

TOWNSHIP OF PALATINE  
PALATINE, ILLINOIS

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED FEBRUARY 28, 2022**

**Township of Palatine  
Annual Financial Report  
For the Year Ended February 28, 2022  
For the Year Ended March 31, 2022 for the Road and Bridge Fund**

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(cont'd)

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Annual Financial Report  
For the Year Ended February 28, 2022  
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## **INDEPENDENT AUDITOR'S REPORT**

# Selden Fox

Accounting for your future

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Township of Palatine  
Palatine, Illinois

### Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Township of Palatine** (Township), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Township of Palatine**, as of February 28, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

## **Responsibilities of Management for the Financial Statements (cont'd)**

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

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

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages MD&A-1 through MD&A-7), the multiyear schedule of changes in net pension liability and related ratios (pages 38-39), the multiyear schedule of contributions (page 40), and the multiyear schedule of changes in net OPEB liability and related ratios (pages 41-42) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

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

*Selden Fox, Ltd.*

October 25, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MD&A Township of Palatine  
Management's Discussion and Analysis  
For the Year Ended February 28, 2022 and March 31, 2022**

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, 2022 and March 31, 2022. The management of the Township encourages the users of this report to consider this management discussion and analysis in conjunction with the financial statements to obtain a better understanding of the Township's financial operations. The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and follow the guidelines of the Governmental Accounting Standards Board (GASB).

**Financial Highlights**

The net position of the Township of Palatine as of February 28 and March 31, 2022 and February 28 and March 31, 2021, was \$13,436,339 and \$12,421,853, respectively. The Township's net position increased by \$1,014,486 for the years ended February 28 and March 31, 2022. The term "net position" represents the difference between total assets/deferred outflows and liabilities/deferred inflows of resources.

**Overview of the Financial Statements**

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The financial statements have three major 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 supplementary information. Required supplementary information includes budget and actual schedules of revenues, expenditures and changes in fund balance for the Town Fund and major special revenue funds, and the multiyear schedules of changes in net pension liability and related ratios and the multiyear schedules of contributions for the Illinois Municipal Retirement Fund, the Township's state retirement pension, and the other post-employment benefit plan. Supplementary information includes schedules of expenditures – budget and actual, for all funds for which budgets were adopted, and a schedule of expenditures for the Needy Family Fund.

The two main components to the government-wide financial statements are: (1) the statement of net position, and (2) the statement of activities. These are the two major statements that are analyzed in terms of obtaining a broad overview of the finances, value and annual operations of the Township.

The statement of net position is a snapshot as of the end of the fiscal year, illustrating the overall value of the Township. The total net position should be a positive number and can be equated to the Township's total net worth. Over time, increases or decreases in the total net position of the Township is one indicator of the total overall financial performance.

## **Overview of the Financial Statements (cont'd)**

The statement of activities presents information showing how the Township's net position changed during the most recent fiscal year. The statement of activities shows the overall expenses and operating revenue for services the Township provides. Added to this are the nonoperating revenues for taxes, interest and miscellaneous items, to arrive at the total increase or decrease from operations. This amount is added to the total net position at the beginning of the year, to provide the value of the total net position at the end of the year. A decrease in net position does not necessarily mean poor performance, as planned usage of cash on hand or fund reserves will be reflected here.

Both of the government-wide financial statements may be divided into two components: (1) governmental activities, which are operations of the Township primarily supported by tax revenues; and (2) business-type activities, which are those operations intended to be self-supportive, which have no direct attachment to providing Township services other than their own business. All the Township's operations are considered to be governmental activities, and include administration, assessor division, road and bridge division, home relief, and agency funding. The government-wide financial statements can be found on pages 4-6.

The fund financial statements provide reporting for the Township's operations at a fund level. A fund is a group of related accounts established for a specific purpose to maintain the control of resources for that purpose. The Township utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three types of funds: governmental, proprietary, and fiduciary. All the Township's funds are considered to be governmental.

The focus of governmental fund financial statements is narrower than that of the Township-wide financial statements. The fund financial statements provide a more detailed look at the different operating components that comprise the government-wide financial statements. The focus at the fund level is more on current operations and short-term results, whereas the government-wide reporting allows for a greater understanding of the long-term sustainability of the Township. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for each fund.

The basic governmental fund financial statements can be found on pages 7-12.

Notes to the financial statements provide additional information that is needed to gain a full understanding of the Township's financial operations and its reporting.

## Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Township as a whole.

### Condensed Statement of Net Position

	<b>February 28 and March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets and deferred outflows:</b>		
Current assets	\$ 12,351,451	\$ 11,027,108
Net pension asset	1,664,877	876,655
Capital assets, less accumulated depreciation	3,653,306	3,491,469
Deferred outflows – pension-related	28,407	490,929
<b>Total assets and deferred outflows</b>	<b>17,698,041</b>	<b>15,886,161</b>
<b>Liabilities and deferred inflows:</b>		
Current liabilities	182,475	210,067
Noncurrent liabilities	148,801	172,148
Deferred inflows	3,930,426	3,082,903
<b>Total liabilities and deferred inflows</b>	<b>4,261,702</b>	<b>3,465,118</b>
<b>Net position:</b>		
Invested in capital assets	3,653,306	3,491,469
Restricted	5,460,304	5,336,729
Unrestricted	4,322,729	3,593,655
<b>Total net position</b>	<b>\$ 13,436,339</b>	<b>\$ 12,421,853</b>

**Financial Analysis (cont'd)****Statement of Activities**

	<b>For the Years Ended</b>	
	<b>February 28 and March 31,</b>	
	<b>2022</b>	<b>2021</b>
Program revenues:		
Charges for services	\$ 257,389	\$ 316,798
Grants and contributions	579,441	589,905
General revenues:		
Property taxes	3,740,393	3,539,034
Replacement taxes	304,535	141,836
Unrestricted investment earnings	14,750	25,578
Miscellaneous/other	32,741	72,595
<b>Total revenues</b>	<b>4,929,249</b>	<b>4,685,746</b>
<b>Expenses:</b>		
Administration	1,153,738	1,204,833
Assessor	74,413	120,485
Senior and disabled transportation	316,944	283,546
Human needs funding	571,428	553,916
Home relief	193,314	124,868
Cemetery maintenance	25,861	27,398
Quentin Road facilities	38,728	31,902
Maintenance of roads	905,718	1,239,807
Health, safety and communication	37,904	33,382
Depreciation-unallocated	596,715	574,734
<b>Total expenses</b>	<b>3,914,763</b>	<b>4,194,871</b>
Change in net position	1,014,486	490,875
Net position, beginning of the year	12,421,853	11,930,978
<b>Net position, end of the year</b>	<b>\$ 13,436,339</b>	<b>\$ 12,421,853</b>

## Financial Analysis (cont'd)

The following is a summary of changes in fund balances for the years ended February 28 and March 31, 2022:

<u>Governmental Fund</u>	<u>Beginning Fund Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
Town	\$ 3,153,974	\$ 380,222	\$ 3,534,196
General Assistance	766,938	(95,243)	671,695
Road and Bridge	3,514,939	82,533	3,597,472
Needy Family	1,084,498	136,989	1,221,487
Capital Improvement	369,910	124,354	494,264
	<u>\$ 8,890,259</u>	<u>\$ 628,855</u>	<u>\$ 9,519,114</u>

## 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 \$2,459,034 was more than expenditures and transfers out by \$380,222, and expenditures were \$273,171 less than the appropriation of \$2,214,249. Revenues in the General Assistance Fund was \$95,243 less than expenditures, but the net results bettered the budgeted expectations of a net deficiency of revenues under expenditures of \$233,250. The Road and Bridge Fund revenues exceeded expenditures by \$82,533, while budgeted expectations were for expenditures to be deficient of revenues by \$363,415. 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 the General Assistance Department remained consistent with the prior fiscal year. Many of the Palatine Township residents seeking assistance through programs such as Food Pantry, Angel Tree, Adopt a Family Program, Apple Tree Program, etc. were not serviced by paid staff, and the commodity was not expensed in the General Assistance budget. Rather, 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, 2022, the Township of Palatine partnered with 27 social service agencies to provide various programs for children, teens, adults, senior citizens and disabled individuals. The Township of Palatine provided \$571,428 in funding to these not-for-profit agencies so that services would be available to Township residents.

## Capital Assets

The Township's investment in capital assets, net of accumulated depreciation, as of February 28, 2022 and March 31, 2022, amounts to \$3,653,306 (\$3,491,469 at February 28 and March 31, 2021). This investment in capital assets includes land, infrastructure, buildings, building and land improvements, and machinery and equipment. The Township's net capital assets increased by 4.64%, as new additions slightly exceeded depreciation. Additional information on capital assets can be found at Note III. C. on pages 22-23.

