

TOWNSHIP OF PALATINE
FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2014 ALL FUNDS
EXCEPT
ROAD AND BRIDGE FUND ENDED MARCH 31, 2014



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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, 2014, and for the Road and Bridge Fund for the year ended March 31, 2014, 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, 2014, and the Road and Bridge Fund as of March 31, 2014, 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 Township of Palatine basic 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 basic financial statements as a whole.

McClure, Ingersoll & Co., Chtd.

July 18, 2014

TOWNSHIP OF PALATINE

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED FEBRUARY 28, 2014 AND MARCH 31, 2014

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, 2014 and March 31, 2014. 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 \$9,220,135 and \$8,806,802, as of February 28 and March 31, 2014 and 2013, respectively. The Township's net position increased by \$413,333 and \$1,131,382 for the years ended February 28 and March 31, 2014 and 2013, 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/deferred inflows, 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, 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 exceeded liabilities/deferred inflows by \$9,220,135 and \$8,806,802, for the years ended February 28 and March 31, 2014 and 2013, respectively. A portion of the Township’s net position reflects its investment in capital assets, \$3,937,105. 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 \$3,941,350 which is restricted, and \$1,341,680 that is unrestricted.

Condensed Statement of Net Position

	For Years Ended	
	February 28 and March 31, 2014	February 28 and March 31, 2013
Current and Other Assets	\$ 8,989,806	\$ 8,723,847
Capital Assets, net of accumulated depreciation	3,937,105	3,787,609
Total Assets	12,926,911	12,511,456
Current Liabilities	112,771	170,502
Non-Current Liabilities	27,789	27,789
Total Liabilities	140,560	198,291
Deferred Inflows of Resources	3,566,216	3,506,363
Net Position		
Invested in Capital Assets	3,937,105	3,787,609
Restricted	3,941,350	3,846,751
Unrestricted	1,341,680	1,172,442
Total Net Position	\$ 9,220,135	\$ 8,806,802

Condensed Statement of Activities

	For Years Ended	
	February 28 and March 31, 2014	February 28 and March 31, 2013
Revenues		
Program Revenues		
Charges for Services	\$ 362,594	\$ 287,917
Grants and Contributions	175,475	248,568
General Revenues		
Property Taxes	3,526,035	3,622,240
Replacement Taxes	132,483	114,518
Motor Fuel Taxes	139,507	370,918
Interest Income	15,618	21,671
Other	18,398	13,615
Total Revenues	<u>4,370,110</u>	<u>4,679,447</u>
Expenses		
Program Expenses		
Administration	1,094,597	1,055,218
Assessor	127,305	124,093
Senior and Disabled Transportation	326,346	294,126
Human Needs Funding	609,668	590,121
Home Relief	192,382	209,850
Cemetery Maintenance	38,591	45,928
Quentin Road Facilities	24,340	26,493
Maintenance of Roads	1,082,136	759,311
Depreciation/Amortization - Unallocated	461,412	442,925
Total Expenses	<u>3,956,777</u>	<u>3,548,065</u>
 Change in Net Position	 413,333	 1,131,382
 Net Position, Beginning of Year	 <u>8,806,802</u>	 <u>7,675,420</u>
 Net Position, End of Year	 <u>\$ 9,220,135</u>	 <u>\$ 8,806,802</u>

The following is a summary of changes in fund balances for the years ended February 28 and March 31, 2014:

<u>Governmental Funds</u>	Fund Balance February 28 and March 31, 2013	Increase (Decrease)	Fund Balance February 28 and March 31, 2014
General (Town)	\$ 1,215,482	\$ 129,576	\$ 1,345,058
General Assistance	335,530	84,091	419,621
Road and Bridge	3,174,978	(15,083)	3,159,895
Needy Family	426,598	33,931	460,529
	<u>\$ 5,152,588</u>	<u>\$ 232,515</u>	<u>\$ 5,385,103</u>

From March 1, 2013 through February 28, 2014, \$68,208 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

\$1,915,367 exceeded expenditures by \$61,368 and expenditures were \$106,279 less than the appropriation of \$1,960,278. 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 28, 2013. 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, 2014 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 \$609,668 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:

