

TOWNSHIP OF PALATINE
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2013 ALL FUNDS
EXCEPT
ROAD AND BRIDGE FUND ENDED MARCH 31, 2013



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Township of Palatine
Palatine, Illinois

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, 2013, and for the Road and Bridge Fund for the year ended March 31, 2013, 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Palatine, as of February 28, 2013, and the Road and Bridge Fund as of March 31, 2013, 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 24 through 28

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The accompanying financial information listed as Additional 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 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

July 22, 2013

McClure, Inseena & Co., Chtd.

TOWNSHIP OF PALATINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED FEBRUARY 28, 2013 AND MARCH 31, 2013

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, 2013 and March 31, 2013. 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 assets of the Township of Palatine exceeded its liabilities by \$8,806,802 and \$7,675,420, as of February 28 and March 31, 2013 and 2012, respectively. The Township's net position increased by \$1,131,382 and \$1,085,388 for the years ended February 28 and March 31, 2013 and 2012, respectively.

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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township of Palatine is improving or deteriorating.

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

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

Fund Financial Statements

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

financial statements report the Township's operations in more detail than the government-wide statements by providing information about the Township's four 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 Township of Palatine's progress in funding its obligation to provide pension benefits to its employees and other post-employment benefit plans. Additionally, required supplementary information regarding a schedule of revenues and expenditures – budget vs. actual for each major fund is presented in this section.

Financial Analysis

As noted earlier, 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 exceeded liabilities by \$8,806,802 and \$7,675,420, for the years ended February 28 and March 31, 2013 and 2012, respectively. A portion of the Township's net position reflects its investment in capital assets, \$3,787,609. 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 \$3,846,751 which is restricted, and \$1,172,442 that is unrestricted.

Condensed Statement of Net Position

	For Years Ended	
	February 28 and March 31, 2013	February 29 and March 31, 2012
Current and Other Assets	\$ 8,723,847	\$ 7,799,866
Capital Assets, net of accumulated depreciation	3,787,609	3,608,316
Total Assets	12,511,456	11,408,182
Current Liabilities	3,676,865	3,652,905
Non-Current Liabilities	27,789	79,857
Total Liabilities	3,704,654	3,732,762
Net Position		
Invested in Capital Assets	3,787,609	3,608,316
Restricted	3,846,751	3,206,288
Unrestricted	1,172,442	860,816
Total Net Position	\$ 8,806,802	\$ 7,675,420

The Road District capitalized and depreciated infrastructure assets for the first time during the year ended March 31, 2012 which resulted in a prior period adjustment of \$1,811,031 to Net Position.

Condensed Statement of Activities

	For Years Ended	
	February 28 and March 31, 2013	February 29 and March 31, 2012
Revenues		
Program Revenues		
Charges for Services	\$ 287,917	\$ 306,402
Grants and Contributions	248,568	521,003
General Revenues		
Property Taxes	3,622,240	3,439,856
Replacement Taxes	114,518	118,085
Motor Fuel Taxes	370,918	391,420
Interest Income	21,671	23,740
Other	13,615	27,929
Total Revenues	<u>4,679,447</u>	<u>4,828,435</u>
Expenses		
Program Expenses		
Administration	1,055,218	1,130,715
Assessor	124,093	121,180
Senior and Disabled Transportation	294,126	297,595
Human Needs Funding	590,121	593,232
Home Relief	209,850	152,838
Cemetery Maintenance	45,928	37,618
Quentin Road Facilities	26,493	44,963
Maintenance of Roads	759,311	957,942
Depreciation/Amortization - Unallocated	442,925	406,964
Total Expenses	<u>3,548,065</u>	<u>3,743,047</u>
 Change in Net Position	 <u>1,131,382</u>	 <u>1,085,388</u>
Net Position, Beginning of Year, as Originally Stated	7,675,420	4,779,001
Prior Period Adjustment	-	1,811,031
Net Position, Beginning of Year, as Restated	<u>7,675,420</u>	<u>6,590,032</u>
Net Position, End of Year	<u>\$ 8,806,802</u>	<u>\$ 7,675,420</u>

The following is a summary of changes in fund balances for the year ended February 28 and March 31, 2013:

Governmental Funds	Fund Balance February 29 and March 31, 2012	Increase (Decrease)	Fund Balance February 28 and March 31, 2013
General (Town)	\$ 945,032	\$ 270,450	\$ 1,215,482
General Assistance	285,140	50,390	335,530
Road and Bridge	2,616,454	558,524	3,174,978
Needy Family	398,941	27,657	426,598
	<u>\$ 4,245,567</u>	<u>\$ 907,021</u>	<u>\$ 5,152,588</u>

From March 1, 2012 through February 28, 2013, \$130,492 was transferred from the Road and Bridge Fund to the Town Fund.

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. Revenues in the Town Fund of \$1,923,938 exceeded expenditures by \$139,958 and expenditures were \$205,909 less than the appropriation of \$1,989,889. Revenues in both the General Assistance and Road and Bridge funds adequately funded expenditures as well.

