

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

**Annual Financial Report**

**Year Ended February 28, 2018 All Funds  
Except  
Road and Bridge Fund Year Ended March 31, 2018**

**Township of Palatine  
Financial Statements  
For the Years Ended February 28, 2018 and March 31, 2018**

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Board of Trustees  
Township of Palatine  
Palatine, Illinois

### Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Palatine as of and for the year ended February 28, 2018, and for the Road and Bridge Fund for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the Township of Palatine, as of February 28, 2018, and the Road and Bridge Fund as of March 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 7 and 30 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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



Elgin, Illinois  
July 5, 2018

**Township of Palatine  
Management's Discussion and Analysis  
Year Ended February 28, 2018 and March 31, 2018**

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, 2018 and March 31, 2018. The Management of the Township encourages the readers of this financial information presented in conjunction with the financial statements to obtain a better understanding of the Township's financial operations.

**Financial Highlights**

The net position of the Township of Palatine as of February 28 and March 31, 2018 and February 28 and March 31, 2017, was \$11,703,144 and \$11,729,903, respectively. The Township's net position increased by \$214,138 for the years ended February 28 and March 31, 2018 and increased by \$367,583 for the years ended February 29 and March 31, 2017, respectively. The term "net position" represents the difference between total assets/deferred outflows and liabilities/deferred inflows of resources.

**Overview of the Financial Statements**

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

**Government-Wide Financial Analysis**

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

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

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

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

**Fund Financial Statements**

All of the funds of the Township of Palatine are governmental funds. The Fund financial statements are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as

**Township of Palatine  
Management's Discussion and Analysis  
Year Ended February 28, 2018 and March 31, 2018**

well as on balances of spendable resources available at the end of the fiscal year. The Fund financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's five funds.

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

**Notes to Financial Statements**

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

**Required Supplementary Information**

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

**Financial Analysis**

As noted earlier, increases or decreases in net position may serve over time as a useful indicator of a government's financial position. In the case of the Township of Palatine, assets/deferred outflows exceeded liabilities/deferred inflows of resources by \$11,703,144 and \$11,729,903, for the years ended February 28 and March 31, 2018 and February 29 and March 31, 2017, respectively. A portion of the Township's net position reflects its investment in capital assets, \$4,505,946. The Township uses these capital assets to provide services, and consequently these assets are not available to liquidate liabilities or for other spending. The remaining net position balance is made up of \$4,337,643 which is restricted, and \$2,859,555 that is unrestricted.

**Condensed Statement of Net Position**

	For Years Ended	
	February 28 and March 31, 2018	February 28 and March 31, 2017
Current and other assets	\$ 9,085,648	\$ 9,349,168
Capital assets, net of accumulated depreciation	4,505,946	4,142,435
Net pension asset	696,505	-
Total Assets	<u>\$ 14,288,099</u>	<u>\$ 13,491,603</u>
 Deferred Outflows of Resources	 <u>\$ 202,918</u>	 <u>\$ 328,474</u>
 Current liabilities	 \$ 122,095	 \$ 122,356
Non-current liabilities	52,026	215,794
Total Liabilities	<u>\$ 174,121</u>	<u>\$ 338,150</u>
 Deferred Inflows of Resources	 <u>\$ 2,613,752</u>	 <u>\$ 1,752,024</u>
Net Position		
Net investment in capital assets	\$ 4,505,946	\$ 4,142,435
Restricted	4,337,643	4,848,469
Unrestricted	2,859,555	2,738,999
Total Net Position	<u>\$ 11,703,144</u>	<u>\$ 11,729,903</u>

**Township of Palatine  
Management's Discussion and Analysis  
Year Ended February 28, 2018 and March 31, 2018  
Condensed Statement of Activities**

	For Years Ended	
	February 28 and March 31, 2018	February 28 and March 31, 2017
Revenue		
Program Revenue		
Charges for services	\$ 303,839	\$ 224,155
Grants and contributions	158,476	130,056
General Revenues		
Property taxes	3,543,664	4,002,741
Replacement taxes	111,300	139,302
Interest income	23,534	20,272
Other	18,945	53,072
Total Revenues	4,159,758	4,569,598
Expenses		
Program Expenses		
Administration	1,003,046	1,306,952
Assessor	123,493	115,034
Senior and disabled transportation	332,987	251,557
Human needs funding	601,590	601,478
Home relief	52,371	82,844
Cemetery maintenance	46,387	39,304
Quentin Road facilities	34,490	34,616
Maintenance of roads	1,087,620	1,144,226
Health, safety and communication	36,532	36,775
Depreciation/Amortization-unallocated	627,104	589,229
Total Expenses	3,945,620	4,202,015
Changes in Net Position	214,138	367,583
Net Position, Beginning of Year, As Originally Stated	11,729,903	9,466,836
Prior Period Adjustment	(240,897)	1,895,484
Net Position, Beginning of Year, as Restated	11,489,006	11,362,320
Net Position, End of Year	\$ 11,703,144	\$ 11,729,903

The following is a summary of changes in fund balances for the years ended February 28 and March 31, 2018:

	Fund Balances February 28 and March 31, 2017	Prior Period Adjustment	Increase (Decrease)	Fund Balance February 28 and March 31, 2018
<b>Governmental Funds</b>				
General(Town)	\$ 2,429,392	\$ -	\$ 35,408	\$ 2,464,800
General Assistance	1,380,774	(240,897)	18,956	1,158,833
Road and Bridge	2,961,513	-	(349,058)	2,612,455
Needy Family	516,175	-	60,173	576,348
Capital Improvement	300,466	-	51,110	351,576
	\$ 7,588,320	\$ (240,897)	\$ (183,411)	\$ 7,164,012



**Township of Palatine  
Management's Discussion and Analysis  
Year Ended February 28, 2018 and March 31, 2018**

**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 \$2,076,024 was more than expenditures by \$188,307, and expenditures were \$165,142 less than the appropriation of \$2,052,859. Revenues in the General Assistance Fund adequately funded expenditures as well.

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

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

During the year ended February 28, 2018, Township of Palatine partnered with 29 social service agencies to provide various programs for children, teens, adults, senior citizens and disabled individuals. The Township of Palatine provided \$601,590 in funding to these not-for-profit agencies so that services would be available to Township residents.

**Capital Assets**

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

	For Years Ended	
	February 28 and March 31, 2018	February 28 and March 31, 2017
Land	\$ 119,098	\$ 119,098
Infrastructure Work In Progress	63,072	63,072
Land Improvements	849,780	654,144
Buildings	2,685,807	2,685,807
Buildings Improvements	243,722	205,556
Machinery and Equipment	2,179,144	1,823,502
Infrastructure Work In Progress	<u>3,487,368</u>	<u>3,467,865</u>
Cost of Capital Assets	9,627,991	9,019,044
Less: Accumulated Depreciation/Amortization	<u>5,122,045</u>	<u>4,876,609</u>
Net Capital Assets	<u>\$ 4,505,946</u>	<u>\$ 4,142,435</u>

**Township of Palatine  
Management's Discussion and Analysis  
Year Ended February 28, 2018 and March 31, 2018**

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

**Description of Current and Expected Conditions**

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

- 12,039 bus and van rides (+6.09%)
- 4,339 visits to the Food Pantry(+3.38%)
- 195 Emergency Food Bags
- 2,395 Taxi Rides(+6.82%)
- 1,625 Cook County Vehicle Stickers sold (-5.63%)
- 926 students received assistance with school supplies from the Apple Tree program (+2.06%)
- 846 Senior citizens and children in need received Angel Tree gifts (-6.11%)
- 1,015 Thanksgiving baskets were distributed to needy families and senior citizens (+4.19%)
- 628 Easter baskets were distributed to needy children (+29.75%)
- 178 families received gifts thru the holiday Adopt-a-Family Program (-16.92%)
- 196 RTA Senior Passes issued (+3.15%)
- 185 Temporary Handicap Placards issued (+5.71%)
- 89 Emergency Fund requests (+18.67%)
- 2 Voters registered (-96.4%)
- Toy Drive 36 Families & 79 Kids