## Description of Current and Expected Conditions

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

### Food Pantry services:

- 3,804 visits to the Food Pantry (-2.1%)
- 65 Emergency Food Bags (+6.6%)
- 45 food deliveries to IDHS Covid identified families
- 312 individuals served with Emergency bags for WINGS (including produce/meat/dairy)
- 95 served – Palatine High School – providing snacks/etc.

### Outreach services:

- 687 Easter baskets were distributed to needy children (-21.0%)
- 630 students received assistance with school supplies from the Apple Tree program (-18.6%)
- 1,077 Senior citizens and children in need received Angel Tree gifts (+3.2%)
- 142 families received gifts thru the holiday Adopt-a-Family Program (-20.7%)
- 45 Families & 107 Kids for the Toy Drive (+40.7%)

### Thanksgiving baskets:

- 813 Thanksgiving baskets were distributed to needy families and senior citizens at the Township (+40.9%)
- 100 Thanksgiving baskets delivered to Rehab/Nursing Center
- 160 Thanksgiving baskets delivered to Senior Living Facilities
- 63 Thanksgiving baskets delivered to homebound clients/disabled living facility
- 7 Referrals to partner agencies for counseling/support

### Transportation services:

- 9,349 bus and van rides (+95.6%)
- 687 Taxi Rides (-25.2%)

### Administration services:

- 34 RTA Senior Passes issued (+100.0%)
- 140 Temporary Handicap Placards issued (+20.7%)
- 1 Voter registered (-98.2%)

### Assessor's Office services:

- 1,038 appeals filed for residents with the Assessor's Office
- 507 appeals filed for residents with the Board of Review
- 961 Exemptions for Palatine residents
- 110 Property Changes/updates

### General Assistance – services:

- 323 Emergency Fund requests (-6.4%)

## **Description of Current and Expected Conditions (cont'd)**

### **General Assistance Non-Monetary Deliverables**

GA provides counseling, assistance and providing referrals to at-risk vulnerable residents. This includes:

- 700 CEDA-related applications for DVP, PIPP, LIHWAP, Reconnection Assistance, Residential Special Hardship, and Weatherization
- \$500,000 in DVP Customer Benefits to residents for completed applications completed (credited for gas and/or electric bills)
- 1,350 trackable intakes with clients requesting assistance, including GA, LIHEAP/CEDA, Emergency Assistance, and Benefit Access, referrals, etc.
- 121 patients (100 households) in Palatine scheduled with Mobile Dental Clinic (370 visits totaling \$164,126 worth of care)
- 60 Benefit Access applications completed

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, 2022  
March 31, 2022 for the Road and Bridge Fund**

<b>Assets and Deferred Outflows of Resources</b>	
Current assets:	
Cash and investments	\$ 8,512,247
Receivables:	
Property taxes, net	3,658,197
Replacement taxes	64,452
Other current assets	91,178
Prepaid expenses	25,377
<b>Total current assets</b>	<b>12,351,451</b>
Noncurrent assets:	
Capital assets, less accumulated depreciation	3,653,306
Net pension asset	1,664,877
<b>Total noncurrent assets</b>	<b>5,318,183</b>
<b>Total assets</b>	<b>17,669,634</b>
Deferred outflows of resources - pension-related	28,407
<b>Total assets and deferred outflow of resources</b>	<b>\$ 17,698,041</b>
<b>Liabilities and Deferred Outflows of Resources</b>	
Current liabilities:	
Accounts payable	\$ 17,560
Accrued salaries and wages	57,764
Payroll liabilities	32,801
Compensated absences	74,350
<b>Total current liabilities</b>	<b>182,475</b>
Noncurrent liabilities - net other postemployment benefits payable	148,801
<b>Total liabilities</b>	<b>331,276</b>
Deferred inflows of resources:	
Property tax revenue	2,724,212
Pension-related	1,206,214
<b>Total deferred inflows of resources</b>	<b>3,930,426</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>4,261,702</b>
<b>Net Position</b>	
Net investment in capital assets	3,653,306
Restricted	5,460,304
Unrestricted	4,322,729
<b>Total net position</b>	<b>\$ 13,436,339</b>

See accompanying notes.

**Township of Palatine**  
**Statement of Activities**  
**For the Year Ended February 28, 2022**  
**For the Year Ended March 31, 2022 for the Road and Bridge Fund**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:					
Administration	\$ 1,153,738	\$ 173,372	\$ -	\$ 3,750	\$ (976,616)
Assessor	74,413	-	-	-	(74,413)
Senior and disabled transportation	316,944	-	-	-	(316,944)
Human needs funding	571,428	-	-	-	(571,428)
Home relief	193,314	-	281,616	-	88,302
Cemetery maintenance	25,861	1,375	1,350	-	(23,136)
Quentin Road facilities	38,728	-	-	-	(38,728)
Maintenance of roads	905,718	82,642	-	292,725	(530,351)
Health, safety, and communication	37,904	-	-	-	(37,904)
Depreciation/amortization unallocated	596,715	-	-	-	(596,715)
<b>Total governmental activities</b>	<b><u>\$ 3,914,763</u></b>	<b><u>\$ 257,389</u></b>	<b><u>\$ 282,966</u></b>	<b><u>\$ 296,475</u></b>	<b><u>(3,077,933)</u></b>
			General revenues:		
			Taxes:		
			Property	3,740,393	
			Replacement	304,535	
			Interest income	14,750	
			Miscellaneous	32,741	
			<b>Total general revenues</b>	<b><u>4,092,419</u></b>	
			<b>Changes in net position</b>	<b>1,014,486</b>	
			Net position, beginning of the year	<u>12,421,853</u>	
			Net position, end of the year	<b><u>\$ 13,436,339</u></b>	

See accompanying notes.

**Township of Palatine**  
**Balance Sheet - Governmental Funds**  
**February 28, 2022**  
**March 31, 2022 for the Road and Bridge Fund**

Assets	Town	General Assistance	Road and Bridge	Nonmajor Funds		Total
				Needy Family	Capital Improvements	
Cash and investments	\$ 2,700,786	\$ 601,812	\$ 3,552,508	\$ 1,162,877	\$ 494,264	\$ 8,512,247
Receivables:						
Property taxes, net	1,679,423	196,191	1,782,583	-	-	3,658,197
Replacement taxes	29,930	-	34,522	-	-	64,452
Other current assets	32,568	-	-	58,610	-	91,178
Prepaid expenses	13,007	-	12,370	-	-	25,377
<b>Total assets</b>	<b>\$ 4,455,714</b>	<b>\$ 798,003</b>	<b>\$ 5,381,983</b>	<b>\$ 1,221,487</b>	<b>\$ 494,264</b>	<b>\$ 12,351,451</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 11,322	\$ 6,253	\$ (15)	\$ -	\$ -	\$ 17,560
Accrued salaries and wages	30,080	6,694	20,990	-	-	57,764
Payroll liabilities	1,479	18,976	12,346	-	-	32,801
<b>Total liabilities</b>	<b>42,881</b>	<b>31,923</b>	<b>33,321</b>	<b>-</b>	<b>-</b>	<b>108,125</b>
Deferred inflows of resources:						
Property taxes	878,637	94,385	1,751,190	-	-	2,724,212
<b>Total liabilities and deferred inflows of resources</b>	<b>921,518</b>	<b>126,308</b>	<b>1,784,511</b>	<b>-</b>	<b>-</b>	<b>2,832,337</b>
Fund balances:						
Nonspendable	13,007	-	12,370	-	-	25,377
Restricted for statutory purpose	-	653,715	3,585,102	-	-	4,238,817
Restricted by donors	-	-	-	1,221,487	-	1,221,487
Committed	37,022	17,980	-	-	494,264	549,266
Unassigned	3,484,167	-	-	-	-	3,484,167
<b>Total fund balances</b>	<b>3,534,196</b>	<b>671,695</b>	<b>3,597,472</b>	<b>1,221,487</b>	<b>494,264</b>	<b>9,519,114</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 4,455,714</b>	<b>\$ 798,003</b>	<b>\$ 5,381,983</b>	<b>\$ 1,221,487</b>	<b>\$ 494,264</b>	<b>\$ 12,351,451</b>

See accompanying notes.