General Assistance, a mandated local form of public aid administered solely by Township government, must budget sufficient funds to accommodate all those that seek service. The number of residents seeking services through the General Assistance Department continued to increase from fiscal year end February 29, 2012. However, many of the residents 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 ending February 28, 2013 Township of Palatine partnered with 26 social service agencies to provide various programs for children, teens, adults, senior citizens and disabled individuals. The Township of Palatine provided \$593,788 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 year ended:

	February 28 and March 31, 2013	February 29 and March 31, 2012
Land	\$ 119,098	\$ 119,098
Infrastructure Work in Progress	126,145	57,682
Land Improvements	396,186	396,186
Buildings	2,685,807	2,685,807
Building Improvements	49,620	-
Machinery and Equipment	1,072,860	1,085,995
Infrastructure	3,441,201	3,141,271
Intangibles	6,300	6,300
	<hr/>	<hr/>
Cost of Capital Assets	7,897,217	7,492,339
	<hr/>	<hr/>
Less Accumulated Depreciation/Amortization	4,109,608	3,884,023
	<hr/>	<hr/>
Net Capital Assets	<u>\$ 3,787,609</u>	<u>\$ 3,608,316</u>

The most significant capital asset additions during the year were for infrastructure. Additional information regarding the Township's capital assets can be found in NOTE 4 on page 19.

Description of Current and Expected Conditions

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

- 14,077 bus and van rides (-1.5%)
- 4,089 visits to the Food Pantry (+17.6%)
- 2,860 Taxi Rides (+14.8%)
- 1,989 Cook County Vehicle Stickers sold (+9.35%)
- 1,103 students received assistance with school supplies from the Apple Tree program (+28.3%)
- 745 Senior citizens and children in need received Angel Tree gifts (+6.6%)
- 491 Thanksgiving baskets were distributed to needy families and senior citizens (+20.3%)
- 302 families received gifts thru the holiday Adopt-a-Family Program (-1.5%)
- 284 Voters registered (735.3%)
- 217 RTA Senior Passes issued (49.7%)
- 153 Temporary Handicap Placards issued (-28.8%)
- 94 Emergency Fund requests (+42.4%)

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 Mr. Paul Pioch, 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, 2013

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Cash Investments	\$ 6,141,571
Receivables	
Property Taxes, net	2,469,118
Replacement Taxes	23,265
Other	1,575
Other Current Assets	12,795
Prepaid Expenses	75,523
Capital Assets, Net of Accumulated Depreciation/Amortization	3,787,609
Total Assets	12,511,456
LIABILITIES	
Accounts Payable	11,466
Accrued Salaries and Wages	55,019
Deferred Revenue	3,506,363
Payroll Liabilities	(1,589)
Compensated Absences	105,606
Non-Current Liabilities:	
Net Other Post-Employment Benefit Payable	27,789
Total Liabilities	3,704,654
NET POSITION	
Invested in Capital Assets	3,787,609
Restricted	3,846,751
Unrestricted	1,172,442
Total Net Position	\$ 8,806,802

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED FEBRUARY 28 AND MARCH 31, 2013

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
Administration	\$ 1,055,218	\$ 194,549	\$ 40,000	\$ -	\$ (820,669)
Assessor	124,093	-	-	-	(124,093)
Senior and Disabled Transportation	294,126	-	-	-	(294,126)
Human Needs Funding	590,121	-	-	-	(590,121)
Home Relief	209,850	11,258	150,568	-	(48,024)
Cemetery Maintenance	45,928	2,950	6,000	-	(36,978)
Quentin Road Facilities	26,493	-	-	-	(26,493)
Maintenance of Roads	759,311	79,160	-	52,000	(628,151)
Depreciation/Amortization - Unallocated	442,925	-	-	-	(442,925)
Total Governmental Activities	\$ 3,548,065	\$ 287,917	\$ 196,568	\$ 52,000	(3,011,580)

GENERAL REVENUES

Taxes	
Property Taxes, Levied for General Purposes	3,622,240
Replacement Taxes	114,518
Motor Fuel Taxes	370,918
Interest Income	21,671
Miscellaneous	13,615
Total General Revenues	4,142,962
Change in Net Position	1,131,382

NET POSITION

Beginning of Year	7,675,420
End of Year	\$ 8,806,802

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE
GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28 AND MARCH 31, 2013

	TOWN FUND	GENERAL ASSISTANCE FUND	ROAD AND BRIDGE FUND	NEEDY FAMILY FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Investments	\$ 1,415,229	\$ 400,842	\$ 3,893,379	\$ 432,121	\$ 6,141,571
Receivables					
Property Taxes, net	1,459,905	406,947	602,266	-	2,469,118
Replacement Taxes	2,741	-	20,524	-	23,265
Other	1,575	-	-	-	1,575
Other Current Assets	-	-	-	12,795	12,795
Prepaid Expenses	47,183	1,473	26,867	-	75,523
Total Assets	<u>\$ 2,926,633</u>	<u>\$ 809,262</u>	<u>\$ 4,543,036</u>	<u>\$ 444,916</u>	<u>\$ 8,723,847</u>
LIABILITIES					
Accounts Payable	\$ 8,614	\$ 1	\$ 2,851	\$ -	\$ 11,466
Accrued Salaries and Wages	34,562	9,910	10,547	-	55,019
Deferred Revenue	1,668,445	463,821	1,355,779	18,318	3,506,363
Payroll Liabilities	(470)	-	(1,119)	-	(1,589)
Total Liabilities	<u>1,711,151</u>	<u>473,732</u>	<u>1,368,058</u>	<u>18,318</u>	<u>3,571,259</u>
FUND BALANCES					
Nonspendable	47,183	-	-	-	47,183
Restricted for Statutory Purposes	-	335,530	3,174,978	-	3,510,508
Restricted by Donors	-	-	-	336,243	336,243
Unassigned	1,168,299	-	-	90,355	1,258,654
Total Fund Balances	<u>1,215,482</u>	<u>335,530</u>	<u>3,174,978</u>	<u>426,598</u>	<u>5,152,588</u>
Total Liabilities and Fund Balances	<u>\$ 2,926,633</u>	<u>\$ 809,262</u>	<u>\$ 4,543,036</u>	<u>\$ 444,916</u>	<u>\$ 8,723,847</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