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

**Requests for Information**

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

## **Basic Financial Statements**

**Township of Palatine  
Statement of Net Position  
February 28 and March 31, 2018**

	<u>Governmental Activities</u>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Current Assets:</b>	
Cash and investments	\$ 6,404,519
Receivables	
Property taxes, net	2,596,357
Replacement taxes	24,200
Other	1,172
Other current assets	38,896
Prepaid expenses	20,504
Total Current Assets	<u>9,085,648</u>
<b>Non-Current Assets:</b>	
Capital assets, net of accumulated depreciation/amortization	4,505,946
Net pension asset	<u>696,505</u>
Total Non-current Assets	<u>5,202,451</u>
<b>Total Assets</b>	<u>14,288,099</u>
<b>Deferred Outflows of Resources:</b>	
Deferred items related to pension (IMRF)	202,918
Total Assets and Deferred Outflow of Resources	<u>\$ 14,491,017</u>
<b>Liabilities and Deferred Inflows of Resources</b>	
<b>Current Liabilities:</b>	
Accounts payable	\$ 2,038
Accrued salaries and wages	44,782
Payroll liabilities	18,836
Compensated absences	56,439
Total Current Liabilities	<u>122,095</u>
<b>Non-Current Liabilities:</b>	
Net other post-employment benefits payable	<u>52,026</u>
Total Noncurrent Liabilities	<u>52,026</u>
<b>Total Liabilities</b>	<u>174,121</u>
<b>Deferred Inflows of Resources:</b>	
Deferred revenue	1,855,980
Deferred items related to pension (IMRF)	757,772
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,787,873</u>
<b>Net Position</b>	
<b>Net Position:</b>	
Net investment in capital assets	\$ 4,505,946
Restricted	4,337,643
Unrestricted	2,859,555
<b>Total Net Position</b>	<u>\$ 11,703,144</u>

See accompanying notes to financial statements.

**Township of Palatine  
Statement of Activities  
For the Years Ended February 28 and March 31, 2018**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue and Changes in Net Position
<b>Government Activities</b>					
Administration	\$ 1,003,046	\$ 202,193	\$ -	\$ -	\$ (800,853)
Assessor	123,493	-	-	-	(123,493)
Senior and disabled transportation	332,987	-	-	-	(332,987)
Human needs funding	601,590	-	-	-	(601,590)
Home relief	52,371	-	158,476	-	106,105
Cemetery maintenance	46,387	2,750	-	-	(43,637)
Quentin Road facilities	34,490	-	-	-	(34,490)
Maintenance of roads	1,087,620	98,896	-	-	(988,724)
Health, safety, and communication	36,532	-	-	-	(36,532)
Depreciation/amortization-unallocated	627,104	-	-	-	(627,104)
<b>Total Governmental Activities</b>	<b>\$ 3,945,620</b>	<b>\$ 303,839</b>	<b>\$ 158,476</b>	<b>\$ -</b>	<b>\$ (3,483,305)</b>
<b>General Revenues:</b>					
Property taxes					3,543,664
Replacement taxes					111,300
Interest income					23,534
Miscellaneous					18,945
<b>Total General Revenues</b>					<b>3,697,443</b>
<b>Change in Net Position</b>					<b>214,138</b>
<b>Net Position - Beginning of Year</b>					<b>11,729,903</b>
<b>Prior Period Adjustment</b>					<b>(240,897)</b>
<b>Net Position - Beginning of Year Restated</b>					<b>11,489,006</b>
<b>Net Position - End of Year</b>					<b>\$ 11,703,144</b>

See accompanying notes to financial statements.

**Township of Palatine  
Balance Sheet - Governmental Funds  
February 28 and March 31, 2018**

<b>Assets</b>	<u>Town Fund</u>	<u>General Assistance Fund</u>	<u>Road and Bridge Fund</u>	<u>Needy Family Fund</u>	<u>Capital Improvement Fund</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>						
Cash and investments	\$ 1,867,990	\$ 1,030,471	\$ 2,604,576	\$ 549,906	\$ 351,576	\$ 6,404,519
Receivables				-	-	
Property taxes, net	1,531,312	340,773	724,272	-	-	2,596,357
Replacement taxes	5,993	-	18,207	-	-	24,200
Other	1,172	-	-	-	-	1,172
Other current assets	7,429	579	1	30,887	-	38,896
Prepaid expenses	10,511	-	9,993	-	-	20,504
<b>Total Assets</b>	<u>\$ 3,424,407</u>	<u>\$ 1,371,823</u>	<u>\$ 3,357,049</u>	<u>\$ 580,793</u>	<u>\$ 351,576</u>	<u>\$ 9,085,648</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 2,038	\$ -	\$ -	\$ -	\$ -	\$ 2,038
Accrued salaries and wages	21,437	5,189	18,156	-	-	44,782
Payroll liabilities	4,835	-	14,001	-	-	18,836
<b>Total Liabilities</b>	<u>28,310</u>	<u>5,189</u>	<u>32,157</u>	<u>-</u>	<u>-</u>	<u>65,656</u>
<b>Deferred Inflows of Resources:</b>						
Deferred revenue	931,297	207,801	712,437	4,445	-	1,855,980
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>959,607</u>	<u>212,990</u>	<u>744,594</u>	<u>4,445</u>	<u>-</u>	<u>1,921,636</u>
<b>Fund Balances:</b>						
Nonspendable	10,511	-	9,993	-	-	20,504
Restricted for statutory purpose	-	1,158,833	2,602,462	-	-	3,761,295
Restricted by donors	-	-	-	576,348	-	576,348
Committed	-	-	-	-	351,576	351,576
Unassigned	2,454,289	-	-	-	-	2,454,289
<b>Total Fund Balances</b>	<u>2,464,800</u>	<u>1,158,833</u>	<u>2,612,455</u>	<u>576,348</u>	<u>351,576</u>	<u>7,164,012</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,424,407</u>	<u>\$ 1,371,823</u>	<u>\$ 3,357,049</u>	<u>\$ 580,793</u>	<u>\$ 351,576</u>	<u>\$ 9,085,648</u>

See accompanying notes to financial statement.

**Township of Palatine  
Reconciliation of Fund Balances of Governmental Funds  
to the Governmental Activities in the Statement of Net Position  
February 28 and March 31, 2018**

Fund Balances of Governmental Funds	\$	7,164,012
Amounts reported in governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance.		4,505,946
Deferred outflows of resources for pension are not recognized on governmental fund statement.		202,918
Deferred inflows of resources for pension are not recognized on governmental fund statement.		(757,772)
Compensated absences are only recognized in the Statement of Net Position.		(56,439)
Net Other Post-Employment Benefits Payable, listed as a Noncurrent Liability, is only recognized in the Statement of Net Position.		(52,026)
Net Pension Liability for IMRF, listed as Noncurrent Asset, is only recognized in the Statement of Net Position.		696,505
Net Position of Governmental Activities	\$	<u>11,703,144</u>

See accompanying notes to financial statements.

