | <u>33,530</u> |
| Contractual Services | | | | |
| Equipment maintenance | 550 | 750 | 1,904 | (1,154) |
| Travel | 200 | 200 | - | 200 |
| Outreach seminar | 650 | 650 | 380 | 270 |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|------------------------------------|----------------|----------------|----------------|-------------------------|
| | Original | Final | | |
| Computer program | \$ 900 | \$ 900 | \$ - | \$ 900 |
| EZ Text | 500 | 500 | - | 500 |
| IPA institute workshop | 1,700 | 1,700 | 1,700 | - |
| Training | 250 | 250 | - | 250 |
| Printing | 250 | 450 | 411 | 39 |
| Dues and subscriptions | 300 | 300 | 108 | 192 |
| Professional services | 1 | 1 | - | 1 |
| Publications | 1 | 1 | - | 1 |
| Telephone | 850 | 850 | 3,955 | (3,105) |
| Copier | 2,750 | 2,750 | - | 2,750 |
| Miscellaneous | 1 | 1 | - | 1 |
| SID annual rental | 400 | 600 | 600 | - |
| Equipment rental | 1 | 1 | - | 1 |
| Contingency provision | 1 | 1 | - | 1 |
| Public relation | 1 | 1 | - | 1 |
| Total Contractual Services | <u>9,306</u> | <u>9,906</u> | <u>9,058</u> | <u>848</u> |
| Commodities | | | | |
| Postage | 750 | 750 | 32 | 718 |
| Office supplies | 1,200 | 1,200 | 164 | 1,036 |
| Total Commodities | <u>1,950</u> | <u>1,950</u> | <u>196</u> | <u>1,754</u> |
| Capital Outlay | | | | |
| Equipment | 700 | 700 | 691 | 9 |
| Total Capital Outlay | <u>700</u> | <u>700</u> | <u>691</u> | <u>9</u> |
| Total Township Assessor | <u>156,026</u> | <u>156,626</u> | <u>120,485</u> | <u>36,141</u> |
| Senior and Disabled Transportation | | | | |
| Personnel Services | | | | |
| Salaries | 237,800 | 237,800 | 209,856 | 27,944 |
| Salary increases | 6,700 | 6,700 | 5,032 | 1,668 |
| Transportation overtime | 1,000 | 1,000 | - | 1,000 |
| Social security/medicare expense | 18,800 | 18,800 | - | 18,800 |
| Illinois retirement contribution | 19,200 | 19,200 | - | 19,200 |
| Health and life insurance | 48,400 | 48,400 | 19,503 | 28,897 |
| Workers' Compensation Insurance | 5,100 | 5,100 | 4,427 | 673 |
| Total Personnel Services | <u>337,000</u> | <u>337,000</u> | <u>238,818</u> | <u>98,182</u> |
| Contractual Services | | | | |
| Fuel and oil | 31,600 | 31,600 | 12,778 | 18,822 |
| Maintenance | 25,000 | 25,000 | 13,963 | 11,037 |
| Travel | 500 | 500 | 119 | 381 |
| Telephone | 4,300 | 4,300 | 750 | 3,550 |
| Advertising | 1,000 | 1,000 | - | 1,000 |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|--|----------------|----------------|----------------|-------------------------|
| | Original | Final | | |
| Equipment maintenance | \$ 8,000 | \$ 8,000 | \$ 663 | \$ 7,337 |
| Taxi | 9,300 | 9,300 | 4,616 | 4,684 |
| Training | 200 | 200 | - | 200 |
| Copier | 300 | 300 | 1,935 | (1,635) |
| DOT testing | 1,500 | 1,500 | 546 | 954 |
| Legal | 2,500 | 2,500 | 234 | 2,266 |
| Miscellaneous | 1,000 | 1,000 | 428 | 572 |
| Vehicle insurance | 3,500 | 4,800 | 4,783 | 17 |
| Apparel and clothing | 2,500 | 2,500 | 1,419 | 1,081 |
| Total Contractual Services | <u>91,200</u> | <u>92,500</u> | <u>42,234</u> | <u>50,266</u> |
| Commodities | | | | |
| Office supplies | 800 | 800 | 996 | (196) |
| Postage | 200 | 200 | 71 | 129 |
| Total Commodities | <u>1,000</u> | <u>1,000</u> | <u>1,067</u> | <u>(67)</u> |
| Capital Outlay | | | | |
| Purchases | 1,400 | 1,500 | 1,427 | 73 |
| Total Capital Outlay | <u>1,400</u> | <u>1,500</u> | <u>1,427</u> | <u>73</u> |
| Total Senior and Disabled Transportation | <u>430,600</u> | <u>432,000</u> | <u>283,546</u> | <u>148,454</u> |
| Human Needs Funding | | | | |
| Contractual Services | | | | |
| The Bridge | 191,590 | 191,590 | 191,590 | - |
| Community Child Care Center | 110,000 | 110,000 | 110,000 | - |
| Alexian Brothers Mental Health | 30,000 | 30,000 | 30,000 | - |
| Palatine Opportunity Center | 7,000 | 7,000 | 7,000 | - |
| Rolling Meadows Golden Years | 4,500 | 4,500 | 4,500 | - |
| Shelter, Inc. | 8,000 | 8,000 | 8,000 | - |
| Community Living | 10,000 | 10,000 | 10,000 | - |
| NW Casa | 3,000 | 3,000 | 3,000 | - |
| Palatine Township Senior Center | 79,000 | 79,000 | 79,000 | - |
| Catholic Charities | 8,000 | 8,000 | 8,000 | - |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual
Town Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|--|---------------------|---------------------|---------------------|-------------------------|
| | Original | Final | | |
| Journey PADS To Hope | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ - |
| Faith Community Homes | 9,000 | 9,000 | 9,000 | - |
| Escorted Transportation Services | 5,000 | 5,000 | 5,000 | - |
| Little City Foundation | 4,900 | 4,900 | 4,900 | - |
| Career Place | 8,000 | 8,000 | 1,250 | 6,750 |
| Hands on Suburban Chicago | 3,000 | 3,000 | 3,000 | - |
| Arts Refreshing The Soul | 1,300 | 1,300 | 1,300 | - |
| Children's Advocacy Center | 8,000 | 8,000 | 8,000 | - |
| Connect To Community | 2,250 | 2,250 | 376 | 1,874 |
| Wings | 7,000 | 7,000 | 7,000 | - |
| St. Joseph's Home | 16,500 | 16,500 | 16,500 | - |
| Special Leisure Services | 8,500 | 8,500 | 8,500 | - |
| Special Gifts Theater | 2,000 | 2,000 | 2,000 | - |
| Center for Enriched Living | 14,000 | 14,000 | 14,000 | - |
| Suburban Primary Health Council | 3,000 | 3,000 | 3,000 | - |
| Clearbrook | 2,000 | 2,000 | 2,000 | - |
| St. Mary's Services | 3,000 | 3,000 | 3,000 | - |
| The Harbour | 4,000 | 4,000 | 2,000 | 2,000 |
| Township Match | 5,000 | 5,000 | - | 5,000 |
| North Suburban Legal Aid Clinic | 2,000 | 2,000 | 2,000 | - |
| Compass Northwest | 5,000 | 5,000 | 5,000 | - |
| Total Contractual Services | <u>569,540</u> | <u>569,540</u> | <u>553,916</u> | <u>15,624</u> |
| Total Human Needs Funding | <u>569,540</u> | <u>569,540</u> | <u>553,916</u> | <u>15,624</u> |
| Cemetery Maintenance | | | | |
| Contractual Services | | | | |
| Maintenance/improvements | 16,500 | 16,500 | - | 16,500 |
| Ground upkeep | 27,600 | 27,600 | 24,598 | 3,002 |
| Memorial Day | 500 | 500 | - | 500 |
| Cemetery burial | 700 | 2,800 | 2,800 | - |
| Miscellaneous | 400 | 400 | - | 400 |
| Total Contractual Services | <u>45,700</u> | <u>47,800</u> | <u>27,398</u> | <u>20,402</u> |
| Total Cemetery Maintenance | <u>45,700</u> | <u>47,800</u> | <u>27,398</u> | <u>20,402</u> |
| Quentin Road Facilities | | | | |
| Contractual Services | | | | |
| Alarm | 4,400 | 4,400 | 2,184 | 2,216 |
| Ground maintenance | 9,800 | 9,800 | - | 9,800 |
| Building maintenance | 12,600 | 12,600 | 9,337 | 3,263 |
| Utilities | 22,800 | 22,800 | 20,381 | 2,419 |
| Total Contractual Services | <u>49,600</u> | <u>49,600</u> | <u>31,902</u> | <u>17,698</u> |
| Total Quentin Road Facilities | <u>49,600</u> | <u>49,600</u> | <u>31,902</u> | <u>17,698</u> |
| Health Safety And Communication | | | | |
| Contractual Services | | | | |
| Website services | 6,200 | 6,200 | 4,395 | 1,805 |
| Communication | 32,600 | 32,600 | 28,987 | 3,613 |
| Total Contractual Services | <u>38,800</u> | <u>38,800</u> | <u>33,382</u> | <u>5,418</u> |
| Total Health Safety And Communications | <u>38,800</u> | <u>38,800</u> | <u>33,382</u> | <u>5,418</u> |
| Total Expenditures | <u>\$ 2,345,366</u> | <u>\$ 2,345,366</u> | <u>\$ 1,924,053</u> | <u>\$ 421,313</u> |