**Township of Palatine**  
**Reconciliation of Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**February 28, 2022**  
**March 31, 2022 for the Road and Bridge Fund**

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Total fund balance - governmental funds (page 8)	\$ 9,519,114
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,653,306
Deferred outflows of resources related to the net pension asset are not deferred in the governmental funds.	28,407
Deferred inflows of resources related to the net pension asset are not deferred in the governmental funds.	(1,206,214)
Compensated absences are only recognized in the Statement of Net Position.	(74,350)
Net other post-employment benefits payable, listed as a noncurrent liability, is only recognized in the Statement of Net Position.	(148,801)
Net pension asset for IMRF, listed as a noncurrent asset, is only recognized in the Statement of Net Position.	<u>1,664,877</u>
Net position of governmental activities (page 4)	<u>\$ 13,436,339</u>

See accompanying notes.

**Township of Palatine**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - All Governmental Funds**  
**For the Year Ended February 28, 2022**  
**For the Year Ended March 31, 2022 for the Road and Bridge Fund**

	Town	General Assistance	Road and Bridge	Nonmajor Funds		Total
				Needy Family	Capital Improvements	
Revenues:						
Property tax	\$ 2,119,566	\$ 268,683	\$ 1,352,144	\$ -	\$ -	\$ 3,740,393
Replacement tax	153,229	-	151,306	-	-	304,535
Interest income	2,215	587	10,296	1,475	177	14,750
Grants	-	3,750	-	-	-	3,750
Reimbursements	-	9,361	18,331	-	-	27,692
Contributions	-	-	-	281,616	-	281,616
Fines	-	-	1,231	-	-	1,231
Fees and permits	18,920	-	378	-	-	19,298
Charges for services	17,862	-	62,702	-	-	80,564
Cemetery receipts	2,725	-	-	-	-	2,725
Donated rental income	136,590	-	-	-	-	136,590
Miscellaneous	7,927	2,298	12,855	300	-	23,380
<b>Total revenues</b>	<b>2,459,034</b>	<b>284,679</b>	<b>1,609,243</b>	<b>283,391</b>	<b>177</b>	<b>4,636,524</b>
Expenditures:						
Current:						
Administration	815,643	307,439	90,541	142,842	-	1,356,465
Assessor	126,191	-	-	-	-	126,191
Senior and disabled transportation	325,323	-	-	-	-	325,323
Human needs funding	571,428	-	-	-	-	571,428
Home relief	-	72,483	-	3,560	-	76,043
Cemetery maintenance	25,861	-	-	-	-	25,861
Quentin Road facilities	38,728	-	-	-	-	38,728
Maintenance of roads	-	-	1,436,169	-	13,557	1,449,726
Health, safety, and communication	37,904	-	-	-	-	37,904
<b>Total expenditures</b>	<b>1,941,078</b>	<b>379,922</b>	<b>1,526,710</b>	<b>146,402</b>	<b>13,557</b>	<b>4,007,669</b>
<b>Revenues over (under) expenditures before other financing sources (uses)</b>	<b>517,956</b>	<b>(95,243)</b>	<b>82,533</b>	<b>136,989</b>	<b>(13,380)</b>	<b>628,855</b>
Other financing sources (uses):						
Transfer in	-	-	-	-	137,734	137,734
Transfer out	(137,734)	-	-	-	-	(137,734)
<b>Total other financing sources (uses)</b>	<b>(137,734)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,734</b>	<b>-</b>
<b>Net changes in fund balance</b>	<b>380,222</b>	<b>(95,243)</b>	<b>82,533</b>	<b>136,989</b>	<b>124,354</b>	<b>628,855</b>
Fund balance, beginning of the year	3,153,974	766,938	3,514,939	1,084,498	369,910	8,890,259
Fund balance, end of the year	\$ 3,534,196	\$ 671,695	\$ 3,597,472	\$ 1,221,487	\$ 494,264	\$ 9,519,114

See accompanying notes.

**Township of Palatine  
Reconciliation of Statement of Revenues,  
Expenditures and Changes in Fund Balance of  
Governmental Funds to the Statement of Activities  
For the Year Ended February 28, 2022**

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Amounts reported for governmental activities in the statement of activities (pages 5 and 6) are different because:

Net changes in fund balances - total governmental funds (page 11).	\$ 628,855
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	465,827
Depreciation expense	(596,715)
<p>Motor fuel tax funds drawn down from the County are used for capital asset purchases and not reported as revenue in the governmental funds.</p>	
	292,725
<p>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:</p>	
Net other post-employment benefits payable	23,347
Compensated absences payable	(4,373)
<p>Outflows and inflows related to the net pension liability, as well as the change in the net pension asset, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
	204,820
Changes in net position of governmental activities (page 6)	\$ 1,014,486

See accompanying notes.

## **Township of Palatine Notes to the Financial Statements**

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### **I. Summary of Significant Accounting Policies**

The Township of Palatine, Illinois (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 accounting policies and financial statements of the Township of Palatine conform to accounting principles generally accepted in the United States of America as applicable to governments. Following is a summary of the more significant policies.

#### **A. The 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. The Road District has a fiscal year end of March 31, which differs from the Township's fiscal year end. As a result, these financial statements include the balances as of March 31, 2022, for the Road District and year ends have been used consistently from year to year. There were no significant receivable and payable balances between the Township and the Road District at February 28, 2022. 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.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

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

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recorded only when the payment is due.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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I. **Summary of Significant Accounting Policies (cont'd)**

C. **Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

Property taxes and interest earned are susceptible to accrual. 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 2021 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying balance sheet. Replacement income tax collected and held by the state of Illinois at year end on behalf of the Township is also recognized as revenue. Other receipts become measurable and available when cash is received and are recognized at that time. The Township reports the following major governmental funds:

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

**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:

Major Funds:

**General Assistance Fund** – Accounts for resources to provide financial assistance to Township residents who meet certain need-based requirements.

**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.

Nonmajor Funds:

**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** – Used to accumulate resources for capital asset and project purchases in the future.

Interfund activity has been eliminated on the government-wide financial statements.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Net Position/  
Fund Balance**

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the accounting period. Accounting estimates made by the Township include: (1) determining the allowance for uncollectible property taxes, (2) establishing the useful lives for capital assets, and (3) determining the net pension liability.

**1. Deposits and Investments**

Cash includes amounts in demand deposits (checking, NOW and money market accounts). Investments include a 36-month fixed annuity investment stated at cost which approximates fair value.

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.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans), or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available resources.

The Township's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half on March 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are based on the assessed valuation of the Township's real property as equalized by the state of Illinois. The equalized assessed valuation of real property totaled \$3,721,326,198 for the calendar year 2020 (most recent available).

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Net Position/  
Fund Balance (cont'd)**

**3. Prepaid Expenses**

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

**4. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the government-wide financial statements. The Township defines capital assets as assets with an initial cost of more than \$1,000 for machinery and equipment, \$10,000 for buildings and land improvements, and \$50,000 for infrastructure. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend assets' lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method, over the following estimated useful lives:

Land improvements	20 years
Buildings	50 years
Building improvements	10-20 years
Infrastructure	10 years
Machinery and equipment	5-20 years

**5. 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 6th pay period after the pay period in which it was earned. Vacation pay and compensatory time are accrued in the Statement of Net Position.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Net Position/  
Fund Balance (cont'd)**

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In the governmental fund financial statements, property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, property taxes are not "available" to finance the current year's expenditures. For those funds on the modified accrual basis of accounting, the current year's tax levy is recorded as property taxes receivable and deferred tax revenue.

**7. Fund Equity and Net Position**

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

- Invested in capital assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted net position – consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other net position that does not meet the definition of restricted or invested in capital assets.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Net Position/  
Fund Balance (cont'd)**

**7. Fund Equity and Net Position (cont'd)**

In the fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. The fund balances for the special revenue funds are considered restricted, as the source of these fund balances are dedicated property tax revenues. As of February 28, 2022, the Township has \$1,221,487 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. 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 realignment.

Committed fund balance is constrained by formal actions, in the form of ordinances, of the Township's Board of Trustees, which is considered the Township's highest level of decision-making authority. The modification to or rescinding of a fund balance must be done by passage of an ordinance by the Board of Trustees. During the prior 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 fund balance in the Capital Improvements Fund is committed for future capital outlay.

Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. Assignments are made at the Board level. The Township has no assigned fund balance. The spendable fund balance in the General Fund is considered unassigned.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is 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.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**I. Summary of Significant Accounting Policies (cont'd)**

**D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Net Position/  
Fund Balance (cont'd)**

**8. 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.

**II. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. 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.

**III. Detailed Notes For All Fund Types and Account Groups**

**A. Deposits and Investments**

**Deposits** – At year end, the carrying amount of the Township's deposits, excluding petty cash of \$872, was \$8,161,979 and the bank balance was \$8,561,491. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and the \$7,561,491 was collateralized by securities held by the pledging financial institution's agent in the Township's name.