FEBRUARY 28 AND MARCH 31, 2013

Total Fund Balances - Governmental Funds Balance Sheet	\$ 5,152,588
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	3,787,609
Compensated Absences are only recognized in the Statement of Net Position	(105,606)
The Net Other Post-Employment Benefit Payable, listed as Noncurrent Liabilities, are only recognized in the Statement of Net Position	<u>(27,789)</u>
Net Position of Governmental Activities - Statement of Net Position	<u>\$ 8,806,802</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED FEBRUARY 28 AND MARCH 31, 2013

	TOWN FUND	GENERAL ASSISTANCE FUND	ROAD AND BRIDGE FUND	NEEDY FAMILY FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 1,619,240	\$ 441,745	\$ 1,561,255	\$ -	\$ 3,622,240
Replacement Taxes	57,996	-	56,522	-	114,518
Interest Income	1,310	363	18,853	1,145	21,671
Reimbursements	-	11,258	-	1,031	12,289
Grants	40,000	5,486	52,000	-	97,486
Contributions	6,000	-	-	145,082	151,082
Fees and Permits	26,934	-	1,325	-	28,259
Fines	-	-	4,162	-	4,162
Charges for Services	29,994	-	73,673	-	103,667
Cemetery Receipts	2,950	-	-	-	2,950
Donated Rental Income	136,590	-	-	-	136,590
Miscellaneous	2,924	-	10,691	-	13,615
Total Revenues	1,923,938	458,852	1,778,481	147,258	4,308,529
EXPENDITURES					
Current					
Administration	703,219	277,931	133,026	40,282	1,154,458
Assessor	124,093	-	-	-	124,093
Senior and Disabled Transportation	294,126	-	-	-	294,126
Human Needs Funding	590,121	-	-	-	590,121
Home Relief	-	130,531	-	79,319	209,850
Cemetery Maintenance	45,928	-	-	-	45,928
Quentin Road Facilities	26,493	-	-	-	26,493
Maintenance of Roads	-	-	956,439	-	956,439
Contingency	-	-	-	-	-
Total Expenditures	1,783,980	408,462	1,089,465	119,601	3,401,508
Excess of Revenues Over Expenditures	139,958	50,390	689,016	27,657	907,021
Other Financing Sources (Uses)					
Operating Transfers	130,492	-	(130,492)	-	-
Net Change in Fund Balances	270,450	50,390	558,524	27,657	907,021
FUND BALANCES					
Beginning of Year	945,032	285,140	2,616,454	398,941	4,245,567
End of Year	\$ 1,215,482	\$ 335,530	\$ 3,174,978	\$ 426,598	\$ 5,152,588

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

FEBRUARY 28 AND MARCH 31, 2013

Net Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 907,021</u>
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
is allocated over their estimated useful lives as depreciation
expense. This is the amount by which capital outlays exceeded
depreciation expense in the current period.

Capital Outlay	693,925
Proceeds From Sale of Equipment	-
Gain on Disposal of Equipment	(71,707)
Depreciation Expense	<u>(442,925)</u>
Difference	179,293

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:

Compensated Absences	(7,000)
Net Other Post-Employment Benefits	<u>52,068</u>

Change in Net Position of Governmental Activities - Statement of Activities	<u><u>\$ 1,131,382</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PALATINE
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28 AND MARCH 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Palatine, Illinois (Township) operates under the Township Act (60 ILCS) and the Revenue code (35 ILCS) of the Illinois Compiled Statutes (ILCS). The Township provides the following services as authorized by its charter: maintenance of roads in the unincorporated area, senior and disabled services, general assistance, 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 and Palatine Township Needy Family Fund, 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. is a nonprofit corporation which exists solely to serve the Township of Palatine and has, therefore, been 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.

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. 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 Township 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.

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 and current liabilities 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 2012 tax year, including collections thereon, is recognized as deferred property tax revenue in the accompanying balance sheet. Expenditures are recognized when the related obligations are incurred.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

appropriated budgets are adopted for the Town, General Assistance, Road and Bridge and Needy Family Funds. All appropriated amounts lapse at the end of the fiscal year. Spending control for funds is established by the amount of the total appropriation for the fund, but management control is exercised at appropriation line item levels.

Cash and Cash Investments

Cash and cash investments include amounts in demand deposits (checking, NOW and money market accounts) and time deposits (certificates of deposit with maturity dates that range from twelve to twenty four 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 savings accounts, certificates of deposit or any other investments 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, which are insured by the Federal Deposit Insurance Corporation.

Cash investments are stated at cost, which approximates market.

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
Infrastructure	10 years
Machinery and Equipment	5 - 20 years
Intangibles	5 years

The minimum capitalization threshold is any item of Machinery and Equipment with a total cost greater than \$500, Buildings and Land Improvements of \$10,000 and Infrastructure of \$50,000. The Township capitalized infrastructure assets as capital assets as of February 29 and March 31, 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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. These expenses are accrued in the Statement of Net position and Statement of Activities. 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.

Fund Equity

Beginning with fiscal year 2012, the Township implemented GASB statement 54 "Fund Balance Reporting and Government Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Estimates

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

NOTE 2 - DEPOSITS

At year-end, the carrying amount of the Township's deposits, excluding petty cash of \$700, was \$6,140,871 and the bank balance was \$6,277,481. Of the bank balance, \$1,758,771 was covered by federal depository insurance, and \$4,518,710 was collateralized with securities held by the pledging financial institution's agent in the Township's name.

Included in deposits are 4 certificates of deposit totaling \$1,500,266 with terms of 12 to 24 months and rates of .549% to 1.00%.