	February 28 and March 31, 2014	February 28 and March 31, 2013
Land	\$ 119,098	\$ 119,098
Infrastructure Work in Progress	126,145	126,145
Land Improvements	396,186	396,186
Buildings	2,685,807	2,685,807
Building Improvements	76,787	49,620
Machinery and Equipment	1,067,364	1,072,860
Infrastructure	3,552,906	3,441,201
Intangibles	6,300	6,300
	<hr/>	<hr/>
Cost of Capital Assets	8,030,593	7,897,217
	<hr/>	<hr/>
Less Accumulated Depreciation/Amortization	4,093,488	4,109,608
	<hr/>	<hr/>
Net Capital Assets	<u>\$ 3,937,105</u>	<u>\$ 3,787,609</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:

- 14,332 bus and van rides (+1.8%)
- 3,946 visits to the Food Pantry (-3.5%)
- 2,763 Taxi Rides (-3.4%)
- 1,710 Cook County Vehicle Stickers sold (-14.0%)

- 1,040 students received assistance with school supplies from the Apple Tree program (-5.7%)
- 765 Senior citizens and children in need received Angel Tree gifts (+2.7%)
- 625 Thanksgiving baskets were distributed to needy families and senior citizens (+27.3%)
- 236 families received gifts thru the holiday Adopt-a-Family Program (-21.9%)
- 193 RTA Senior Passes issued (-11.1%)
- 190 Temporary Handicap Placards issued (+24.2%)
- 118 Emergency Fund requests (+25.5%)
- 17 Voters registered (-94.0%)

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.

Currently, management is not aware of any changes in conditions that could have a significant effect on the financial position or results of activities of the Township in the near future.

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, 2014

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Cash Investments	\$ 6,314,808
Receivables	
Property Taxes, net	2,527,438
Replacement Taxes	24,933
Other	74,304
Other Current Assets	13,250
Prepaid Expenses	35,073
Capital Assets, Net of Accumulated Depreciation/Amortization	<u>3,937,105</u>
Total Assets	<u>12,926,911</u>
LIABILITIES	
Accounts Payable	16,495
Accrued Salaries and Wages	22,509
Payroll Liabilities	(517)
Compensated Absences	74,284
Non-Current Liabilities:	
Net Other Post-Employment Benefit Payable	<u>27,789</u>
Total Liabilities	140,560
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue	<u>3,566,216</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,706,776</u>
NET POSITION	
Invested in Capital Assets	3,937,105
Restricted	3,941,350
Unrestricted	<u>1,341,680</u>
Total Net Position	<u>\$ 9,220,135</u>

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

TOWNSHIP OF PALATINE

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28 AND MARCH 31, 2014

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	\$ 1,094,597	\$ 137,747	\$ -	\$ 19,466	\$ (937,384)
Assessor	127,305	-	-	-	(127,305)
Senior and Disabled Transportation	326,346	52,609	-	-	(273,737)
Human Needs Funding	609,668	-	-	-	(609,668)
Home Relief	192,382	7,401	155,654	-	(29,327)
Cemetery Maintenance	38,591	-	355	-	(38,236)
Quentin Road Facilities	24,340	-	-	-	(24,340)
Maintenance of Roads	1,082,136	164,837	-	-	(917,299)
Depreciation/Amortization - Unallocated	461,412	-	-	-	(461,412)
Total Governmental Activities	\$ 3,956,777	\$ 362,594	\$ 156,009	\$ 19,466	(3,418,708)

GENERAL REVENUES

Taxes	
Property Taxes, Levied for General Purposes	3,526,035
Replacement Taxes	132,483
Motor Fuel Taxes	139,507
Interest Income	15,618
Miscellaneous	18,398
Total General Revenues	3,832,041
Change in Net Position	413,333
NET POSITION	
Beginning of Year	8,806,802
End of Year	\$ 9,220,135

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

TOWNSHIP OF PALATINE
GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28 AND MARCH 31, 2014