**Investments** – At year end, investments consist of a Symetra Select 36-month fixed annuity with Symetra, with an annual guaranteed interest rate of 1.70%, held in the Road and Bridge Fund. The original investment was \$347,000 and the carrying amount at March 31, 2022, is \$349,396.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Fund Types and Account Groups (cont'd)**

**A. Deposits and Investments (cont'd)**

**Interest Rate Risk** – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Township manages its interest rate risk in accordance with its investment policy by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by limiting the amount invested for more than a short term.

**Credit Risk** – Generally, credit risk is the risk that an issuer of a debt-type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Township is not exposed to credit risk, as its investments are limited to a fixed annuity, which are unrated.

**Custodial Credit Risk** – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. In accordance with its investment policy, all Township deposits with financial institutions are insured up to the Federal Deposit Insurance Corporation (FDIC) level with the remaining balance collateralized. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the Township's policy that investments are fully insured or collateralized.

**B. Property Taxes**

The Township passed the 2021 Tax Levy Ordinances for the Township and for the Road District in December 2020. Property Taxes from the 2021 levy attached as an enforceable lien on property as of January 1, 2021. 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 portion of the 2021 levy which is used to fund fiscal 2022 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Fund Types and Account Groups (cont'd)**

**C. Capital Assets**

Capital asset activity for the years ended February 28 and March 31, 2022, was as follows:

	<b>Balance, February 28 and March 31, 2021</b>	<b>Additions</b>	<b>Retirements/ Adjustments</b>	<b>Balance, February 28 and March 31, 2022</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
<b>Total capital assets not being depreciated</b>	<b>119,098</b>	<b>-</b>	<b>-</b>	<b>119,098</b>
Capital assets, being depreciated:				
Land improvements	\$ 903,812	\$ -	\$ -	\$ 903,812
Buildings	2,685,888	-	-	2,685,888
Building improvements	246,382	4,364	-	250,746
Machinery and equipment	2,546,037	232,648	3,735	2,774,950
Infrastructure	3,447,886	521,540	558,599	3,410,827
<b>Total capital assets being depreciated</b>	<b>9,830,005</b>	<b>758,552</b>	<b>562,334</b>	<b>10,026,223</b>
Less accumulated depreciation for:				
Land improvements	428,012	42,734	-	470,746
Buildings	1,957,871	37,889	-	1,995,760
Building improvements	104,524	18,164	-	122,688
Machinery and equipment	1,431,979	225,898	3,735	1,654,142
Infrastructure	2,535,248	272,030	558,599	2,248,679
<b>Total accumulated depreciation</b>	<b>6,457,634</b>	<b>596,715</b>	<b>562,334</b>	<b>6,492,015</b>
<b>Total capital assets, being depreciated, net</b>	<b>3,372,371</b>	<b>161,837</b>	<b>-</b>	<b>3,534,208</b>
<b>Total capital assets, net</b>	<b>\$ 3,491,469</b>	<b>\$ 161,837</b>	<b>\$ -</b>	<b>\$ 3,653,306</b>

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

**III. Detailed Notes For All Fund Types and Account Groups (cont'd)**

**C. Capital Assets (cont'd)**

In the government-wide statement of activities depreciation expense is not allocated among government activities. Total depreciation expense for the years ended February 28, 2022 and March 31, 2022 totals \$596,715.

**D. Interfund Transfer**

The Town Fund transferred \$137,734 to the Capital Improvements Fund to help fund future capital projects.

**E. Noncurrent Liabilities**

Changes in noncurrent liabilities during the years ended February 28 and March 31, 2022, were as follows:

<u>Type of Debt</u>	<u>Balances March 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances February 28, 2022</u>	<u>Amounts Due Within One Year</u>
Post-employment benefits payable	\$ 172,148	\$ -	\$ 23,347	\$ 148,801	\$ -

**F. Operating Leases**

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

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 \$327 for 60 months.

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

2023	\$	3,923
2024		<u>654</u>
Total lease commitments	\$	<u>4,577</u>

**Township of Palatine  
Notes to the Financial Statements (cont'd)**

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**III. Detailed Notes For All Fund Types and Account Groups (cont'd)**

**G. 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, Expenditures and Changes in Fund Balance.

**IV. Other Information**

**A. 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 not been significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**B. Employee Retirement System**

**General Information About the Pension Plan**

**Plan Description** – The Township's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the Township. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The types of benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

At December 31, 2021, the IMRF Plan membership consisted of:

Retirees and beneficiaries	34
Inactive, non-retired members	16
Active members	<u>24</u>
<b>Total</b>	<u><b>74</b></u>

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

B. **Employee Retirement System** (cont'd)

**General Information About the Pension Plan** (cont'd)

**Benefits Provided** – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$119,892 and \$116,740 at January 1, 2022, and 2021, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

**Contributions** – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Township is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar years 2022 and 2021 were 5.14 and 8.09 percent, respectively. The Township's contribution to the Plan totaled \$96,748 in the current fiscal year which was equal to its annual required contribution.

**Net Pension Liability**

The Township's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Township of Palatine  
Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**B. Employee Retirement System (cont'd)**

**Net Pension Liability (cont'd)**

**Actuarial Valuation and Assumptions** – The actuarial assumptions used in the December 31, 2021, valuation were based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at March 31, 2022, was 22 years.

**Mortality Rates** – For non-disabled lives, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (Adjusted 105%) tables, and future mortality improvement projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, 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.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

B. **Employee Retirement System** (cont'd)

**Net Pension Liability** (cont'd)

**Long-term Expected Rate of Return** – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	39%	4.50%
International equities	15%	5.75%
Fixed income	25%	2.00%
Real estate	10%	5.90%
Alternatives:	10%	
Private equity		8.10%
Commodities		4.30%
Cash equivalents	1%	1.70%

**Discount Rate** – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 1.84% (as reported in Fidelity's "20-Year Municipal GO AA Index as of December 31, 2021) was utilized, resulting in a single discount rate of 7.25 being used to determine the total pension liability.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

**IV. Other Information (cont'd)**

**B. Employee Retirement System (cont'd)**

**Changes in Net Pension (Asset) Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances 12/31/20	\$ 7,316,798	\$ 8,193,453	\$ (876,655)
Changes for the year:			
Service cost	128,224	-	128,224
Interest	519,655	-	519,655
Differences between expected and actual experience	(82,284)	-	(82,284)
Changes in assumptions	-	-	-
Contributions - employer	-	109,170	(109,170)
Contributions - employee	-	60,725	(60,725)
Net investment income	-	1,423,562	(1,423,562)
Benefit payments, including refunds of employee contributions	(426,500)	(426,500)	-
Other changes	-	(239,640)	239,640
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances 12/31/21	<u>\$ 7,455,893</u>	<u>\$ 9,120,770</u>	<u>\$ (1,664,877)</u>

**Discount Rate Sensitivity** – The following presents the net pension liability of the Township, calculated using the discount rate of 7.25%, as well as what the Township’s net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net pension (asset) liability	<u>\$ (861,483)</u>	<u>\$ (1,664,877)</u>	<u>\$ (2,322,504)</u>

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IMRF financial report.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

**IV. Other Information (cont'd)**

**B. Employee Retirement System (cont'd)**

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

For the years ended February 28, 2022 and March 31, 2022, the Township recognized pension income of \$108,099 in the government-wide financial statements. At February 28, 2022 and March 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,569	\$ 53,942	\$ 36,373
Changes in assumptions	-	18,977	18,977
Net difference between projected and actual earnings on pension plan investments	-	1,133,295	1,133,295
Subtotal	17,569	1,206,214	1,188,645
Contributions made subsequent to the measurement date	10,838	-	(10,838)
Total	\$ 28,407	\$ 1,206,214	\$ 1,177,807

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

Year Ending February 28  
and March 31,

2023	\$ (278,476)
2024	(460,911)
2025	(279,752)
2026	(169,506)
Total	\$ (1,188,645)

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Other Post-Employment Benefits**

The Township provides post-employment health care benefits (OPEB) for retired employees of the Township through a single employer defined benefit plan. 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.

All retirees contribute 100% of the actuarially determined premium to the plan. Active employees do not contribute to the OPEB plan until retirement. At February 28, 2022, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	-
Active plan members	<u>22</u>
<b>Total</b>	<u>22</u>

**Funding Policy** – Retirees and dependents may continue coverage under the Township's group health program by contributing a monthly premium. They may participate in any plans offered to active employees. Retirees and dependents are required to pay 100% of the blended average employee cost. Premiums are the same for active and retired employees. The Township pays the difference between the actuarial cost of the health coverage for retirees and the employee group cost. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

**Total OPEB Liability** – The Township's net OPEB liability was measured as of February 28, 2022. The total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of March 1, 2021, using the alternative measurement method.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**C. Other Post-Employment Benefits (cont'd)**

**Retiree Lapse Rates** – Retirees receiving medical coverage are expected to lapse all coverages at age 65.

**Election at Retirement** – 30% of active employees are assumed to elect coverage at retirement.

**Marital Status** – Of the employees assumed to elect coverage at retirement, 50% are assumed to elect spousal coverage upon retirement.