NOTE 3 - PROPERTY TAXES

The Township passed the Tax Levy Ordinances for the Township and for the Road District on December 17, 2012. Property Taxes for 2012 attached as an enforceable lien on property as of January 1, 2012. 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 uncollectibles approximating 3%. 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 2012 levy which is used to fund fiscal 2014 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended February 28 and March 31, 2013 was as follows:

	Balance February 29 and March 31, 2012	Additions	Retirements	Balance February 28 and March 31, 2013
Capital assets, not being depreciated				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
Infrastructure Work in Progress	57,682	68,463	-	126,145
Total Capital assets, not being depreciated	<u>176,780</u>	<u>68,463</u>	<u>-</u>	<u>245,243</u>
Capital assets, being depreciated/amortized				
Land Improvements	396,186	-	-	396,186
Buildings	2,685,807	-	-	2,685,807
Building Improvements	-	49,620	-	49,620
Machinery and Equipment	1,085,995	53,210	(66,345)	1,072,860
Infrastructure	3,141,271	522,632	(222,702)	3,441,201
Intangibles	6,300	-	-	6,300
Total capital assets being depreciated/amortized	<u>7,315,559</u>	<u>625,462</u>	<u>(289,047)</u>	<u>7,651,974</u>
Less accumulated depreciation/amortization for				
Land Improvements	(310,579)	(7,549)	-	(318,128)
Buildings	(1,604,528)	(39,736)	-	(1,644,264)
Building Improvements	-	(1,654)	-	(1,654)
Machinery and Equipment	(737,993)	(71,691)	66,345	(743,339)
Infrastructure	(1,229,033)	(321,035)	150,995	(1,399,073)
Intangibles	(1,890)	(1,260)	-	(3,150)
Total accumulated depreciation/amortization	<u>(3,884,023)</u>	<u>(442,925)</u>	<u>217,340</u>	<u>(4,109,608)</u>
Total capital assets being depreciated/amortized, net	<u>3,431,536</u>	<u>182,537</u>	<u>(71,707)</u>	<u>3,542,366</u>
Capital assets, net	<u>\$ 3,608,316</u>	<u>\$ 251,000</u>	<u>\$ (71,707)</u>	<u>\$ 3,787,609</u>

In the government-wide statement of activities depreciation/amortization expense is not allocated among Government Activities.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description: The Township'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 Township's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Township's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 12.38%. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: The required contribution for fiscal year ending February 28 and March 31, 2013 was \$141,370.

NOTE 5 - DEFINED BENEFIT PENSION PLAN (Continued)

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2/28/13 & 3/31/13	\$141,370	100%	\$0
2/29/12 & 3/31/12	150,140	100%	0
2/28/11 & 3/31/11	158,457	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the Township's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Township's Regular plan unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 67.23% funded. The actuarial accrued liability for benefits was \$2,568,237 and the actuarial value of assets was \$1,726,631, resulting in an underfunded actuarial accrued liability (UAAL) of \$841,606. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,132,857 and the ratio of the UAAL to the covered payroll was 74%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 6 - 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.

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

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Membership in the plan consisted of the following as of:

	<u>February 28, 2013</u>
Retirees and beneficiaries receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	8
Active nonvested plan members	<u>8</u>
Total	<u>17</u>
Number of participating employers	<u>1</u>

Annual OPEB Costs and Net OPEB Obligation

The District had an actuarial valuation performed for the plan as of February 28, 2013 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, 2013.

The annual OPEB cost and net OPEB obligation as of February 28, 2013, was calculated as follows:

	<u>Governmental Activities</u>
Annual Required Contribution	\$ 9,835
Interest on the net OPEB obligation	1,065
Adjustment to the annual required contribution	<u>(887)</u>
Annual OPEB Cost	10,013
Contributions made	<u>8,843</u>
Increase in the net OPEB obligation	1,170
NOPEBO – Beginning of Year	79,857
Adjustment to beginning balance	<u>(53,238)</u>
NOPEBO – End of Year	<u>\$ 27,789</u>

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The funded status and funding progress of the plan as of February 28 and March 31, 2013, is estimated based upon the actuarial valuation determined as of March 1, 2013:

Actuarial Accrued Liability (AAL)	\$	65,565
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	65,565
Funded Ratio (actuarial value of plan assets/AAL)		0%
Covered Payroll (active plan members)		N/A
UAAL as a percentage of covered payroll		0%

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, 2013 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 8% trending down to 6% for 2017 and beyond. The actuarial value of assets was not determined as the Township has not advanced its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at March 1, 2013 was 30 years.

NOTE 7 - RESTRICTED FUND BALANCE

As of February 28, 2013, the Township has restricted monies of \$336,243 for social service emergencies which includes 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.

NOTE 8 - IN-KIND SUPPORT

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

NOTE 9 - NONPROFIT CORPORATION

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.

NOTE 10 - 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.

NOTE 11 – MOTOR FUEL TAX FUNDS

Every year the Township 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 then 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.