**Township of Palatine  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
For the Years Ended February 28 and March 31, 2018**

	Town Fund	General Assistance Fund	Road and Bridge Fund	Needy Family Fund	Capital Improvements Fund	Total Governmental Funds
<b>Revenues Received:</b>						
Property tax	\$ 1,803,031	\$ 338,276	\$ 1,402,357	\$ -	\$ -	\$ 3,543,664
Replacement tax	61,313	-	49,987	-	-	111,300
Interest income	4,820	2,328	15,531	403	452	23,534
Reimbursements	-	7,124	19,390	-	-	26,514
Grants	-	-	-	-	-	-
Contributions	500	-	-	157,976	-	158,476
Fees and permits	28,521	-	330	-	-	28,851
Fines	-	-	900	-	-	900
Cook County vehicle sticker fee	3,071	-	-	-	-	3,071
Charges for services	26,887	-	78,276	-	-	105,163
Cemetery receipts	2,750	-	-	-	-	2,750
Donated rental income	136,590	-	-	-	-	136,590
Miscellaneous	8,541	111	10,293	-	-	18,945
<b>Total Revenues Received</b>	<b>2,076,024</b>	<b>347,839</b>	<b>1,577,064</b>	<b>158,379</b>	<b>452</b>	<b>4,159,758</b>
<b>Expenditures Disbursed:</b>						
<b>Current:</b>						
Administration	712,238	284,062	84,498	90,656	-	1,171,454
Assessor	123,493	-	-	-	-	123,493
Senior and disabled transportation	332,987	-	-	-	-	332,987
Human needs funding	601,590	-	-	-	-	601,590
Home relief	-	44,821	-	7,550	-	52,371
Cemetery maintenance	46,387	-	-	-	-	46,387
Quentin Road facilities	34,490	-	-	-	-	34,490
Maintenance of roads	-	-	1,841,624	-	102,241	1,943,865
Health, safety, and communication	36,532	-	-	-	-	36,532
<b>Total Expenditures Disbursed</b>	<b>1,887,717</b>	<b>328,883</b>	<b>1,926,122</b>	<b>98,206</b>	<b>102,241</b>	<b>4,343,169</b>
<b>Excess(deficiency) of Revenues over (under) Expenditures</b>	<b>188,307</b>	<b>18,956</b>	<b>(349,058)</b>	<b>60,173</b>	<b>(101,789)</b>	<b>(183,411)</b>
<b>Other Financing Sources (Uses)</b>						
Transfer in	-	-	-	-	152,899	152,899
Transfer out	(152,899)	-	-	-	-	(152,899)
<b>Total Other Financing Sources (Uses)</b>	<b>(152,899)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,899</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>35,408</b>	<b>18,956</b>	<b>(349,058)</b>	<b>60,173</b>	<b>51,110</b>	<b>(183,411)</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,429,392</b>	<b>1,380,774</b>	<b>2,961,513</b>	<b>516,175</b>	<b>300,466</b>	<b>7,588,320</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(240,897)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,897)</b>
<b>Fund Balance Beginning of Year Restated</b>	<b>2,429,392</b>	<b>1,139,877</b>	<b>2,961,513</b>	<b>516,175</b>	<b>300,466</b>	<b>7,347,423</b>
<b>Fund Balance - End of Year</b>	<b>\$ 2,464,800</b>	<b>\$ 1,158,833</b>	<b>\$ 2,612,455</b>	<b>\$ 576,348</b>	<b>\$ 351,576</b>	<b>\$ 7,164,012</b>

See accompanying notes to financial statements.



**Township of Palatine**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**To the Governmental Activities in the Statement of Activities**  
**February 28 and March 31, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ (183,411)

Amounts reported in governmental activities in the statement  
of net position are different because:

Governmental funds report capital outlays as expenditures

However, in the statement of activities the cost of these assets are  
allocated over their estimated useful lives and reported as  
depreciation expenses. This is the amount by which capital outlays exceeded  
depreciation in the current period.

Capital outlay	994,010
Depreciation expenses	(627,104)
Gain(Loss) on disposal of assets	<u>(3,395)</u>
Total	<u>363,511</u>

Some expenses reported in the statement of activities do not require  
the use of current financial resources and therefore are not  
reported as expenditures in governmental funds. The expenses  
include the changes in

Net Other Post-Employment Benefits.	(6,892)
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Recognizing the pension revenue (expense) relating to changes in  
the net pension liability.

40,930

Change in Net Position of Governmental Activities

\$ 214,138

See accompanying notes to the financial statements.

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies**

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

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

**Reporting Entity**

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

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

**Basis of Presentation**

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies (continued)**

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

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

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

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

**Basis of Accounting**

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

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

The Township recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Township; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Township. Accordingly, the property tax levy for the 2017 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying balance sheet. Expenditures are recognized when the related obligations are incurred.

Interfund activity has been eliminated on the government wide statements.

**Program Revenue**

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies (continued)**

**Budgets**

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

**Cash and Investments**

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

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

Investments are stated at fair market value.

**Capital Assets**

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

*Government-wide Statements*

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

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

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies (continued)**

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

*Fund Financial Statements*

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

Deferred Outflows and Inflows of Resources

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

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

Compensated Absences

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

Defined Benefit Pension Plan (IMRF)

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

Fund Equity

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

- Non-spendable fund balance - amounts that are not in a spendable form (such as prepaid expense) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grants, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

**Township of Palatine**  
**Notes to Financial Statements**  
**February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies (continued)**

- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body or by an official or body to which the governing body delegates authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

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

**Reimbursements**

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

**Estimates**

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

**Implementation of GASB 74, 80 and 81**

For the year ended February 28, 2018, the Township implemented the provisions of GASB No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*; GASB No. 80, *Blending Requirements for Certain Component Units* and GASB No. 81, *Irrevocable Split-Interest Agreements*. GASB Statement No. 74 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. There has been no effect to current or prior periods with this implementation. GASB Statement No. 80 requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There has been no effect to current or prior periods with this implementation. GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. There has been no effect to current or prior periods with this implementation.

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 2- Deposits and Investments**

Deposits

At year-end, the carrying amount of the Township's deposits, excluding petty cash of \$672 was \$6,403,847 and the bank balance was \$6,576,994. Of the bank balance, \$2,988,944 was covered by federal depository insurance, \$3,462,470 was collateralized with securities held by the pledging financial institution's agent in the Township's name. There is an uncollateralized amount for the Needy Family Fund of \$125,580.

Included in deposits are seven certificates of deposit totaling \$1,552,974 with terms of 12 to 24 months and rates of 1.44 % to 1.69%.

Investments

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

<u>Investments</u>	<u>Weighted Average Maturity (In months)</u>	<u>Weighted Average Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Negotiable Certificates	17	1.58%	\$ 1,550,680	\$ 1,552,974

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

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

**Note 3- Property Taxes**

The Township passed the 2017 Tax Levy Ordinances for the Township and for the Road District in December 2016. Property Taxes from the 2017 levy attached as an enforceable lien on property as of January 1, 2017. 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, net of estimated uncollectible of \$12,982. 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 2017 levy which is used to fund fiscal 2019 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

**Township of Palatine**  
**Notes to Financial Statements**  
**February 28 and March 31, 2018**

**Note 4- Capital Assets**

Capital asset activity for the years ended February 28 and March 31, 2018 was as follows:

	Balance February 28 and March 31, 2017	Additions	Retirements	Balance February 28 and March 31, 2018
<b>Capital Assets, not being depreciated</b>				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
Infrastructure work in progress	63,072	-	-	63,072
<b>Total Capital Assets, not being depreciated</b>	<b>182,170</b>	<b>-</b>	<b>-</b>	<b>182,170</b>
<b>Capital Assets, being depreciated/amortized</b>				
Land improvements	654,144	195,638	-	849,782
Building	2,685,807	-	-	2,685,807
Building improvements	205,556	38,166	-	243,722
Machinery and equipment	1,823,502	483,397	(127,754)	2,179,145
Infrastructure	3,467,865	276,811	(257,308)	3,487,368
<b>Total Capital Assets, Being Depreciated/Amortized</b>	<b>8,836,874</b>	<b>994,012</b>	<b>(385,062)</b>	<b>9,445,824</b>
<b>Less Accumulated Depreciation/Amortization for</b>				
Land improvements	(372,113)	(12,800)	-	(384,913)
Building	(1,803,580)	(39,735)	-	(1,843,315)
Building improvements	(46,577)	(9,870)	-	(56,447)
Machinery and equipment	(908,888)	(208,032)	124,357	(992,563)
Infrastructure	(1,745,451)	(356,667)	257,308	(1,844,810)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(4,876,609)</b>	<b>(627,104)</b>	<b>381,665</b>	<b>(5,122,048)</b>
<b>Total Capital Assets, being depreciated/amortized, net</b>	<b>3,960,265</b>	<b>366,908</b>	<b>(3,397)</b>	<b>4,323,776</b>
<b>Total Capital Assets, Net</b>	<b>\$ 4,142,435</b>	<b>\$ 366,908</b>	<b>\$ (3,397)</b>	<b>\$ 4,505,946</b>

In the government-wide statement of activities depreciation/amortization expense is not allocated among Government Activities. Total depreciation expense for the years ended February 28, 2018 and March 31, 2018 totals \$627,104.