**Actuarial Valuation and Assumptions** – The total OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method as detailed in GASB Statement 75, as of March 1, 2021. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	2.50%
Discount rate	2.51% (2.44% at beginning of year)
Inflation rate	2.25%

The health care trend rate is 6.60 percent for the HMO Plan and 7.20 percent for the PPO Plan for fiscal years 2021-2022, then decreasing over time to an ultimate rate of 5.00 percent for both plans by fiscal year 2031. The mortality rates were based on the PubG-2010(B) Mortality Table – General with mortality improvement using scale MP-2020.

**Discount Rate** – The discount rate used to measure the total OPEB liability is based on the ability of the fund to meet benefit obligations in the future. Because the Township does not have a dedicated trust to pay retiree healthcare benefits, the discount rate used should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 2.51% is used, which is the Bond Buyer 20-Bond GO as of February 24, 2022, the most recent rate available prior to the measurement date.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

IV. **Other Information** (cont'd)

C. **Other Post-Employment Benefits** (cont'd)

**Changes in Net OPEB Liability**

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
Balance 2/28/21	\$ 172,148	\$ -	\$ 172,148
Changes for the year:			
Service cost	4,734	-	4,734
Interest	4,095	-	4,095
Differences between expected and actual experience	-	-	-
Changes in assumptions	(23,565)	-	(23,565)
Contributions - employer	-	8,611	(8,611)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(8,611)	(8,611)	-
Other changes	-	-	-
Net changes	(23,347)	-	(23,347)
Balances at 2/28/22	\$ 148,801	\$ -	\$ 148,801

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the Township as of the date of the latest measurement date, calculated using the discount rate of 2.51%, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (1.51%)	Current Discount Rate (2.51%)	1% Increase (3.51%)
Net OPEB Liability	\$ 164,976	\$ 148,801	\$ 135,366

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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IV. **Other Information** (cont'd)

C. **Other Post-Employment Benefits** (cont'd)

**Changes in Net OPEB Liability** (cont'd)

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates –** The following presents the net OPEB liability of the Township as of the date of the latest measurement date, as well as what the Township's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 133,559	\$ 148,801	\$ 166,920

**OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to OPEB –** For the year ended February 28 and March 31, 2022, the Township recognized OPEB income of \$14,736. At February 28 and March 31, 2022, the Township did not report any deferred outflows and inflows of resources related to OPEB.

D. **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 \$12,471 funded by the General Fund and a cash balance of \$121 as of February 28, 2022. These amounts are included in the General (Town) Fund.

**Township of Palatine**  
**Notes to the Financial Statements (cont'd)**

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**IV. Other Information (cont'd)**

**E. 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 government-wide financial statements of the Township as capital grant 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, 2022, the Township of Palatine Road District used \$292,725 of funds held at the County for infrastructure projects.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Palatine  
Town Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property tax	\$ 1,968,900	\$ 1,968,900	<b>\$ 2,119,566</b>	\$ 150,666
Replacement tax	68,300	68,300	<b>153,229</b>	84,929
Interest income	3,000	3,000	<b>2,215</b>	(785)
Fees	14,000	14,000	<b>18,920</b>	4,920
PACE charges for services	20,300	20,300	<b>17,862</b>	(2,438)
Cemetery receipts	1,100	1,100	<b>1,375</b>	275
Cemetery contributions	500	500	<b>1,350</b>	850
Donated rental income	136,600	136,600	<b>136,590</b>	(10)
Miscellaneous income	3,700	3,700	<b>7,927</b>	4,227
<b>Total revenues</b>	<b>2,216,400</b>	<b>2,216,400</b>	<b>2,459,034</b>	<b>242,634</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration	945,900	955,500	<b>815,643</b>	139,857
Assessor	158,749	163,449	<b>126,191</b>	37,258
Senior and disabled transportation	372,600	379,800	<b>325,323</b>	54,477
Human needs funding	601,600	575,400	<b>571,428</b>	3,972
Cemetery maintenance	49,400	51,000	<b>25,861</b>	25,139
Quentin Road facilities	47,400	49,000	<b>38,728</b>	10,272
Health, safety and communication	38,600	40,100	<b>37,904</b>	2,196
<b>Total expenditures</b>	<b>2,214,249</b>	<b>2,214,249</b>	<b>1,941,078</b>	<b>273,171</b>
<b>Revenues over expenditures</b>	<b>2,151</b>	<b>2,151</b>	<b>517,956</b>	<b>515,805</b>
Other financing uses - transfer out	(137,800)	(137,800)	<b>(137,734)</b>	66
<b>Net change in fund balance</b>	<b>\$ (135,649)</b>	<b>\$ (135,649)</b>	<b>380,222</b>	<b>\$ 515,871</b>
Fund balance - beginning of the year			<b>3,153,974</b>	
Fund balance - end of the year			<b>\$ 3,534,196</b>	

See independent auditor's report.

**Township of Palatine  
General Assistance Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property tax	\$ 233,000	\$ 233,000	\$ 268,683	\$ 35,683
Interest income	1,000	1,000	587	(413)
Grants	3,000	3,000	3,750	750
LIHEAP reimbursements	8,000	8,000	9,361	1,361
Miscellaneous income	1,000	1,000	2,298	1,298
<b>Total revenues</b>	<b>246,000</b>	<b>246,000</b>	<b>284,679</b>	<b>38,679</b>
Expenditures:				
Current:				
Administration	344,150	344,750	307,439	37,311
Home relief	134,500	134,500	72,483	62,017
<b>Total expenditures</b>	<b>478,650</b>	<b>479,250</b>	<b>379,922</b>	<b>99,328</b>
<b>Net change in fund balance</b>	<b>\$ (232,650)</b>	<b>\$ (233,250)</b>	<b>(95,243)</b>	<b>\$ 138,007</b>
Fund balance - beginning of the year			<b>766,938</b>	
Fund balance - end of the year			<b>\$ 671,695</b>	

See independent auditor's report.

**Township of Palatine  
Road and Bridge Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended March 31, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property tax	\$ 1,225,000	\$ 1,225,000	<b>\$ 1,352,144</b>	\$ 127,144
Replacement tax	70,000	70,000	<b>151,306</b>	81,306
Interest income	15,000	15,000	<b>10,296</b>	(4,704)
Fines	1,500	1,500	<b>1,231</b>	(269)
Leaf bags/stickers	500	500	<b>378</b>	(122)
Reimbursements	18,000	18,000	<b>18,331</b>	331
Miscellaneous income	10,000	10,000	<b>12,855</b>	2,855
Intergovernmental agreements	75,000	75,000	<b>62,702</b>	(12,298)
<b>Total revenues</b>	<b>1,415,000</b>	<b>1,415,000</b>	<b>1,609,243</b>	<b>194,243</b>
Expenditures:				
Current:				
Administration	112,165	112,215	<b>90,541</b>	21,674
Maintenance of roads	1,649,200	1,666,200	<b>1,436,169</b>	230,031
<b>Total expenditures</b>	<b>1,761,365</b>	<b>1,778,415</b>	<b>1,526,710</b>	<b>251,705</b>
<b>Net change in fund balance</b>	<b>\$ (346,365)</b>	<b>\$ (363,415)</b>	<b>82,533</b>	<b>\$ 445,948</b>
Fund balance - beginning of the year			<b>3,514,939</b>	
Fund balance - end of the year			<b>\$ 3,597,472</b>	

See independent auditor's report.