NOTE 12 – OPERATING TRANSFER

Interfund transfers are reported as operating transfers. During the year ended February 28, 2013, the Road and Bridge Fund transferred \$130,492 to the General Fund to support the Senior and Disabled Transportation Program.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF PALATINE

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

FEBRUARY 28, AND MARCH 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 1,726,631	\$ 2,568,237	\$ 841,606	67.23%	\$ 1,132,857	74.29%
12/31/11	1,425,210	2,373,282	948,072	60.05%	1,230,480	77.05%
12/31/10	2,213,522	2,996,843	783,321	73.86%	1,181,092	66.32%

On a market value basis, then actuarial value of assets as December 31, 2012 is \$1,821,357. On a market basis, the funded ratio would be 70.92%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Palatine Township. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

TOWNSHIP OF PALATINE

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF FUNDING PROGRESS

OTHER POST-EMPLOYMENT BENEFITS PLAN

FEBRUARY 28,
AND MARCH 31, 2013

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) --Entry Age	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 (4) ÷ (5)
2/28/2013	N/A	65,565	0%	65,565	N/A	0%
2/29/2012	N/A	N/A	N/A	N/A	N/A	N/A
2/28/2011	N/A	N/A	N/A	N/A	N/A	N/A

The Township Implemented GASB Statement No. 45 for the fiscal year ended February 28, 2010 and has an actuarial valuation performed triennially.

TOWNSHIP OF PALATINE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

TOWN FUND

FOR THE YEAR ENDED FEBRUARY 28, 2013

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 1,601,199	\$ 1,601,199	\$ 1,619,240	\$ 18,041
Replacement Taxes	54,000	54,000	57,996	3,996
Interest Income	2,000	2,000	1,310	(690)
Fees	24,000	24,000	26,934	2,934
PACE Charges for Services	30,000	30,000	29,994	(6)
Cemetery Receipts	1,000	1,000	2,950	1,950
Cemetery Contributions	-	-	6,000	6,000
Donated Rental Income	136,590	136,590	136,590	-
Miscellaneous	1,000	1,000	2,924	1,924
Employment Job Fair	100	100	-	(100)
Total Revenues	1,849,889	1,849,889	1,923,938	74,049
EXPENDITURES				
Current				
Administration	826,330	826,330	703,219	123,111
Assessor	137,725	137,725	124,093	13,632
Senior and Disabled Transportation	311,334	311,334	294,126	17,208
Human Needs Funding	605,500	605,500	590,121	15,379
Cemetery Maintenance	48,000	48,000	45,928	2,072
Quentin Road Facilities	46,000	46,000	26,493	19,507
Contingency	15,000	15,000	-	15,000
Total Expenditures	1,989,889	1,989,889	1,783,980	205,909
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,000)	(140,000)	139,958	279,958
Other Financing Sources (Uses)				
Operating Transfers	125,000	125,000	130,492	5,492
Net Change in Fund Balance	\$ (15,000)	\$ (15,000)	\$ 270,450	\$ 285,450

TOWNSHIP OF PALATINE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL

GENERAL ASSISTANCE FUND

FOR THE YEAR ENDED FEBRUARY 28, 2013

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 410,563	\$ 410,563	\$ 441,745	\$ 31,182
Interest Income	500	500	363	(137)
SSI Reimbursements	10,000	10,000	2,693	(7,307)
LIHEAP Reimbursements	6,500	6,500	8,565	2,065
CDBG Grants	5,486	5,486	5,486	-
Needy Family Fund Contributions	5,486	5,486	-	(5,486)
Miscellaneous	100	100	-	(100)
	<u>438,635</u>	<u>438,635</u>	<u>458,852</u>	<u>20,217</u>
EXPENDITURES				
Current				
Administration	283,455	283,455	277,931	5,524
Home Relief	136,000	136,000	130,531	5,469
Institutional Care	19,180	19,180	-	19,180
Contingency	-	-	-	-
	<u>438,635</u>	<u>438,635</u>	<u>408,462</u>	<u>30,173</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,390</u>	<u>\$ 50,390</u>

TOWNSHIP OF PALATINE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED MARCH 31, 2013

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 1,407,000	\$ 1,407,000	\$ 1,561,255	\$ 154,255
Replacement Taxes	65,000	65,000	56,522	(8,478)
Interest Income	11,000	11,000	18,853	7,853
Charges for Services	235,000	235,000	73,673	(161,327)
Grants	150,000	150,000	52,000	(98,000)
Fines	7,000	7,000	4,162	(2,838)
Leaf Bags/Stickers	1,000	1,000	1,325	325
Reimbursements	600	600	-	(600)
Miscellaneous	7,800	7,800	10,691	2,891
Total Revenues	1,884,400	1,884,400	1,778,481	(105,919)
EXPENDITURES				
Administration	158,250	158,250	133,026	25,224
Maintenance of Roads	2,714,935	2,714,935	956,439	1,758,496
Contingency	200,000	200,000	-	200,000
Total Expenditures	3,073,185	3,073,185	1,089,465	1,983,720
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,188,785)	(1,188,785)	689,016	1,877,801
Other Financing Sources (Uses)				
Operating Transfers	(131,000)	(131,000)	(130,492)	508
Net Change in Fund Balance	\$ (1,319,785)	\$ (1,319,785)	\$ 558,524	\$ 1,878,309