Township of Palatine
Schedule of Expenditures-Budget and Actual
General Assistance Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|-------------------------------------|----------------|----------------|----------------|-------------------------|
| | Original | Final | | |
| Administration | | | | |
| Personal Services | | | | |
| Salaries | \$ 189,500 | \$ 189,500 | \$ 192,190 | \$ (2,690) |
| Salaries increases | 5,700 | 8,100 | 8,087 | 13 |
| Social security/medicare expense | 15,100 | 15,100 | 13,598 | 1,502 |
| Illinois retirement contribution | 15,400 | 15,400 | 13,960 | 1,440 |
| Health and life insurance | 56,700 | 56,700 | 50,383 | 6,317 |
| Workers' compensation insurance | 300 | 300 | 212 | 88 |
| Total Personal Services | <u>282,700</u> | <u>285,100</u> | <u>278,430</u> | <u>6,670</u> |
| Contractual Services | | | | |
| Equipment maintenance | 5,800 | 5,800 | 5,600 | 200 |
| Travel expense | 1,000 | 1,000 | 129 | 871 |
| Printing | 400 | 400 | 55 | 345 |
| Professional services | 10,200 | 10,200 | 9,912 | 288 |
| Legal | 1,500 | 1,500 | 429 | 1,071 |
| Telephone | 1,500 | 1,500 | 1,500 | - |
| Training | 1,000 | 1,000 | - | 1,000 |
| Copier | 1,700 | 1,700 | 1,319 | 381 |
| Utilities | 5,300 | 5,300 | 4,344 | 956 |
| Miscellaneous | 1,500 | 1,500 | 907 | 593 |
| Pension deficit payment | 19,500 | 16,700 | 17,336 | (636) |
| Total Contractual Services | <u>49,400</u> | <u>46,600</u> | <u>41,531</u> | <u>5,069</u> |
| Commodities | | | | |
| Office Supplies | 2,000 | 2,000 | 1,253 | 747 |
| Postage | 250 | 250 | 186 | 64 |
| Total Commodities | <u>2,250</u> | <u>2,250</u> | <u>1,439</u> | <u>811</u> |
| Capital Outlay | | | | |
| Equipment Purchases | 5,800 | 3,400 | 2,373 | 1,027 |
| Building and permanent improvements | 52,100 | 52,100 | 50,443 | 1,657 |
| Total Capital Outlay | <u>57,900</u> | <u>55,500</u> | <u>52,816</u> | <u>2,684</u> |
| Total Administration | <u>392,250</u> | <u>389,450</u> | <u>374,216</u> | <u>15,234</u> |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual -Continued
General Assistance Fund
For the Year Ended February 28, 2021