**Township of Palatine  
Illinois Municipal Retirement Fund  
Required Supplementary Information -  
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Calendar Years\***

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability:</b>							
Service cost	\$ 128,224	\$ 136,175	\$ 131,050	\$ 110,979	\$ 124,558	\$ 125,009	\$ 122,059
Interest on the total pension liability	519,655	505,597	479,822	449,370	457,989	448,737	425,242
Benefit changes	-	-	-	-	-	-	-
Difference between expected and actual changes	(82,284)	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	(426,500)	(451,881)	(430,088)	(416,010)	(385,749)	(378,616)	(311,068)
<b>Net change in total pension liability</b>	<b>139,095</b>	<b>185,193</b>	<b>363,847</b>	<b>623,649</b>	<b>(93,012)</b>	<b>103,128</b>	<b>362,024</b>
<b>Total pension liability - beginning</b>	<b>7,316,798</b>	<b>7,131,605</b>	<b>6,767,758</b>	<b>6,144,109</b>	<b>6,237,121</b>	<b>6,133,993</b>	<b>5,771,969</b>
<b>Total pension liability - ending</b>	<b>\$ 7,455,893</b>	<b>\$ 7,316,798</b>	<b>\$ 7,131,605</b>	<b>\$ 6,767,758</b>	<b>\$ 6,144,109</b>	<b>\$ 6,237,121</b>	<b>\$ 6,133,993</b>
<b>Plan fiduciary net position:</b>							
Employer contributions	\$ 109,170	\$ 241,515	\$ 51,594	\$ 96,792	\$ 118,869	\$ 761,953	\$ 131,278
Employee contributions	60,725	60,056	57,185	57,471	50,321	52,325	51,934
Pension plan net investment income	1,423,562	1,071,960	1,224,159	(424,461)	1,124,610	354,600	26,643
Benefit payments and refunds	(426,500)	(451,881)	(430,088)	(416,010)	(385,749)	(378,616)	(311,068)
Other	(239,640)	28,252	46,770	139,525	(133,898)	(108,213)	93,185
<b>Net change in plan fiduciary net position</b>	<b>927,317</b>	<b>949,902</b>	<b>949,620</b>	<b>(546,683)</b>	<b>774,153</b>	<b>682,049</b>	<b>(8,028)</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,193,453</b>	<b>7,243,551</b>	<b>6,293,931</b>	<b>6,840,614</b>	<b>6,066,461</b>	<b>5,384,412</b>	<b>5,392,440</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 9,120,770</b>	<b>\$ 8,193,453</b>	<b>\$ 7,243,551</b>	<b>\$ 6,293,931</b>	<b>\$ 6,840,614</b>	<b>\$ 6,066,461</b>	<b>\$ 5,384,412</b>
<b>Net pension liability</b>	<b>\$ (1,664,877)</b>	<b>\$ (876,655)</b>	<b>\$ (111,946)</b>	<b>\$ 473,827</b>	<b>\$ (696,505)</b>	<b>\$ 170,660</b>	<b>\$ 749,581</b>
Plan fiduciary net position as a percentage of total pension liability	<b>122.33%</b>	<b>111.98%</b>	<b>101.57%</b>	<b>93.00%</b>	<b>111.34%</b>	<b>97.26%</b>	<b>87.78%</b>
Covered valuation payroll	<b>\$ 1,349,444</b>	<b>\$ 1,302,215</b>	<b>\$ 1,270,766</b>	<b>\$ 1,223,803</b>	<b>\$ 1,118,244</b>	<b>\$ 1,162,778</b>	<b>\$ 1,146,535</b>
Net pension liability as a percentage of covered valuation payroll	<b>-123.38%</b>	<b>-67.32%</b>	<b>-8.81%</b>	<b>38.72%</b>	<b>-62.29%</b>	<b>14.68%</b>	<b>65.38%</b>

\* The Township adopted GASB 68 in the fiscal year 2016 and will build a ten-year history prospectively.

See independent auditor's report.

**Township of Palatine  
Illinois Municipal Retirement Fund  
Required Supplementary Information -  
Multiyear Schedule of Contributions - Last 10 Fiscal Years\*  
For the Years Ended February 28, 2022 and March 31, 2022**

Fiscal Year Ended February 28,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
<b>2022</b>	<b>\$ 96,748</b>	<b>\$ 96,748</b>	<b>\$ -</b>	<b>\$ 1,272,786</b>	<b>7.60 %</b>
2021	105,127	245,264	(140,137)	1,331,728	18.42
2020	60,963	60,963	-	1,262,312	4.83
2019	87,568	87,568	-	1,285,862	6.81
2018	115,279	115,279	-	1,118,244	10.31
2017	129,766	761,502	(631,736)	1,162,778	65.49
2016	131,278	131,278	-	1,146,535	11.45

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % of Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	3.25%
Inflation	2.50%
Salary Increases	3.35% to 14.25% Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\* The Township adopted GASB 68 in the fiscal year 2016 and will build a ten-year history prospectively.

See independent auditor's report.

**Township of Palatine**  
**Required Supplementary Information -**  
**Multiyear Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability:</b>				
Service cost	\$ 4,734	\$ 12,974	\$ 12,704	\$ 12,263
Interest on the total OPEB liability	4,095	2,711	3,627	3,008
Benefit changes	-	-	-	-
Difference between expected and actual changes	-	36,020	-	-
Assumption changes	(23,565)	2,792	19,402	(2,986)
Benefit payments and refunds	(8,611)	(3,530)	(2,450)	(4,622)
<b>Net change in total OPEB liability</b>	<b>(23,347)</b>	50,967	33,283	7,663
<b>Total OPEB liability - beginning</b>	<b>172,148</b>	121,181	87,898	80,235
<b>Total OPEB liability - ending</b>	<b>\$ 148,801</b>	<b>\$ 172,148</b>	<b>\$ 121,181</b>	<b>\$ 87,898</b>
<b>Plan fiduciary net position:</b>				
Employer contributions	\$ 8,611	\$ 3,530	\$ 2,450	\$ 4,622
Employee contributions	-	-	-	-
OPEB plan net investment income	-	-	-	-
Benefit payments and refunds	(8,611)	(3,530)	(2,450)	(4,622)
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability</b>	<b>\$ 148,801</b>	<b>\$ 172,148</b>	<b>\$ 121,181</b>	<b>\$ 87,898</b>
Plan fiduciary net position as a percentage of total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered valuation payroll	<u>\$ 1,332,415</u>	<u>\$ 1,059,688</u>	<u>\$ 1,262,312</u>	<u>\$ 1,285,862</u>
Net pension liability as a percentage of covered valuation payroll	<u>11.17%</u>	<u>16.25%</u>	<u>9.60%</u>	<u>6.84%</u>

\* The Township adopted GASB 75 in the fiscal year 2019 and will build a ten-year history prospectively.

See independent auditor's report.

**Township of Palatine**  
**Notes to the Required Supplementary Information**

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**I. 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 Board of Trustees.

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

**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.

**SUPPLEMENTARY INFORMATION**

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
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	5,095	6,905
Road District Treasurer	1,000	1,000	1,000	-
Committees	-	-	400	(400)
Office personnel	339,900	339,900	329,654	10,246
Temporary personnel	9,300	9,300	9,176	124
Salary increases	10,200	10,200	-	10,200
Social Security/Medicare expense	35,400	35,400	32,704	2,696
Illinois retirement contribution	28,400	28,400	25,628	2,772
Health and life insurance	56,600	56,800	31,805	24,995
Workers' compensation insurance	1,600	1,600	1,157	443
<b>Total personnel services</b>	<b>583,400</b>	<b>583,600</b>	<b>524,854</b>	<b>58,746</b>
Contractual services:				
Building maintenance	48,400	48,400	32,046	16,354
Grounds maintenance	7,500	7,500	5,995	1,505
Equipment maintenance	4,700	4,700	1,970	2,730
Building improvements-noncapital	10,000	1,500	-	1,500
Office equipment maintenance	10,200	10,200	7,345	2,855
Emergency management services	10,000	10,000	475	9,525
General insurance	45,800	45,800	40,506	5,294
Telephone and communications	2,900	5,000	4,227	773
Garbage	2,700	2,700	2,494	206
Sewers	65,000	1,500	-	1,500
Alarm	5,000	5,000	3,792	1,208
Utilities	11,500	11,700	11,641	59
Conferences and seminars	3,600	3,600	515	3,085
Travel expenses	2,000	2,000	1,073	927
Printing and publishing	4,000	4,000	2,234	1,766
Audit	11,000	11,000	10,784	216
Legal	10,000	65,600	65,538	62
Engineering	20,000	20,000	2,943	17,057

(cont'd)

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration (cont'd):				
Contractual services (cont'd):				
Professional services	\$ 20,200	\$ 38,300	\$ 42,583	\$ (4,283)
Community events	7,000	7,000	2,371	4,629
Township Officials Bonds	400	500	468	32
Supervisor bonds	4,400	4,400	3,131	1,269
Training	3,000	3,000	898	2,102
Dues and subscriptions	12,300	12,300	11,869	431
Recognition	5,000	5,000	2,935	2,065
Copier	6,200	6,900	6,822	78
Recruitment expense	1,500	1,500	976	524
Payroll services	5,000	6,500	6,196	304
Miscellaneous	5,000	7,500	7,196	304
<b>Total contractual services</b>	<b>344,300</b>	<b>353,100</b>	<b>279,023</b>	<b>74,077</b>
Commodities:				
Janitorial supplies	4,000	4,000	1,908	2,092
Postage	3,500	3,500	2,084	1,416
Office supplies	3,000	3,600	3,502	98
<b>Total commodities</b>	<b>10,500</b>	<b>11,100</b>	<b>7,494</b>	<b>3,606</b>
Capital outlay:				
Equipment purchases	7,700	7,700	4,272	3,428
<b>Total capital outlay</b>	<b>7,700</b>	<b>7,700</b>	<b>4,272</b>	<b>3,428</b>
<b>Total administration</b>	<b>945,900</b>	<b>955,500</b>	<b>815,643</b>	<b>139,857</b>