**Note 5- Non-Current Liabilities**

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

<u>Type of Debt</u>	<u>Balance at February 28, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at February 28, 2018</u>	<u>Amount Due Within One Year</u>
<b>Non-Current Liabilities</b>					
Post-employment benefits payable	\$ 45,134	\$ 6,892	\$ -	\$ 52,026	\$ -
Net Pension	170,660	-	(170,660)	-	-
Compensated Absences	56,439	-	-	56,439	56,439
<b>Total Non-Current Liabilities</b>	<b>\$ 272,233</b>	<b>\$ 6,892</b>	<b>\$ (170,660)</b>	<b>\$ 108,465</b>	<b>\$ 56,439</b>



**Township of Palatine**  
**Notes to Financial Statements**  
**February 28 and March 31, 2018**

**Note 6- Defined Benefit Pension Plan**

**IMRF Plan Description**

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

**Benefits Provided**

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

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

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

**Employees Covered by Benefit Terms**

As of December 31, 2017, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries	35
Inactive, non-retired members	12
Active Members	<u>25</u>
Total	<u>72</u>

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 6- Defined Benefit Pension Plan (continued)**

**Contributions**

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2017 was 10.63%. For the fiscal years ended February 28, 2018 and March 31, 2018, the Township contributed \$117,649 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The Township's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2017:

- The *Actuarial Cost Method* used was Entry Age Normal.
- The *Asset Valuation Method* used was Market Value of Assets.
- The *Inflation Rate* was assumed to be 2.50%.
- *Salary Increases* were expected to be 3.39% to 14.25%.
- The *Investment Rate of Return* was assumed to be 7.50%.
- *Projected Retirement Age* was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study from years 2014 to 2016.
- 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.
- There were no benefit changes during the year.

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 6- Defined Benefit Pension Plan (continued)**

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65-7.35%
Cash Equivalents	1%	2.25%
 Total	 <u>100%</u>	

**Single Discount Rate**

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current continuation rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 6- Defined Benefit Pension Plan (continued)**

Changes in the Net Pension Liability

	Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
<b>Balances at December 31, 2016</b>	\$ 6,237,121	\$ 6,066,461	\$ 170,660
<b>Changes for the year:</b>			
Service Cost	124,558	-	124,558
Interest on the Total Pension Liability	457,989	-	457,989
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(85,317)	-	(85,317)
Changes of Assumptions	(204,493)	-	(204,493)
Contributions - Employer	(385,749)	118,869	(504,618)
Contributions - Employees	-	50,321	(50,321)
Net Investment Income	-	1,124,610	(1,124,610)
Benefit Payments, including Refunds of Employee Contributions	-	(385,749)	385,749
Other (Net Transfer)	-	(133,898)	133,898
Net Changes	<u>(93,012)</u>	<u>774,153</u>	<u>(867,165)</u>
<b>Balances at December 31, 2017</b>	<u>\$ 6,144,109</u>	<u>\$ 6,840,614</u>	<u>\$ (696,505)</u>

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Discount 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 6,793,898	\$ 6,144,109	\$ 5,598,185
Plan Fiduciary Net Position	6,840,614	6,840,614	6,840,614
Net Pension Liability/(Asset)	<u>\$ (46,716)</u>	<u>\$ (696,505)</u>	<u>\$ (1,242,429)</u>

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

For the years ended February 28, 2018 and March 31, 2018, the Township recognized pension expense of \$77,939. At December 31, 2017, the Township reported deferred outflows of resources related to pensions from the following sources:

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 6- Defined Benefit Pension Plan (continued)**

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Outflows of Resources</u>
Deferred Amount to be Recognized in Pension Expense in Future Periods			
Difference between expected and actual experience	\$ -	\$ 73,228	\$ (73,228)
Changes in assumption	-	138,330	(138,330)
Net difference between projected and actual earnings on pension plan investments	187,502	546,214	(358,712)
Pension Contributions made subsequent to the Measurement Date, through February 28, 2018	<u>15,416</u>	<u>-</u>	<u>15,416</u>
Total Deferred Amounts Related to Pension to the Measurement Date, through February 28, 2018	<u>\$ 202,918</u>	<u>\$ 757,772</u>	<u>\$ (554,854)</u>

Deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date totaling \$15,416 are recognized as a reduction of the net pension liability in the year ended February 28, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2018 \$	(156,158)
2019	(137,892)
2020	(124,252)
2021	(136,552)
2022	-
Thereafter	-
Total \$	<u>(554,854)</u>

**Note 7- Other Post-Employment Benefits**

**Plan Descriptions, Provisions and Funding Policies**

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

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

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 7- Other Post-Employment Benefits (continued)**

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

Membership in the plan consisted of the following as of:

	February 28, 2018
Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	5
Active nonvested plan members	9
<b>Total</b>	<b>15</b>
Number of participating employees	1

**Annual OPEB Costs and Net OPEB Obligation**

The District had an actuarial valuation performed for the plan as of March 1, 2015 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended February 28, 2016.

The annual OPEB cost and net OPEB obligation as of February 28, 2018, is calculated as follows:

	Governmental Activities
Annual Required Contribution	\$ 15,623
Interest on the net OPEB obligation	1,254
Adjustment to the annual required contribution	(1,045)
Annual OPEB cost	15,832
Contribution made	(8,939)
Increase in the net OPEB obligation	6,893
NOPEBO- Beginning of Year	45,134
NOPEBO- End of Year	\$ 52,027

**The Funded Status and Funding Progress**

As of March 1, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits and covered payroll information was not available.

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Liability (AAL)- Projected Unit Credit (b)	Unfunded (AAL)- (UAAL) (b)-(a)	Funded Ratio (a/b)
2/28/2018	N/A	\$ N/A	N/A	N/A
2/28/2017	N/A	N/A	N/A	N/A
2/29/2016	N/A	144,571	144,571	0%
2/28/2015	N/A	N/A	N/A	N/A
2/28/2014	N/A	N/A	N/A	N/A
2/28/2013	N/A	65,565	65,565	0%

**Township of Palatine**  
**Notes to Financial Statements**  
**February 28 and March 31, 2018**

**Note 7- Other Post-Employment Benefits (continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding statements, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 1, 2015 actuarial valuation the unit credit cost method was used. The actuarial assumptions included a 3% price inflation assumption, a 4% wage inflation assumption as well as an initial healthcare cost trend rate of 6.8-7.8% trending down to 5% for 2025 and beyond. The actuarial value of assets was not determined as the Township has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at March 1, 2015 was 30 years.

**Note 8- Fund Balances**

As of February 28, 2018, the Township has \$576,348 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 General Assistance Fund and the Road District Fund balances are statutorily restricted through tax levies. The Road District has a 6-year plan to spend \$739,130 on new machinery and equipment.

**Note 9- In Kind Support**

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

**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 10- Nonprofit Corporations**

**Palatine Township Needy Family Fund, Inc.**

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

**Palatine Township Report, Inc.**

Palatine Township Report, Inc. qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. The corporation was established for the purpose of generating and mailing the Township newsletter. The corporation had expenditures of \$4,163 funded by the General Fund and a cash balance of \$(4,142) as of February 28, 2018. These amounts are included in the General (Town) Fund.