| | <u>Appropriation</u> | | <u>Actual</u> | <u>Positive/ (Negative)</u> |
|-------------------------------|----------------------|-------------------|-------------------|---------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Home Relief | | | | |
| Contractual Services | | | | |
| Medical care | \$ 41,000 | \$ 41,000 | \$ 40,000 | \$ 1,000 |
| Telephone | 900 | 900 | 475 | 425 |
| Utilities | 10,100 | 10,100 | 2,963 | 7,137 |
| Burial | 4,500 | 4,500 | - | 4,500 |
| Rental | 35,100 | 37,900 | 41,478 | (3,578) |
| Travel | 6,200 | 6,200 | 1,950 | 4,250 |
| Food | 3,600 | 3,600 | - | 3,600 |
| Clothing and personnel | 900 | 900 | 500 | 400 |
| Health insurance | - | - | - | - |
| Crisis Assistance Program | 5,000 | 5,000 | 467 | 4,533 |
| Transient/homeless assistance | 5,000 | 5,000 | 1,456 | 3,544 |
| Total Contractual Services | <u>112,300</u> | <u>115,100</u> | <u>89,289</u> | <u>13,734</u> |
| Total Home Relief | <u>112,300</u> | <u>115,100</u> | <u>89,289</u> | <u>25,811</u> |
| Total Expenditure | <u>\$ 504,550</u> | <u>\$ 504,550</u> | <u>\$ 463,505</u> | <u>\$ 41,045</u> |