(cont'd)

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Township Assessor:				
Personnel services:				
Salaries	\$ 96,552	\$ 98,052	\$ 86,003	\$ 12,049
Salary increases	2,200	2,200	-	2,200
Social Security/Medicare	7,130	7,130	5,896	1,234
Illinois retirement contribution	7,117	7,117	4,148	2,969
Health and life insurance	34,500	34,500	20,386	14,114
Workers' comp insurance	200	200	118	82
<b>Total personnel services</b>	<b>147,699</b>	<b>149,199</b>	<b>116,551</b>	<b>32,648</b>
Contractual services:				
Equipment maintenance	550	550	550	-
Travel	200	200	196	4
Outreach seminar	300	300	-	300
EZ text	500	500	-	500
IPA institute workshop	1,700	1,700	933	767
Training	100	100	-	100
Printing	250	250	18	232
Dues and subscriptions	300	300	150	150
Professional services	1	1,701	3,333	(1,632)
Publications	1	1	-	1
Telephone	844	944	900	44
Copier	2,700	2,700	777	1,923
Miscellaneous	1	1	-	1
SID annual rental	400	600	590	10
Equipment rental	1	1	-	1
Contingency provision	1	1	-	1
Public relation	1	1	-	1
<b>Total contractual services</b>	<b>7,850</b>	<b>9,850</b>	<b>7,447</b>	<b>2,403</b>
Commodities:				
Postage	500	500	21	479
Office supplies	1,200	1,200	223	977
<b>Total commodities</b>	<b>1,700</b>	<b>1,700</b>	<b>244</b>	<b>1,456</b>
Capital outlay:				
Equipment purchases	1,500	2,700	1,949	751
<b>Total capital outlay</b>	<b>1,500</b>	<b>2,700</b>	<b>1,949</b>	<b>751</b>
<b>Total township assessor</b>	<b>158,749</b>	<b>163,449</b>	<b>126,191</b>	<b>37,258</b>

(cont'd)

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Senior and Disabled Transportation:				
Personnel services:				
Salaries	\$ 210,600	\$ 210,600	\$ 187,228	\$ 23,372
Salary increases	5,900	5,900	-	5,900
Transportation overtime	1,000	1,000	37	963
Social Security/Medicare	16,700	16,700	13,908	2,792
Illinois retirement contribution	17,600	17,600	13,278	4,322
Health and life insurance	31,100	37,800	37,728	72
Workers' comp insurance	4,400	4,700	4,688	12
<b>Total personnel services</b>	<b>287,300</b>	<b>294,300</b>	<b>256,867</b>	<b>37,433</b>
Contractual services:				
Fuel and oil	24,800	24,800	23,689	1,111
Maintenance	25,000	25,200	25,161	39
Travel	500	500	135	365
Telephone	5,400	5,400	4,113	1,287
Advertising	1,000	1,000	341	659
Equipment maintenance	8,000	8,000	8,048	(48)
Taxi	6,400	6,400	3,571	2,829
Training	200	200	50	150
Copier	300	300	-	300
DOT testing	1,500	1,500	752	748
Legal	2,500	2,500	283	2,217
Miscellaneous	1,000	1,000	78	922
Vehicle insurance	3,800	3,800	-	3,800
Apparel and clothing	2,500	2,500	858	1,642
<b>Total contractual services</b>	<b>82,900</b>	<b>83,100</b>	<b>67,079</b>	<b>16,021</b>
Commodities:				
Office supplies	800	800	196	604
Postage	200	200	22	178
<b>Total commodities</b>	<b>1,000</b>	<b>1,000</b>	<b>218</b>	<b>782</b>
Capital outlay:				
Equipment purchases	1,400	1,400	1,159	241
<b>Total capital outlay</b>	<b>1,400</b>	<b>1,400</b>	<b>1,159</b>	<b>241</b>
<b>Total senior and disabled transportation</b>	<b>372,600</b>	<b>379,800</b>	<b>325,323</b>	<b>54,477</b>

(cont'd)

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Human Needs Funding:				
Contractual services:				
The Bridge	\$ 191,590	\$ 195,790	\$ 195,778	\$ 12
Community Child Care Center	110,000	110,000	110,000	-
Alexian Brothers Mental Health	30,000	30,000	30,000	-
Shelter Inc.	9,000	9,000	8,750	250
Community Living	10,000	10,000	10,000	-
NW Casa	3,000	3,000	3,000	-
Palatine Township Senior Center	77,000	77,000	77,000	-
Catholic Charities	10,000	10,000	10,000	-
Little City Foundation	5,000	5,000	5,000	-
Hands on Suburban Chicago	3,000	3,000	3,000	-
Arts Refreshing the Soul	1,500	1,500	-	1,500
Children's Advocacy Center	9,000	9,000	9,000	-
Connect to Community	2,000	2,000	400	1,600
Wings	8,000	8,000	8,000	-
St Joseph's Home	20,000	20,000	20,000	-
Special Leisure Services	9,000	9,000	9,000	-
Special Gifts Theater	2,000	2,000	2,000	-
Center for Enriched Living	15,000	15,000	15,000	-
Suburban Primary Health Council	3,000	3,000	3,000	-
Clearbrook	2,000	2,000	2,000	-
St Mary's Services	5,000	5,000	5,000	-
Township Match	26,510	510	-	510
North Suburban Legal Aid Clinic	2,000	2,000	2,000	-
Compass Northwest	7,500	7,500	7,500	-
Barrington Area Council on Aging	1,500	1,500	1,500	-
Partners for Our Community	9,000	9,000	9,000	-
Connection to Care	8,000	8,000	8,000	-
ROAD Home	7,500	7,500	7,500	-
Family Forward	10,000	10,000	10,000	-
RM Parks Foundation	4,500	100	-	100
<b>Total contractual services</b>	<u>601,600</u>	<u>575,400</u>	<u>571,428</u>	<u>3,972</u>
<b>Total human needs funding</b>	<u>601,600</u>	<u>575,400</u>	<u>571,428</u>	<u>3,972</u>

(cont'd)

**Township of Palatine  
Town Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Cemetery Maintenance:				
Contractual services:				
Maintenance/improvements	\$ 20,000	\$ 20,000	\$ 1,238	\$ 18,762
Ground upkeep	27,600	27,600	22,295	5,305
Memorial Day	500	500	500	-
Cemetery burial	900	2,500	1,755	745
Miscellaneous	400	400	73	327
<b>Total contractual services</b>	<b>49,400</b>	<b>51,000</b>	<b>25,861</b>	<b>25,139</b>
<b>Total Cemetery Maintenance</b>	<b>49,400</b>	<b>51,000</b>	<b>25,861</b>	<b>25,139</b>
Quentin Road Facilities:				
Contractual services:				
Alarm	4,300	4,300	2,048	2,252
Ground maintenance	8,700	8,700	2,238	6,462
Building maintenance	12,600	12,600	11,123	1,477
Utilities	21,800	23,400	23,319	81
<b>Total contractual services</b>	<b>47,400</b>	<b>49,000</b>	<b>38,728</b>	<b>10,272</b>
<b>Total Quentin Road Facilities</b>	<b>47,400</b>	<b>49,000</b>	<b>38,728</b>	<b>10,272</b>
Health Safety and Communication:				
Contractual services:				
Website services	6,000	6,000	3,808	2,192
Communication	32,600	34,100	34,096	4
<b>Total contractual services</b>	<b>38,600</b>	<b>40,100</b>	<b>37,904</b>	<b>2,196</b>
<b>Total Health Safety and       Communication</b>	<b>38,600</b>	<b>40,100</b>	<b>37,904</b>	<b>2,196</b>
<b>Total expenditures</b>	<b>\$ 2,214,249</b>	<b>\$ 2,214,249</b>	<b>\$ 1,941,078</b>	<b>\$ 273,171</b>

See independent auditor's report.