ADDITIONAL INFORMATION

TOWNSHIP OF PALATINE

TOWN FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries			
Supervisor	\$ 26,000	\$ 26,000	\$ -
Clerk	21,000	21,000	-
Assessor	23,000	23,000	-
Collector	-	-	-
Highway Commissioner	12,250	12,250	-
Board Of Trustees	20,000	20,000	-
Board Meetings	1,100	1,100	-
Weed Commissioner	250	-	250
Road District Treasurer	1,000	1,000	-
Committees	1,200	575	625
Office Personnel	221,188	215,625	5,563
Temporary Personnel	250	-	250
Janitorial	18,826	18,029	797
Salary Increases	4,798	4,264	534
Social Security/Medicare Expense	26,849	25,158	1,691
Illinois Retirement Contribution	40,792	37,292	3,500
Health And Life Insurance	36,650	35,224	1,426
Workers' Compensation Insurance	2,360	2,351	9
Unemployment Compensation	100	-	100
	<hr/>	<hr/>	<hr/>
Total Personnel Services	457,613	442,868	14,745
Contractual Services			
Building Maintenance	21,228	20,160	1,068
Equipment Maintenance	1,412	1,412	-
Office Equipment Maintenance	3,000	1,754	1,246
General Insurance	27,000	25,502	1,498
Telephone and Communications	6,000	5,638	362
Alarm	4,000	2,896	1,104
Utilities	21,000	13,348	7,652
Scavenger	4,400	4,114	286
Conferences and Seminars	4,287	3,336	951
Travel Expenses	2,000	656	1,344
Printing and Publishing	2,500	857	1,643
Grounds Maintenance	6,750	6,342	408
Audit	11,000	7,930	3,070
Legal Services	25,000	28,120	(3,120)
Professional Services	5,000	3,647	1,353
Engineering Services	5,000	-	5,000

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Community Events	\$ 750	\$ 351	\$ 399
Officials Bonding	1,054	1,054	-
Supervisor Bonding	3,759	3,759	-
Training	1,000	340	660
Dues and Subscriptions	6,000	4,505	1,495
Recognitions	3,750	3,286	464
Copier	6,000	5,855	145
Employment Counseling	14,000	11,648	2,352
Employment Job Fair	2,500	-	2,500
Recruitment	500	72	428
Miscellaneous	4,000	3,151	849
Website Services	4,000	1,157	2,843
Communications	32,000	31,397	603
Health And Safety Programs	1,000	226	774
Payroll Service	3,000	2,687	313
	<hr/>	<hr/>	<hr/>
Total Contractual Services	232,890	195,200	37,690
	<hr/>	<hr/>	<hr/>
Commodities			
Janitorial Supplies	2,000	1,929	71
Postage	2,500	1,265	1,235
Office Supplies	5,000	2,709	2,291
	<hr/>	<hr/>	<hr/>
Total Commodities	9,500	5,903	3,597
	<hr/>	<hr/>	<hr/>
Capital Outlay			
Building & Improvements	122,777	57,060	65,717
Equipment	3,550	2,188	1,362
	<hr/>	<hr/>	<hr/>
Total Capital Outlay	126,327	59,248	67,079
	<hr/>	<hr/>	<hr/>
Total Administration	826,330	703,219	123,111
	<hr/>	<hr/>	<hr/>
TOWNSHIP ASSESSOR			
Personnel Services			
Salaries	80,564	77,977	2,587
Salary Increases	2,200	1,465	735
Social Security/Medicare Expense	6,350	5,682	668
Illinois Retirement Contribution	7,736	7,736	-
Health And Life Insurance	27,771	20,512	7,259
Workers' Compensation Insurance	379	351	28
	<hr/>	<hr/>	<hr/>
Total Personnel Services	125,000	113,723	11,277
	<hr/>	<hr/>	<hr/>

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Contractual Services			
Equipment Maintenance	\$ 500	\$ 445	\$ 55
Travel	954	271	683
Outreach Seminar	523	480	43
Computer Program	1,164	1,164	-
IPA Institute Workshop	1,850	1,320	530
Training	625	474	151
Printing	825	634	191
Dues And Subscriptions	300	85	215
Professional Services	90	-	90
Publications	135	28	107
Telephone	900	900	-
Copier	2,129	2,129	-
Miscellaneous	105	106	(1)
SID Annual Rental	775	775	-
Equipment Rental	10	-	10
Contingency Provision	10	-	10
	<u>10,896</u>	<u>8,811</u>	<u>2,084</u>
Total Contractual Services			
Commodities			
Postage	153	153	-
Office Supplies	821	821	-
	<u>974</u>	<u>974</u>	<u>-</u>
Total Commodities			
Capital Outlay			
Equipment	856	585	271
	<u>856</u>	<u>585</u>	<u>271</u>
Total Capital Outlay			
Total Township Assessor	<u>137,725</u>	<u>124,093</u>	<u>13,632</u>
SENIOR AND DISABLED TRANSPORTATION			
Personnel Services			
Salaries	166,659	160,163	6,496
Salary Increases	3,340	3,056	284
Social Security/Medicare Expense	13,005	12,151	854
Illinois Retirement Contribution	16,829	16,425	404
Health And Life Insurance	30,658	30,558	100
Workers Compensation	2,900	2,709	191
Contingency Provision	-	-	-
	<u>233,391</u>	<u>225,062</u>	<u>8,329</u>
Total Personnel Services			
Contractual Services			
Fuel And Oil	27,770	29,675	(1,905)

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Maintenance	\$ 22,000	\$ 19,451	\$ 2,549
Travel	100	-	100
Telephone	2,943	2,943	-
Advertising	769	769	-
Equipment Maintenance	1,000	892	108
Taxi	12,660	10,471	2,189
Training	150	50	100
Copier	1,500	1,192	308
DOT Testing	750	594	156
Legal	500	2	498
Miscellaneous	4,750	487	4,263
Vehicle Insurance	1,200	1,018	182
	<hr/>	<hr/>	<hr/>
Total Contractual Services	76,092	67,544	8,548
	<hr/>	<hr/>	<hr/>
Commodities			
Office Supplies	200	55	145
Postage	150	105	45
	<hr/>	<hr/>	<hr/>
Total Commodities	350	160	190
	<hr/>	<hr/>	<hr/>
Capital Outlay			
Equipment	1,500	1,360	140
	<hr/>	<hr/>	<hr/>
Total Capital Outlay	1,500	1,360	140
	<hr/>	<hr/>	<hr/>
Total Senior and Disabled Transportation	311,334	294,126	17,208
	<hr/>	<hr/>	<hr/>
HUMAN NEEDS FUNDING			
Contractual Services			
Day Care Brokerage Service	28,000	27,998	2
Behavioral Health	4,000	4,000	-
The Bridge	190,000	190,000	-
Clearbrook	3,000	3,000	-
Community Child Care Center	120,000	120,000	-
Alexian Brothers Mental Health	30,000	28,333	1,667
Palatine Opportunity Center	8,000	8,000	-
Countryside Association	13,000	13,000	-
Rolling Meadows Golden Years	3,500	-	3,500
Salvation Army	12,000	12,000	-
Shelter, Inc	8,000	7,333	667
Community Living	8,000	6,750	1,250
Community Initiative	10,000	5,457	4,543
NW Casa	3,000	3,000	-
Palatine Township Senior Center	100,000	100,000	-
PHD	3,000	2,250	750