**Note 11- Provision for Income Taxes**

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

Management has analyzed the tax positions taken by the Township, and has concluded that as of February 28, 2018 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Township is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress.

**Note 12- Risk Management**

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

**Note 13- Motor Fuel Tax Fund**

Every year the Township of Palatine Road District receives an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the State to Cook County where it is held for pending projects. Projects are petitioned by the Palatine Township's Highway Commissioner to the Cook County Highway Department for approval to use these MFT funds. When the projects are approved, all management, payment and accounting for the projects are done through Cook County. These funds are reflected in the financial statements of the Township as MFT Revenue and capitalized as infrastructure assets. The unused allotment is not reflected in the financial statements of the Township. During the year ended March 31, 2018, no MFT Funds were used.



**Township of Palatine  
Notes to Financial Statements  
February 28 and March 31, 2018**

**Note 14- Interfund Transfers**

An interfund transfer was made to the Capital Improvement Fund from the General Fund during the year in the amount of \$152,899 for future capital asset purchases and projects.

**Note 15- Prior Period Adjustment**

An adjustment was made to net position to reduce revenue from the prior period:

	Fund Balance as previously reported	Prior Period Adjustment	Fund Balance as restated
	\$	\$	\$
Town Fund	2,429,392	-	2,429,392
General Assistance Fund	1,380,774	(240,897)	1,139,877
Road & Bridge Fund	2,961,513	-	2,961,513
Needy Family Fund	516,175	-	516,175
Capital Improvement Fund	300,466	-	300,466
	\$ 7,588,320	\$ (240,897)	\$ 7,347,423

**Note 16- Future Minimum Lease Payments**

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

On March 24, 2016, the Township entered into a lease agreement for a mailing system with Pitney Bowes. The lease requires quarterly payments of \$174 for 36 months.

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

On October 15, 2017, the Township entered into a lease agreement for a new phone system with KS State Bank. The lease requires monthly payments of \$902 for 36 months.

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

2019	\$	12,718
2020		12,544
2021		8,937
2022		430
Total lease commitments	\$	34,629

**Note 17- Date of Management's Review**

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

**Required Supplementary Information**

**Township of Palatine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	<u>Appropriation</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues Received:</b>				
Property tax	\$ 1,815,800	\$ 1,815,800	\$ 1,803,031	\$ (12,769)
Replacement tax	60,000	60,000	61,313	1,313
Interest income	1,200	1,200	4,820	3,620
Fees	25,000	25,000	28,521	3,521
PACE charges for services	22,500	22,500	26,887	4,387
Cook County vehicle sticker fee	5,000	5,000	3,071	(1,929)
Cemetery receipts	1,100	1,100	2,750	1,650
Cemetery contributions	500	500	500	-
Donated rental income	136,590	136,590	136,590	-
Grants	-	-	-	-
Miscellaneous income	5,500	5,500	8,541	3,041
Total Revenues Received	<u>2,073,190</u>	<u>2,073,190</u>	<u>2,076,024</u>	<u>2,834</u>
<b>Expenditures:</b>				
<b>Current</b>				
Administration	832,911	832,911	712,238	120,673
Assessor	122,679	122,679	123,493	(814)
Senior and disabled transportation	374,869	374,869	332,987	41,882
Human needs funding	601,600	601,600	601,590	10
Cemetery maintenance	42,500	42,500	46,387	(3,887)
Quentin road facilities	40,600	40,600	34,490	6,110
Health, safety, and communication	37,700	37,700	36,532	1,168
Total Expenditures Disbursed	<u>2,052,859</u>	<u>2,052,859</u>	<u>1,887,717</u>	<u>165,142</u>
Excess (deficiency) of Revenues Over Expenditures	<u>20,331</u>	<u>20,331</u>	<u>188,307</u>	<u>167,976</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
Transfer out	(152,899)	(152,899)	(152,899)	-
Total Other Financing Sources (Uses)	<u>(152,899)</u>	<u>(152,899)</u>	<u>(152,899)</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ (132,568)</u>	<u>\$ (132,568)</u>	35,408	<u>\$ 167,976</u>
Fund Balance - Beginning of Year			2,429,392	
Fund Balance - End of Year			<u>\$ 2,464,800</u>	

**Township of Palatine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**General Assistance Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original Budget	Final Budget		
Revenues Received:				
Property tax	\$ 400,000	\$ 400,000	\$ 338,276	\$ (61,724)
Interest income	400	400	2,328	1,928
Grants	-	-	-	-
SSI reimbursements	1,000	1,000	1,159	159
LIHEAP reimbursements	7,000	7,000	5,965	(1,035)
Miscellaneous income	-	-	111	111
Total Revenues Received	<u>408,400</u>	<u>408,400</u>	<u>347,839</u>	<u>(60,561)</u>
Expenditures:				
Current				
Administration	286,800	286,800	284,062	2,738
Home relief	127,000	127,000	44,821	82,179
Total Expenditures Disbursed	<u>413,800</u>	<u>413,800</u>	<u>328,883</u>	<u>84,917</u>
Excess (deficiency) of Revenues Over ( under) Expenditures	<u>(5,400)</u>	<u>(5,400)</u>	<u>18,956</u>	<u>24,356</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>\$ (5,400)</u>	<u>\$ (5,400)</u>	18,956	<u>\$ 24,356</u>
Fund Balance - Beginning of Year			1,380,774	
Prior Period Adjustment			<u>(240,897)</u>	
Fund Balance - Beginning of Year Restated			1,139,877	
Fund Balance - End of Year			<u>\$ 1,158,833</u>	

**Township of Palatine**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Road and Bridge Fund**  
**For the Year Ended March 31, 2018**

	Appropriation		Actual	Variance
	Original Budget	Final Budget		
<b>Revenues Received:</b>				
Property tax	\$ 1,290,000	\$ 1,290,000	\$ 1,402,357	\$ 112,357
Replacement tax	65,000	65,000	49,987	(15,013)
Interest income	20,000	20,000	15,531	(4,469)
Fines	4,000	4,000	900	(3,100)
Leaf bags/stickers	750	750	330	(420)
Reimbursements	16,800	16,800	19,390	2,590
Miscellaneous	5,000	5,000	10,293	5,293
Intergovernmental agreements	75,000	75,000	78,276	3,276
Total Revenues Received	<u>1,476,550</u>	<u>1,476,550</u>	<u>1,577,064</u>	<u>100,514</u>
<b>Expenditures:</b>				
Current				
Administration	111,000	111,250	84,498	26,752
Maintenance of roads	2,284,250	2,330,750	1,841,624	489,126
Contingency	48,000	1,250	-	1,250
Total Expenditures Disbursed	<u>2,443,250</u>	<u>2,443,250</u>	<u>1,926,122</u>	<u>517,128</u>
<b>Excess (deficiency) of Revenues</b>				
Over ( under) Expenditures	<u>(966,700)</u>	<u>(966,700)</u>	<u>(349,058)</u>	<u>617,642</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	<u>\$ (966,700)</u>	<u>\$ (966,700)</u>	<u>(349,058)</u>	<u>\$ 617,642</u>
<b>Fund Balance - Beginning of Year</b>			2,961,513	
<b>Fund Balance - End of Year</b>			<u>\$ 2,612,455</u>	