Township of Palatine
Schedule of Expenditures-Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|-----------------------------------|----------------|----------------|----------------|-------------------------|
| | Original | Final | | |
| Administration | | | | |
| Personnel Services | | | | |
| Salaries | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ - |
| Social security/ medicare expense | 765 | 765 | 765 | - |
| Workers compensation | 150 | 150 | - | 150 |
| Pension deficit payment | 54,375 | 54,375 | 53,944 | 431 |
| Total Personnel Services | <u>65,290</u> | <u>65,290</u> | <u>64,709</u> | <u>150</u> |
| Contractual Services | | | | |
| General insurance | 50,500 | 50,500 | 45,696 | 4,804 |
| Accounting services | 13,000 | 13,000 | 10,717 | 2,283 |
| Telephone | 5,000 | 5,000 | 4,675 | 325 |
| Printing and publishing | 3,000 | 3,050 | 3,025 | 25 |
| Legal services | 12,500 | 12,500 | 4,104 | 8,396 |
| Dues and subscription | 3,500 | 3,500 | 3,436 | 64 |
| Training | 5,250 | 5,250 | 995 | 4,255 |
| Travel expenses | 750 | 750 | - | 750 |
| Total Contractual Services | <u>93,500</u> | <u>93,550</u> | <u>72,648</u> | <u>20,902</u> |
| Commodities | | | | |
| Office supplies | 900 | 900 | 724 | 176 |
| Postage | 450 | 450 | 214 | 236 |
| Operating supplies | 250 | 250 | 246 | 4 |
| Miscellaneous | 200 | 200 | - | 200 |
| Total Commodities | <u>1,800</u> | <u>1,800</u> | <u>1,184</u> | <u>616</u> |
| Capital Outlay | | | | |
| Computer software | 2,500 | 2,500 | 2,424 | 76 |
| Equipment | 1,250 | 1,250 | 565 | 685 |
| Office remodeling | 500 | 500 | 102 | 398 |
| Real estate | 500 | 500 | - | 500 |
| Total Capital Outlay | <u>4,750</u> | <u>4,750</u> | <u>3,091</u> | <u>1,659</u> |
| Total Administration | <u>165,340</u> | <u>165,390</u> | <u>141,632</u> | <u>23,758</u> |
| Maintenance of Roads | | | | |
| Personnel Services | | | | |
| Salaries | 514,500 | 514,500 | 537,995 | (23,495) |
| Salary increases | 15,500 | 15,500 | 14,743 | 757 |
| Overtime and comp time | 35,000 | 45,000 | 44,331 | 669 |

(Continued)