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Catholic Charities	\$ 5,000	\$ 5,000	\$ -
Dental Care Program	25,000	25,000	-
Barrington Career Center	6,000	6,000	-
Access To Care	5,000	5,000	-
Escorted Transportation Services	3,000	3,000	-
Hospice Of NE IL	3,000	3,000	-
Journey PADS To Hope	3,000	3,000	-
Glenkirk	3,000	-	3,000
Little City Foundation	3,000	3,000	-
Volunteer Center	3,000	3,000	-
Midwest Palliative & Hospice CareCenter	3,000	3,000	-
	<u>605,500</u>	<u>590,121</u>	<u>15,379</u>
Total Contractual Services			
	<u>605,500</u>	<u>590,121</u>	<u>15,379</u>
Total Human Needs Funding			
CEMETERY MAINTENANCE			
Contractual Services			
Maintenance/Improvements	21,530	21,530	-
Ground Upkeep	23,968	21,902	2,066
Survey	6	-	6
Memorial Day	300	300	-
Cemetery Burial	2,032	2,032	-
Miscellaneous	164	164	-
	<u>48,000</u>	<u>45,928</u>	<u>2,072</u>
Total Contractual Services			
	<u>48,000</u>	<u>45,928</u>	<u>2,072</u>
Total Cemetery Maintenance			
QUENTIN ROAD FACILITIES			
Contractual Services			
Alarm	1,500	961	539
Grounds Maintenance	1,000	-	1,000
Building Maintenance	6,500	3,763	2,737
Permanent Building Improvements	11,000	762	10,238
Utilities	26,000	21,007	4,993
	<u>46,000</u>	<u>26,493</u>	<u>19,507</u>
Total Contractual Services			
	<u>46,000</u>	<u>26,493</u>	<u>19,507</u>
Total Quentin Road Facilities			
Provisions For Contingencies	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Provisions For Contingencies			
	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>\$ 1,989,889</u>	<u>\$ 1,783,980</u>	<u>\$ 205,909</u>

TOWNSHIP OF PALATINE

GENERAL ASSISTANCE FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries	\$ 180,409	\$ 179,535	\$ 874
Salary Increases	3,591	3,157	434
Temporary Personnel	100	-	100
Social Security/Medicare Expense	14,076	12,804	1,272
Illinois Retirement Contribution	22,779	22,536	243
Health And Life Insurance	50,816	51,857	(1,041)
Workers' Compensation Insurance	484	448	36
	<u>272,255</u>	<u>270,337</u>	<u>1,918</u>
Contractual Services			
Equipment Maintenance	1,000	1,000	-
Travel Expense	750	363	387
Printing	500	180	320
Legal	1,500	-	1,500
Telephone	1,400	1,200	200
Training	700	445	255
Copier	2,000	2,065	(65)
Hearing Office Expenses	100	-	100
Miscellaneous	250	160	90
	<u>8,200</u>	<u>5,413</u>	<u>2,787</u>
Commodities			
Equipment Purchases	1,000	394	606
Office Supplies	1,500	1,456	44
Postage	500	331	169
	<u>3,000</u>	<u>2,181</u>	<u>819</u>
Total Administration	<u>283,455</u>	<u>277,931</u>	<u>5,524</u>
HOME RELIEF			
Contractual Services			
Medical Care	9,085	4,607	4,478
Telephone	2,000	1,196	804
Utilities	12,500	10,313	2,187
Burial	552	552	-

(Continued)

GENERAL ASSISTANCE FUND - STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
- CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Rental	\$ 69,498	\$ 68,056	\$ 1,442
Travel	12,500	11,807	693
Food	23,333	28,299	(4,966)
Clothing And Personnel	1,032	1,451	(419)
Health Insurance	4,500	4,250	250
Transient	1,000	-	1,000
	<u>136,000</u>	<u>130,531</u>	<u>5,469</u>
Total Contractual Services			
	<u>136,000</u>	<u>130,531</u>	<u>5,469</u>
Total Home Relief			
	<u>136,000</u>	<u>130,531</u>	<u>5,469</u>
INSTITUTIONAL CARE			
Contractual Services			
County Hospital - Medical	5,000	-	5,000
Private Hospital - Medical	7,500	-	7,500
Convalescent Home - Medical	2,500	-	2,500
Ambulance Services - Medical	4,180	-	4,180
	<u>19,180</u>	<u>-</u>	<u>19,180</u>
Total Contractual Services			
	<u>19,180</u>	<u>-</u>	<u>19,180</u>
Total Institutional Care			
	<u>19,180</u>	<u>-</u>	<u>19,180</u>
Provisions For Contingencies	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Provision For Contingencies			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 438,635</u>	<u>\$ 408,462</u>	<u>\$ 30,173</u>