**Township of Palatine**  
**Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Years Ended February 28, 2018 and March 31, 2018**  
**Last 10 Calendar Years**  
**(Schedule to be built prospectively from 2015)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service cost	\$ 124,558	\$ 125,009	\$ 122,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	457,989	448,737	425,242	-	-	-	-	-	-	-
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(85,317)	(72,486)	112,897	-	-	-	-	-	-	-
Assumption changes	(204,493)	(19,516)	12,894	-	-	-	-	-	-	-
Benefit payments and refunds	(385,749)	(378,616)	(311,068)	-	-	-	-	-	-	-
<b>Net Change in Total Pension Liability</b>	<b>(93,012)</b>	<b>103,128</b>	<b>362,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Beginning</b>	<b>6,237,121</b>	<b>6,133,993</b>	<b>5,771,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 6,144,109</b>	<b>\$ 6,237,121</b>	<b>\$ 6,133,993</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Plan Fiduciary Net Position</b>										
Employer contributions	\$ 118,869	\$ 761,953	\$ 131,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee contributions	50,321	52,325	51,934	-	-	-	-	-	-	-
Pension plan net investment income	1,124,610	354,600	26,643	-	-	-	-	-	-	-
Benefit payments and refunds	(385,749)	(378,616)	(311,068)	-	-	-	-	-	-	-
Other	(133,898)	(108,213)	93,185	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>774,153</b>	<b>682,049</b>	<b>(8,028)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>6,066,461</b>	<b>5,384,412</b>	<b>5,392,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 6,840,614</b>	<b>\$ 6,066,461</b>	<b>\$ 5,384,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>(696,505)</b>	<b>170,660</b>	<b>749,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	111.34%	97.26%	87.78%	-	-	-	-	-	-	-
<b>Covered Valuation Payrol</b>	\$ 1,118,244	\$ 1,162,778	\$ 1,146,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as Percentage of Covered Valuation Payrol</b>	-62.29%	14.68%	65.38%	-	-	-	-	-	-	-

**Township of Palatine  
Multiyear Schedule of Contributions  
For the Years Ended February 28, 2018 and March 31, 2018**

<b>Calendar Year Ending December 31,</b>	<b>Actuarially Determined Contribution*</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2015	\$ 131,278	\$ 131,278	\$ -	\$ 1,146,535	11.45%
2016	129,766	761,953	(632,187)	1,162,778	65.53%
2017	118,869	118,869	-	1,118,244	10.63%

\* Estimated based on contribution rate of 10.63% and covered valuation payroll of \$1,118,244.

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

**Methods and Assumptions Used to Determine 2017 Contribution Rates:**

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ESO group): 26-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 21 years for most employers (two employers were financed over 30 years).
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%-approximate; No explicit price inflation assumption is used in the valuation.
<i>Salary Increases:</i>	3.75% to 14.50% including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experienced-based table of rates that are specific to the type of eligibility condition. Last update for 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was issued with fully generational projection scale MP-2014(base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustment to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014(base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<i>Other Information:</i>	
<i>Notes</i>	There were no benefits changes during the year.

**Township of Palatine  
Schedule of Funding Progress  
Other Post-Employment Benefits Plan  
For the Years Ended February 28 and March 31, 2018**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage Of Covered Payroll (3)/(5)
2/28/2018	N/A	\$ N/A	N/A	\$ N/A	N/A	N/A
2/28/2017	N/A	N/A	N/A	N/A	N/A	N/A
2/29/2016	N/A	144,571	0%	144,571	N/A	0%
2/28/2015	N/A	N/A	N/A	N/A	N/A	N/A
2/28/2014	N/A	N/A	N/A	N/A	N/A	N/A
2/28/2013	N/A	65,565	0%	65,565	N/A	0%



**Township of Palatine**  
**Notes to Required Supplementary Information**  
**February 28 and March 31, 2018**

**Note 1- Summary of Significant Accounting Policies**

**Budgetary Process**

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

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

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

**Note 2- Expenditures Over Budget**

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

## **Supplementary Information**

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Administration				
Personnel Services				
Salaries				
Supervisors	\$ 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	10,000	-
Board of Trustees	20,000	20,000	20,000	-
Board meetings	7,200	7,200	5,100	2,100
Road District Treasurer	1,000	1,000	1,000	-
Committees	-	-	-	-
Office personnel	282,400	282,400	281,622	778
Temporary personnel	12,200	12,200	10,646	1,554
Salary increases	8,400	8,400	6,866	1,534
Social security/medicare expense	30,800	30,800	29,172	1,628
Illinois retirement contribution	31,000	31,000	27,541	3,459
Health and life insurance	31,700	31,700	36,269	(4,569)
Unemployment compensation insurance	6,500	6,500	-	6,500
Workers' compensation insurance	800	800	1,875	(1,075)
Total Personnel Services	<u>501,000</u>	<u>501,000</u>	<u>489,091</u>	<u>11,909</u>
Contractual Services				
Building maintenance	50,800	50,800	21,622	29,178
Grounds maintenance	10,600	10,600	11,284	(684)
Equipment maintenance	4,100	4,100	1,919	2,181
Building improvements non-capital	5,500	5,500	2,178	3,322
Office equipment maintenance	6,100	6,100	16,040	(9,940)
General insurance	37,200	37,200	31,365	5,835
Telephone and communications	800	800	2,860	(2,060)
Garbage	2,500	2,500	2,397	103
Alarm	3,100	3,100	3,178	(78)
Utilities	15,600	15,600	10,758	4,842
Conferences and seminars	4,000	4,000	2,589	1,411
Travel expenses	3,000	3,000	1,231	1,769
Printing and publishing	1,200	1,200	874	326
Audit	8,000	8,000	9,976	(1,976)
Legal services	17,000	17,000	19,457	(2,457)
Engineering	20,000	20,000	3,553	16,447
Professional services	29,000	29,000	24,955	4,045
Community events	8,000	8,000	4,853	3,147
Officials bonding	100	100	210	(110)

(Continued)

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Supervisor bonding	\$ 4,600	\$ 4,600	\$ 4,538	\$ 62
Training	2,900	2,900	1,270	1,630
Dues and subscriptions	10,100	10,100	9,428	672
Recognition	4,500	4,500	4,470	30
Copier	8,200	8,200	8,053	147
Recruitment expense	1,000	1,000	1,775	(775)
Payroll services	3,700	3,700	4,305	(605)
Miscellaneous	5,500	5,500	4,148	1,352
<b>Total Contractual Services</b>	<b>267,100</b>	<b>267,100</b>	<b>209,286</b>	<b>57,814</b>
<b>Commodities</b>				
Janitorial supplies	2,500	2,500	2,404	96
Postage	3,000	3,000	1,734	1,266
Office supplies	4,711	4,711	4,859	(148)
<b>Total Commodities</b>	<b>10,211</b>	<b>10,211</b>	<b>8,997</b>	<b>1,214.00</b>
<b>Capital Outlay</b>				
Building & improvements	50,000	50,000	-	50,000
Equipment purchases	4,600	4,600	4,864	(264)
<b>Total Capital Outlay</b>	<b>54,600</b>	<b>54,600</b>	<b>4,864</b>	<b>49,736</b>
<b>Total Administration</b>	<b>832,911</b>	<b>832,911</b>	<b>712,238</b>	<b>120,673</b>
<b>Township Assessor</b>				
<b>Personnel Services</b>				
Salaries	84,000	84,000	82,484	1,516
Salary increases	1,900	1,900	1,457	443
Social security/medicare expense	6,572	6,572	5,804	768
Illinois retirement contribution	7,800	7,800	7,070	730
Health and life insurance	10,500	10,500	16,174	(5,674)
Workers' compensation insurance	300	300	392	(92)
<b>Total Personnel Services</b>	<b>111,072</b>	<b>111,072</b>	<b>113,381</b>	<b>(2,309)</b>
<b>Contractual Services</b>				
Equipment maintenance	700	700	550	150
Travel	200	200	175	25
Outreach seminar	650	650	1,281	(631)

(Continued)