Township of Palatine
Schedule of Expenditures-Budget and Actual
Road and Bridge Fund
For the Year Ended March 31, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------|
| | Original | Budget | | |
| Social security/medicare expense | \$ 43,500 | \$ 43,500 | \$ 41,378 | \$ 2,122 |
| Illinois retirement contribution | 44,500 | 45,500 | 45,378 | 122 |
| Workers compensation | 43,000 | 46,000 | 45,563 | 437 |
| Health insurance | 91,500 | 91,500 | 61,447 | 30,053 |
| Total Personnel Services | <u>787,500</u> | <u>801,500</u> | <u>790,835</u> | <u>10,665</u> |
| Contractual Services | | | | |
| Engineering services | 40,000 | 40,000 | 19,685 | 20,315 |
| Building maintenance | 2,000 | 2,000 | 1,324 | 676 |
| Equipment maintenance | 25,000 | 25,950 | 25,613 | 337 |
| Drainage maintenance | 30,000 | 30,000 | 25,112 | 4,888 |
| Bridge maintenance | 2,000 | 2,000 | - | 2,000 |
| Utilities | 9,000 | 9,000 | 9,173 | (173) |
| Equipment rentals | 5,000 | 5,000 | - | 5,000 |
| Street signs/lights | 8,000 | 8,000 | 5,559 | 2,441 |
| Contract work | 150,000 | 150,000 | 97,735 | 52,265 |
| Right-of-way maintenance | 40,000 | 40,000 | 33,744 | 6,256 |
| Testing services | 3,000 | 3,000 | 2,150 | 850 |
| Total Contractual Services | <u>314,000</u> | <u>314,950</u> | <u>220,095</u> | <u>94,855</u> |
| Commodities | | | | |
| Operating supplies | 7,000 | 7,000 | 6,666 | 334 |
| Automotive fuel/oil | 55,000 | 55,000 | 31,791 | 23,209 |
| Building supplies | 3,500 | 3,500 | 3,261 | 239 |
| Materials | 30,000 | 31,500 | 31,386 | 114 |
| Small tools | 1,200 | 1,200 | 1,175 | 25 |
| Road salt | 140,000 | 140,000 | 20,705 | 119,295 |
| Total Commodities | <u>236,700</u> | <u>238,200</u> | <u>94,984</u> | <u>143,216</u> |
| Capital Outlay | | | | |
| Equipment | 196,000 | 196,000 | - | 196,000 |
| Vehicle | 45,000 | 45,000 | 44,249 | 751 |
| Buildings | 30,000 | 30,000 | 2,660 | 27,340 |
| Total Capital Outlay | <u>271,000</u> | <u>271,000</u> | <u>46,909</u> | <u>224,091</u> |
| Total Maintenance of Roads | <u>1,609,200</u> | <u>1,625,650</u> | <u>1,152,823</u> | <u>472,827</u> |
| Total Provision For Contingencies | <u>40,000</u> | <u>23,500</u> | <u>-</u> | <u>23,500</u> |
| Total Expenditures | <u>\$ 1,814,540</u> | <u>\$ 1,814,540</u> | <u>\$ 1,294,455</u> | <u>\$ 520,085</u> |

Township of Palatine
Schedule of Expenditures-Budget and Actual
Capital Improvement Fund
For the Year Ended February 28, 2021

| | Appropriation | | Actual | Positive/ (Negative) |
|-----------------------|---------------|------------|------------|-------------------------|
| | Original | Final | | |
| Administration | | | | |
| Commodities | | | | |
| Office supplies | \$ - | \$ - | \$ 30 | \$ (30) |
| Total Commodities | - | - | 30 | (30) |
| Total Administration | - | - | 30 | (30) |
| Maintenance | | | | |
| Capital outlay | | | | |
| Buildings | 234,500 | 234,500 | 141,892 | 92,608 |
| Annual vehicle repair | - | - | - | - |
| Total Capital Outlay | 234,500 | 234,500 | 141,892 | 92,608 |
| Total Maintenance | 234,500 | 234,500 | 141,892 | 92,608 |
| Total Expenditures | \$ 234,500 | \$ 234,500 | \$ 141,922 | \$ 92,578 |

Township of Palatine
Schedule of Expenditures - Needy Family Fund
For the Year Ended February 28, 2021

| | Actual |
|-------------------------------|------------|
| Administration | |
| Contractual Services | |
| Copier | \$ 489 |
| Legal | 2,020 |
| Food pantry truck | 28,794 |
| YHOP | 1,594 |
| Apple Tree campaign | 18,254 |
| Spring & Thanksgiving baskets | 489 |
| Easter baskets | 319 |
| Adopt-A-Family | 116 |
| Gift card disbursements | 83,242 |
| Miscellaneous | 28,603 |
| Donor share - general | - |
| Total Contractual Services | 163,920 |
| Commodities | |
| Office supplies | 598 |
| Postage | 1,397 |
| Total Commodities | 1,995 |
| Total Administration | 165,915 |
| Home Relief | |
| Contractual Services | |
| Disaster relief | 22,515 |
| Utilities | - |
| Rental | 12,063 |
| Medical care | 307 |
| Travel | - |
| Clothes/personal | - |
| Food | 694 |
| Total Contractual Services | 35,579 |
| Total Home Relief | 35,579 |
| Total Expenditures | \$ 201,494 |