TOWNSHIP OF PALATINE

ROAD AND BRIDGE FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2013

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries	\$ 52,829	\$ 50,007	\$ 2,822
Social Security/Medicare Expense	4,700	3,352	1,348
Illinois Retirement Contribution	7,600	6,271	1,329
Unemployment Compensation	100	-	100
Workers Compensation	250	119	131
Health Insurance	17,171	16,848	323
Total Personnel Services	<u>82,650</u>	<u>76,597</u>	<u>6,053</u>
Contractual Services			
General Insurance	35,000	27,872	7,128
Accounting Service	6,500	5,570	930
Telephone	7,000	6,982	18
Printing	2,500	1,840	660
Legal Services	11,000	6,815	4,185
Dues and Subscriptions	1,700	1,223	477
Training	1,200	525	675
Travel Expenses	1,200	733	467
Total Contractual Services	<u>66,100</u>	<u>51,560</u>	<u>14,540</u>
Commodities			
Office Supplies	1,500	1,202	298
Postage	1,000	299	701
Operating Supplies	1,500	165	1,335
Miscellaneous	500	82	418
Total Commodities	<u>4,500</u>	<u>1,748</u>	<u>2,752</u>
Capital Outlay			
Computer Software	1,500	667	833
Equipment	1,500	1,130	370
Office Remodeling	1,500	1,324	176
Real Estate	500	-	500
Total Capital Outlay	<u>5,000</u>	<u>3,121</u>	<u>1,879</u>
Total Administration	<u>158,250</u>	<u>133,026</u>	<u>25,224</u>
MAINTENANCE OF ROADS			
Personnel Services			
Salaries	432,000	374,351	57,649
Overtime and Comp Time	100,000	29,325	70,675

(Continued)

ROAD AND BRIDGE FUND - STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
- CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Salary Increases	\$ 7,885	\$ 7,771	114
Social Security/Medicare Expense	41,900	29,531	12,369
Illinois Retirement Contribution	67,700	51,109	16,591
Unemployment Compensation	-	-	-
Workers Compensation	52,400	29,070	23,330
Health Insurance	78,750	78,554	196
Total Personnel Services	<u>780,635</u>	<u>599,711</u>	<u>180,924</u>
Contractual Services			
Engineering Services	80,500	84,314	(3,814)
Building Maintenance	7,500	2,754	4,746
Equipment Maintenance	36,000	28,609	7,391
Drainage Maintenance	30,000	8,349	21,651
Roadway Maintenance	30,000	-	30,000
Bridge Maintenance	2,000	376	1,624
Utilities	11,000	10,005	995
Intergovernmental Agreement	-	-	-
Equipment Rental	10,000	1,958	8,042
Street Signs/Lights	7,500	5,361	2,139
Contract Work	1,300,000	62,086	1,237,914
Right-Of-Way Maintenance	38,000	13,754	24,246
Testing Services	700	345	355
Total Contractual Services	<u>1,553,200</u>	<u>217,911</u>	<u>1,335,289</u>
Commodities			
Operating Supplies	6,000	5,958	42
Automotive Fuel/Oil	32,000	28,552	3,448
Building Supplies	6,000	3,588	2,412
Materials	18,000	15,245	2,755
Small Tools	1,100	517	583
Road Salt	125,000	35,200	89,800
In House Engineering / Software	2,000	-	2,000
Total Commodities	<u>190,100</u>	<u>89,060</u>	<u>101,040</u>
Capital Outlay			
Equipment	50,000	6,907	43,093
Vehicle	123,000	41,994	81,006
Buildings	8,000	856	7,144
Emergency Roadway Repair	10,000	-	10,000
Total Capital Outlay	<u>191,000</u>	<u>49,757</u>	<u>141,243</u>
Total Maintenance of Roads	<u>2,714,935</u>	<u>956,439</u>	<u>1,758,496</u>
Provision For Contingencies	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Provision For Contingencies	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>\$ 3,073,185</u>	<u>\$ 1,089,465</u>	<u>\$ 1,983,720</u>

TOWNSHIP OF PALATINE

NEEDY FAMILY FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2013

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Contractual Services			
Printing	\$ 250	\$ 555	\$ (305)
Copier	250	163	87
Legal	1,500	1,008	492
Community Development Block Grant Match	5,486	-	5,486
Food Pantry Truck	414	373	41
YHOP	10,000	3,068	6,932
Apple Tree Campaign	19,103	11,212	7,891
Spring & Thanksgiving Baskets	11,582	1,374	10,208
Adopt-A-Family	-	1,704	(1,704)
Gift Card Disbursements	-	19,705	(19,705)
Miscellaneous	1,500	894	606
	<u>50,085</u>	<u>40,056</u>	<u>10,029</u>
Total Contractual Services			
Commodities			
Office Supplies	250	50	200
Postage	150	176	(26)
	<u>400</u>	<u>226</u>	<u>174</u>
Total Commodities			
Total Administration	<u>50,485</u>	<u>40,282</u>	<u>10,203</u>
HOME RELIEF			
Contractual Services			
Medical Care	1,500	-	1,500
Utilities	7,000	3,977	3,023
Rental	30,000	27,368	2,632
Travel	1,000	1,618	(618)
Food	65,000	45,726	19,274
Clothing and Personnel	500	130	370
Disaster Relief	1,000	500	500
	<u>106,000</u>	<u>79,319</u>	<u>26,681</u>
Total Contractual Services			
Total Home Relief	<u>106,000</u>	<u>79,319</u>	<u>26,681</u>
Total Expenditures	<u>\$ 156,485</u>	<u>\$ 119,601</u>	<u>\$ 36,884</u>