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Computer program	\$ 900	\$ 900	\$ 475	\$ 425
IPA institute workshop	1,800	1,800	1,572	228
Training	25	25	-	25
Printing	350	350	233	117
Dues and subscriptions	300	300	300	-
Professional services	25	25	-	25
Publications	50	50	-	50
Telephone	900	900	900	-
Copier	2,750	2,750	2,392	358
Miscellaneous	8	8	-	8
SID annual rental	345	345	970	(625)
Equipment rental	5	5	-	5
Contingency provision	4	4	-	4
Public relation	45	45	-	45
<b>Total Contractual Services</b>	<u>9,057</u>	<u>9,057</u>	<u>8,848</u>	<u>209</u>
<b>Commodities</b>				
Postage	500	500	261	239
Office supplies	1,200	1,200	1,003	197
<b>Total Commodities</b>	<u>1,700</u>	<u>1,700</u>	<u>1,264</u>	<u>436</u>
<b>Capital Outlay</b>				
Equipment	850	850	-	850
<b>Total Capital Outlay</b>	<u>850</u>	<u>850</u>	<u>-</u>	<u>850</u>
<b>Total Township Assessor</b>	<u>122,679</u>	<u>122,679</u>	<u>123,493</u>	<u>(814)</u>
<b>Senior and Disabled Transportation</b>				
<b>Personnel Services</b>				
Salaries	190,700	190,700	171,829	18,871
Salary increases	3,900	3,900	3,722	178
Transportation overtime	500	500	-	500
Social security/medicare expense	14,969	14,969	13,315	1,654
Illinois retirement contribution	21,800	21,800	16,056	5,744
Health and life insurance	30,200	30,200	18,780	11,420
Workers' Compensation Insurance	6,000	6,000	6,244	(244)
<b>Total Personnel Services</b>	<u>268,069</u>	<u>268,069</u>	<u>229,946</u>	<u>38,123</u>
<b>Contractual Services</b>				
Fuel and oil	20,000	20,000	23,071	(3,071)
Maintenance	20,000	20,000	18,237	1,763
Travel	500	500	221	279
Telephone	3,000	3,000	3,642	(642)
Advertising	2,000	2,000	782	1,218

(Continued)

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Equipment maintenance	\$ 500	\$ 500	\$ -	\$ 500
Taxi	11,000	11,000	10,579	421
Training	200	200	-	200
Copier	600	600	218	382
DOT testing	1,000	1,000	492	508
Legal	500	500	3,808	(3,308)
Miscellaneous	2,200	2,200	188	2,012
Vehicle insurance	2,500	2,500	2,275	225
<b>Total Contractual Services</b>	<b>64,000</b>	<b>64,000</b>	<b>63,513</b>	<b>487</b>
<b>Commodities</b>				
Office supplies	600	600	189	411
Postage	200	200	33	167
<b>Total Commodities</b>	<b>800</b>	<b>800</b>	<b>222</b>	<b>578</b>
<b>Capital Outlay</b>				
Purchases	42,000	42,000	39,306	2,694
<b>Total Capital Outlay</b>	<b>42,000</b>	<b>42,000</b>	<b>39,306</b>	<b>2,694</b>
<b>Total Senior and Disabled Transportation</b>	<b>374,869</b>	<b>374,869</b>	<b>332,987</b>	<b>41,882</b>
<b>Human Needs Funding</b>				
<b>Contractual Services</b>				
The Bridge	188,590	188,590	188,590	-
Community Child Care Center	112,000	112,000	112,000	-
Alexian Brothers Mental Health	35,000	35,000	35,000	-
Palatine Opportunity Center	9,000	9,000	9,000	-
Rolling Meadows Golden Years	5,000	5,000	9,000	(4,000)
Salvation Army	8,000	8,000	-	8,000
Shelter, Inc.	5,000	5,000	5,000	-
Community Living	9,000	9,000	9,000	-
NW Casa	2,000	2,000	2,000	-
Palatine Township Senior Center	85,500	85,500	85,500	-
Catholic Charities	8,000	8,000	8,000	-
Dental Care Program	40,000	40,000	40,000	-

(Continued)

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Town Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Journey PADS To Hope	\$ 4,000	\$ 4,000	\$ 6,000	\$ (2,000)
Faith Community Homes	8,500	8,500	8,500	-
Community Initiative Income	10	10	-	10
Northwest Compass	5,000	5,000	5,000	-
Escorted Transportation Services	4,000	4,000	4,000	-
Little City Foundation	12,000	12,000	12,000	-
Career Place	10,000	10,000	10,000	-
Hands on Suburban Chicago	1,000	1,000	1,000	-
Arts Refreshing The Soul	1,000	1,000	1,000	-
Children's Advocacy Center	7,000	7,000	7,000	-
Connect To Community	2,000	2,000	2,000	-
Crime Stoppers	1,500	1,500	1,500	-
Wings	5,000	5,000	5,000	-
St. Joseph's Home	14,500	14,500	16,500	(2,000)
Big Brothers Big Sisters	1,500	1,500	1,500	-
The Harbor	5,000	5,000	5,000	-
Special Leisure Services	10,000	10,000	10,000	-
Special Gifts Theater	2,500	2,500	2,500	-
Total Contractual Services	<u>601,600</u>	<u>601,600</u>	<u>601,590</u>	<u>10</u>
Total Human Needs Funding	<u>601,600</u>	<u>601,600</u>	<u>601,590</u>	<u>10</u>
<b>Cemetery Maintenance</b>				
Contractual Services				
Maintenance/improvements	16,500	16,500	15,300	1,200
Ground upkeep	24,500	24,500	29,176	(4,676)
Memorial Day	500	500	500	-
Cemetery burial	700	700	1,300	(600)
Miscellaneous	300	300	111	189
Total Contractual Services	<u>42,500</u>	<u>42,500</u>	<u>46,387</u>	<u>(3,887)</u>
Total Cemetery Maintenance	<u>42,500</u>	<u>42,500</u>	<u>46,387</u>	<u>(3,887)</u>
<b>Quentin Road Facilities</b>				
Contractual Services				
Alarm	2,000	2,000	3,271	(1,271)
Ground maintenance	5,000	5,000	525	4,475
Building maintenance	10,000	10,000	7,442	2,558
Utilities	23,600	23,600	23,252	348
Total Contractual Services	<u>40,600</u>	<u>40,600</u>	<u>34,490</u>	<u>6,110</u>
Total Quentin Road Facilities	<u>40,600</u>	<u>40,600</u>	<u>34,490</u>	<u>6,110</u>
<b>Health Safety And Communication</b>				
Contractual Services				
Website services	5,100	5,100	5,878	(778)
Communication	32,600	32,600	30,654	1,946
Total Contractual Services	<u>37,700</u>	<u>37,700</u>	<u>36,532</u>	<u>1,168</u>
Total Health Safety And Communications	<u>37,700</u>	<u>37,700</u>	<u>36,532</u>	<u>1,168</u>
Total Expenditures	<u>\$ 2,052,859</u>	<u>\$ 2,052,859</u>	<u>\$ 1,887,717</u>	<u>\$ 165,142</u>

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**General Assistance Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Administration				
Personal Services				
Salaries	\$ 178,300	\$ 178,300	\$ 176,495	\$ 1,805
Salaries increases	3,600	3,600	2,292	1,308
Social security/medicare expense	14,000	14,000	12,565	1,435
Illinois retirement contribution	19,400	19,400	17,146	2,254
Health and life insurance	50,000	50,000	36,572	13,428
Workers' compensation insurance	300	300	428	(128)
Total Personal Services	<u>265,600</u>	<u>265,600</u>	<u>245,498</u>	<u>20,102</u>
Contractual Services				
Equipment maintenance	5,600	5,600	17,180	(11,580)
Travel expense	1,000	1,000	1,085	(85)
Printing	500	500	152	348
Legal	600	600	949	(349)
Telephone	1,200	1,200	1,200	-
Training	1,000	1,000	720	280
Copier	2,000	2,000	2,229	(229)
Miscellaneous	3,900	3,900	12,724	(8,824)
Total Contractual Services	<u>15,800</u>	<u>15,800</u>	<u>36,239</u>	<u>(20,439)</u>
Commodities				
Office Supplies	2,000	2,000	1,922	78
Postage	400	400	298	102
Total Commodities	<u>2,400</u>	<u>2,400</u>	<u>2,220</u>	<u>180</u>
Capital Outlay				
Equipment Purchases	3,000	3,000	105	2,895
Total Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>105</u>	<u>2,895</u>
Total Administration	<u>286,800</u>	<u>286,800</u>	<u>284,062</u>	<u>2,738</u>