**Township of Palatine  
General Assistance Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Personnel services:				
Salaries	\$ 200,300	\$ 200,300	\$ 195,127	\$ 5,173
Social Security/Medicare	15,500	15,500	13,294	2,206
Illinois retirement contribution	16,300	16,300	14,949	1,351
Health and life insurance	72,900	73,100	59,904	13,196
Workers compensation insurance	300	300	213	87
<b>Total personnel services</b>	<b>305,300</b>	<b>305,500</b>	<b>283,487</b>	<b>22,013</b>
Contractual services:				
Equipment maintenance	5,800	5,800	5,600	200
Travel expense	400	400	145	255
Professional services	10,200	10,200	7,610	2,590
Legal	1,500	1,500	98	1,402
Telephone	1,500	1,500	1,500	-
Training	1,000	1,000	424	576
Printing	1,000	1,000	-	1,000
Copier	1,500	1,500	1,391	109
Utilities	4,600	5,000	4,933	67
Miscellaneous	1,500	1,500	218	1,282
<b>Total contractual services</b>	<b>29,000</b>	<b>29,400</b>	<b>21,919</b>	<b>7,481</b>
Commodities:				
Office supplies	2,000	2,000	1,012	988
Postage	250	250	33	217
<b>Total commodities</b>	<b>2,250</b>	<b>2,250</b>	<b>1,045</b>	<b>1,205</b>
Capital outlay:				
Building/permanent improvements	1,800	1,800	988	812
Equipment purchases	5,800	5,800		5,800
<b>Total capital outlay</b>	<b>7,600</b>	<b>7,600</b>	<b>988</b>	<b>6,612</b>
<b>Total administration</b>	<b>344,150</b>	<b>344,750</b>	<b>307,439</b>	<b>37,311</b>

(cont'd)

**Township of Palatine  
General Assistance Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Home Relief:				
Contractual services:				
Medical care	\$ 41,000	\$ 41,000	\$ 40,000	\$ 1,000
Telephone	900	900	435	465
Utilities	10,800	10,800	331	10,469
Burial	3,000	3,000	-	3,000
Rental	58,100	58,100	30,000	28,100
Travel	6,200	6,200	600	5,600
Food	3,600	3,600	-	3,600
Clothing and personal	900	900	-	900
Crisis Assistance Program	5,000	5,000	340	4,660
Transient/homeless assistance	5,000	5,000	777	4,223
<b>Total contractual services</b>	<u>134,500</u>	<u>134,500</u>	<u>72,483</u>	<u>62,017</u>
<b>Total home relief</b>	<u>134,500</u>	<u>134,500</u>	<u>72,483</u>	<u>62,017</u>
<b>Total expenditures</b>	<u>\$ 478,650</u>	<u>\$ 479,250</u>	<u>\$ 379,922</u>	<u>\$ 99,328</u>

See independent auditor's report.

**Township of Palatine  
Road and Bridge Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended March 31, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Personnel services:				
Salaries	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Social Security/Medicare	765	765	765	-
Workers compensation	150	150	-	150
<b>Total personnel services</b>	<b>10,915</b>	<b>10,915</b>	<b>10,765</b>	<b>150</b>
Contractual services:				
General insurance	50,500	50,500	49,697	803
Accounting services	14,000	14,000	9,906	4,094
Telephone	5,500	5,500	4,157	1,343
Printing and publishing	3,000	3,000	2,990	10
Legal services	12,500	12,500	3,253	9,247
Dues and subscriptions	3,500	3,500	3,332	168
Training	2,500	2,500	45	2,455
Travel	1,000	1,000	-	1,000
<b>Total contractual services</b>	<b>92,500</b>	<b>92,500</b>	<b>73,380</b>	<b>19,120</b>
Commodities:				
Office supplies	750	750	628	122
Postage	300	300	66	234
Operating supplies	250	250	236	14
Miscellaneous	200	200	116	84
<b>Total commodities</b>	<b>1,500</b>	<b>1,500</b>	<b>1,046</b>	<b>454</b>
Capital outlay:				
Computer software	5,000	5,000	4,071	929
Equipment	1,250	1,300	1,279	21
Office remodeling	500	500	-	500
Acquisition of real estate	500	500	-	500
<b>Total capital outlay</b>	<b>7,250</b>	<b>7,300</b>	<b>5,350</b>	<b>1,950</b>
<b>Total administration</b>	<b>112,165</b>	<b>112,215</b>	<b>90,541</b>	<b>21,674</b>

(cont'd)

**Township of Palatine  
Road and Bridge Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended March 31, 2022**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Maintenance of Roads:				
Personnel services:				
Salaries	\$ 546,000	\$ 546,000	\$ 538,569	\$ 7,431
Overtime and comp time	45,000	45,000	23,443	21,557
Social Security/Medicare	46,000	46,000	41,058	4,942
Illinois retirement contribution	48,000	48,000	43,375	4,625
Workers compensation	47,000	47,000	44,123	2,877
Health insurance	95,500	95,500	65,132	30,368
<b>Total personnel services</b>	<b>827,500</b>	<b>827,500</b>	<b>755,700</b>	<b>71,800</b>
Contractual services:				
Engineering services	35,000	35,000	34,880	120
Building maintenance	2,000	2,000	1,634	366
Equipment maintenance	25,000	25,000	24,536	464
Drainage maintenance	30,000	30,000	28,256	1,744
Bridge maintenance	2,000	2,000	-	2,000
Utilities	9,000	10,000	9,807	193
Equipment rentals	5,000	5,000	1,316	3,684
Street signs/lights	8,500	8,500	5,033	3,467
Contract work	300,000	300,000	238,540	61,460
Right of way maintenance	40,000	40,000	37,696	2,304
Testing services	3,000	3,000	2,551	449
<b>Total contractual services</b>	<b>459,500</b>	<b>460,500</b>	<b>384,249</b>	<b>76,251</b>
Commodities:				
Operating supplies	6,500	7,000	6,884	116
Automotive fuel-oil	50,000	50,000	44,745	5,255
Building supplies	4,500	4,500	3,756	744
Materials	35,000	35,000	16,345	18,655
Small tools	1,200	1,700	1,475	225
Road salt	40,000	40,000	4,757	35,243
<b>Total commodities</b>	<b>137,200</b>	<b>138,200</b>	<b>77,962</b>	<b>60,238</b>

(cont'd)

**Township of Palatine  
Road and Bridge Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended March 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Maintenance of Roads (cont'd):				
Capital outlay:				
Equipment	\$ 200,000	\$ 215,000	<b>\$ 214,056</b>	\$ 944
Buildings	25,000	25,000	<b>4,202</b>	20,798
<b>Total capital outlay</b>	<u>225,000</u>	<u>240,000</u>	<b><u>218,258</u></b>	<u>21,742</u>
<b>Total maintenance of roads</b>	<u>1,649,200</u>	<u>1,666,200</u>	<b><u>1,436,169</u></b>	<u>230,031</u>
Provision for contingencies	<u>40,000</u>	<u>22,950</u>	<u>-</u>	<u>22,950</u>
<b>Total expenses</b>	<b><u>\$ 1,801,365</u></b>	<b><u>\$ 1,801,365</u></b>	<b><u>\$ 1,526,710</u></b>	<b><u>\$ 274,655</u></b>

See independent auditor's report.

**Township of Palatine  
Capital Improvement Fund  
Schedule of Expenditures - Budget and Actual  
For the Year Ended February 28, 2022**

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	Original Budget	Final Budget	<b>Actual</b>	Variance Favorable (Unfavorable)
Maintenance:				
Capital outlay:				
Building - permanent improvements	\$ 76,000	\$ 76,000	\$ 13,557	\$ 62,443
Equipment and vehicle replacement	3,400	3,400	-	3,400
<b>Total capital outlay</b>	79,400	79,400	<b>13,557</b>	65,843
<b>Total expenses</b>	\$ 79,400	\$ 79,400	<b>\$ 13,557</b>	\$ 65,843

See independent auditor's report.

**Township of Palatine  
Needy Family Fund  
Schedule of Expenditures  
For the Year Ended February 28, 2022**

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Administration:

Contractual services:

Copier	\$ 226
Legal	12,301
Food pantry truck	354
YHOP	11,630
Apple Tree campaign	9,152
Spring & Thanksgiving baskets	461
Easter baskets	392
Adopt-A-Family	216
Gift card disbursements	27,525
Miscellaneous	9,983
Printing	1,086
Food pantry	<u>67,896</u>

**Total contractual services** 141,222

Commodities:

Office supplies	735
Postage	<u>885</u>

**Total commodities** 1,620

**Total administration** 142,842

Home Relief:

Contractual services:

Disaster relief	1,135
Rental	2,268
Travel	<u>157</u>

**Total contractual services** 3,560

**Total home relief** 3,560

**Total expenditures** \$ 146,402

See independent auditor's report.