(Continued)



**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual -Continued**  
**General Assistance Fund**  
**For the Year Ended February 28, 2018**

	<u>Appropriation</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Home Relief				
Contractual Services				
Medical care	\$ 500	\$ 500	\$ -	\$ 500
Telephone	1,500	1,500	825	675
Utilities	34,200	34,200	3,619	30,581
Burial	4,000	4,000	-	4,000
Rental	56,400	56,400	27,676	28,724
Travel	16,400	16,400	4,351	12,049
Food	7,200	7,200	2,600	4,600
Clothing and personnel	1,800	1,800	1,500	300
Health insurance	4,500	4,500	4,250	250
Transient	500	500	-	500
Total Contractual Services	<u>127,000</u>	<u>127,000</u>	<u>44,821</u>	<u>76,529</u>
Total Home Relief	<u>127,000</u>	<u>127,000</u>	<u>44,821</u>	<u>82,179</u>
Total Expenditure	<u>\$ 413,800</u>	<u>\$ 413,800</u>	<u>\$ 328,883</u>	<u>\$ 84,917</u>

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Road and Bridge Fund**  
**For the Year Ended March 31, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Administration				
Personnel Services				
Salaries	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Social security/ medicare expense	800	800	800	-
Workers compensation	100	100	88	12
Total Personnel Services	<u>10,900</u>	<u>10,900</u>	<u>10,888</u>	<u>12</u>
Contractual Services				
General insurance	44,000	44,000	43,001	999
Accounting services	16,750	16,750	8,989	7,761
Telephone	4,750	4,750	4,300	450
Printing and publishing	3,000	3,000	2,537	463
Legal services	15,500	15,500	7,344	8,156
Dues and subscription	4,000	4,000	2,556	1,444
Training	5,250	5,250	2,018	3,232
Travel expenses	1,000	1,000	470	530
Total Contractual Services	<u>94,250</u>	<u>94,250</u>	<u>71,215</u>	<u>23,035</u>
Commodities				
Office supplies	750	1,000	890	110
Postage	400	400	364	36
Operating supplies	250	250	55	195
Miscellaneous	200	200	126	74
Total Commodities	<u>1,600</u>	<u>1,850</u>	<u>1,435</u>	<u>415</u>
Capital Outlay				
Computer software	1,500	1,500	960	540
Equipment	1,750	1,750	-	1,750
Office remodeling	500	500	-	500
Real estate	500	500	-	500
Total Capital Outlay	<u>4,250</u>	<u>4,250</u>	<u>960</u>	<u>3,290</u>
Total Administration	<u>111,000</u>	<u>111,250</u>	<u>84,498</u>	<u>26,752</u>
Maintenance of Roads				
Personnel Services				
Salaries	480,000	480,000	479,272	728
Overtime and comp time	50,000	50,000	32,575	17,425

(Continued)

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Road and Bridge Fund**  
**For the Year Ended March 31, 2018**

	Appropriation		Actual	Variance
	Original	Budget		
Social security/medicare expense	40,500	40,500	36,681	3,819
Illinois retirement contribution	56,000	56,000	49,837	6,163
Workers compensation	35,500	54,000	53,912	88
Health insurance	75,500	95,500	93,068	2,432
<b>Total Personnel Services</b>	<b>737,500</b>	<b>776,000</b>	<b>745,345</b>	<b>30,655</b>
<b>Contractual Services</b>				
Engineering services	40,000	40,000	33,199	6,801
Building maintenance	1,500	1,500	1,349	151
Equipment maintenance	30,000	30,000	25,553	4,447
Drainage maintenance	25,000	25,000	20,245	4,755
Bridge maintenance	2,000	2,000	-	2,000
Utilities	11,500	11,500	9,101	2,399
Equipment rentals	6,000	6,000	2,000	4,000
Street signs/lights	9,000	9,000	4,527	4,473
Contract work	425,000	425,000	288,935	136,065
Right-of-way maintenance	50,000	50,000	32,061	17,939
Testing services	1,300	1,300	1,286	14
<b>Total Contractual Services</b>	<b>601,300</b>	<b>601,300</b>	<b>418,256</b>	<b>183,044</b>
<b>Commodities</b>				
Operating supplies	7,000	7,000	6,465	535
Automotive fuel/oil	32,000	40,000	39,550	450
Building supplies	2,000	2,000	1,970	30
Materials	30,000	30,000	17,183	12,817
Small tools	1,200	1,200	1,123	77
Road salt	140,000	140,000	50,916	89,084
<b>Total Commodities</b>	<b>212,200</b>	<b>220,200</b>	<b>117,207</b>	<b>102,993</b>
<b>Capital Outlay</b>				
Equipment	154,750	154,750	-	154,750
Vehicle	353,500	353,500	336,338	17,162
Buildings	225,000	225,000	224,478	522
<b>Total Capital Outlay</b>	<b>733,250</b>	<b>733,250</b>	<b>560,816</b>	<b>172,434</b>
<b>Total Maintenance of Roads</b>	<b>2,284,250</b>	<b>2,330,750</b>	<b>1,841,624</b>	<b>489,126</b>
<b>Total Provision For Contingencies</b>	<b>48,000</b>	<b>1,250</b>	<b>-</b>	<b>1,250</b>
<b>Total Expenditures</b>	<b>\$ 2,443,250</b>	<b>\$ 2,443,250</b>	<b>\$ 1,926,122</b>	<b>\$ 517,128</b>

**Township of Palatine**  
**Schedule of Expenditures-Budget and Actual**  
**Capital Improvement Fund**  
**For the Year Ended February 28, 2018**

	Appropriation		Actual	Variance
	Original	Final		
Administration				
Commodities				
Office supplies	\$ -	\$ -	\$ -	\$ -
Total Commodities	-	-	-	-
Total Administration	-	-	-	-
Maintenance				
Capital outlay				
Buildings	105,000	105,000	92,589	12,411
Annual vehicle repair	-	-	9,652	(9,652)
Total Capital Outlay	105,000	105,000	102,241	2,759
Total Maintenance	105,000	105,000	102,241	2,759
Total Expenditures	\$ 105,000	\$ 105,000	\$ 102,241	\$ 2,759

**Township of Palatine**  
**Schedule of Expenditures - Needy Family Fund**  
**For the Year Ended February 28, 2018**

	<u>Actual</u>
<b>Administration</b>	
<b>Contractual Services</b>	
Copier	\$ 1,180
Legal	623
Food pantry truck	38,668
YHOP	468
Apple Tree campaign	17,237
Spring & Thanksgiving baskets	1,040
Adopt-A-Family	1,075
Gift card disbursements	21,542
Miscellaneous	6,200
Donor share - general	500
<b>Total Contractual Services</b>	<b>88,533</b>
<b>Commodities</b>	
Office supplies	755
Postage	1,368
<b>Total Commodities</b>	<b>2,123</b>
<b>Total Administration</b>	<b>90,656</b>
<b>Home Relief</b>	
<b>Contractual Services</b>	
Medical care	-
Utilities	-
Rental	7,550
Travel	-
Clothes/personal	-
Food	-
<b>Total Contractual Services</b>	<b>7,550</b>
<b>Total Home Relief</b>	<b>7,550</b>
<b>Total Expenditures</b>	<b>\$ 98,206</b>