	TOWN FUND	GENERAL ASSISTANCE FUND	ROAD AND BRIDGE FUND	NEEDY FAMILY FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Investments	\$ 1,553,624	\$ 482,830	\$ 3,808,196	\$ 470,158	\$ 6,314,808
Receivables					
Property Taxes, net	1,519,745	436,552	571,141	-	2,527,438
Replacement Taxes	3,279	-	21,654	-	24,933
Other	5,106	-	69,198	-	74,304
Other Current Assets	-	-	-	13,250	13,250
Prepaid Expenses	13,620	394	21,059	-	35,073
Total Assets	<u>\$ 3,095,374</u>	<u>\$ 919,776</u>	<u>\$ 4,491,248</u>	<u>\$ 483,408</u>	<u>\$ 8,989,806</u>
LIABILITIES					
Accounts Payable	\$ 11,912	\$ -	\$ 4,513	\$ 70	\$ 16,495
Accrued Salaries and Wages	8,651	3,569	10,289	-	22,509
Payroll Liabilities	(74)	10	(453)	-	(517)
Total Liabilities	<u>20,489</u>	<u>3,579</u>	<u>14,349</u>	<u>70</u>	<u>38,487</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue	1,729,827	496,576	1,317,004	22,809	3,566,216
Total Liabilities and Deferred Inflows of Resources	<u>1,750,316</u>	<u>500,155</u>	<u>1,331,353</u>	<u>22,879</u>	<u>3,604,703</u>
FUND BALANCES					
Nonspendable	13,620	-	-	-	13,620
Restricted for Statutory Purposes	-	419,621	3,159,895	-	3,579,516
Restricted by Donors	-	-	-	361,834	361,834
Committed	120,000	-	-	-	120,000
Unassigned	1,211,438	-	-	98,695	1,310,133
Total Fund Balances	<u>1,345,058</u>	<u>419,621</u>	<u>3,159,895</u>	<u>460,529</u>	<u>5,385,103</u>
Total Liabilities and Fund Balances	<u>\$ 3,095,374</u>	<u>\$ 919,776</u>	<u>\$ 4,491,248</u>	<u>\$ 483,408</u>	<u>\$ 8,989,806</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, 2014

Total Fund Balances - Governmental Funds Balance Sheet	\$ 5,385,103
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.	3,937,105
Compensated Absences are only recognized in the Statement of Net Position	(74,284)
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><u>\$ 9,220,135</u></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 YEARS ENDED FEBRUARY 28 AND MARCH 31, 2014

	TOWN FUND	GENERAL ASSISTANCE FUND	ROAD AND BRIDGE FUND	NEEDY FAMILY FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 1,629,748	\$ 472,628	\$ 1,423,659	\$ -	\$ 3,526,035
Replacement Taxes	66,487	-	65,996	-	132,483
Motor Fuel Taxes	-	-	139,507	-	139,507
Interest Income	1,209	384	12,959	1,066	15,618
Reimbursements	-	7,401	-	1,157	8,558
Grants	19,466	4,565	-	-	24,031
Contributions	355	-	-	151,089	151,444
Fees and Permits	25,204	-	1,311	-	26,515
Fines	-	-	3,748	-	3,748
Charges for Services	27,405	-	159,778	-	187,183
Donated Rental Income	136,590	-	-	-	136,590
Miscellaneous	8,903	-	9,495	-	18,398
Total Revenues	1,915,367	484,978	1,816,453	153,312	4,370,110
EXPENDITURES					
Current					
Administration	727,749	282,104	77,328	45,782	1,132,963
Assessor	127,305	-	-	-	127,305
Senior and Disabled Transportation	326,346	-	-	-	326,346
Human Needs Funding	609,668	-	-	-	609,668
Home Relief	-	118,783	-	73,599	192,382
Cemetery Maintenance	38,591	-	-	-	38,591
Quentin Road Facilities	24,340	-	-	-	24,340
Maintenance of Roads	-	-	1,686,000	-	1,686,000
Total Expenditures	1,853,999	400,887	1,763,328	119,381	4,137,595
Excess of Revenues Over Expenditures	61,368	84,091	53,125	33,931	232,515
Other Financing Sources (Uses)					
Operating Transfers	68,208	-	(68,208)	-	-
Net Change in Fund Balances	129,576	84,091	(15,083)	33,931	232,515
FUND BALANCES					
Beginning of Year	1,215,482	335,530	3,174,978	426,598	5,152,588
End of Year	\$ 1,345,058	\$ 419,621	\$ 3,159,895	\$ 460,529	\$ 5,385,103

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, 2014

Net Change in Fund Balances - Statement of Revenues, Expenditures,
and Changes in Fund Balances \$ 232,515

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	669,555
Proceeds From Sale of Equipment	-
Gain (Loss) on Disposal of Equipment	(58,647)
Depreciation Expense	<u>(461,412)</u>
Difference	149,496

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	<u>31,322</u>
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Change in Net Position of Governmental Activities - Statement of Activities \$ 413,333

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

TOWNSHIP OF PALATINE

NOTES TO FINANCIAL STATEMENTS

FEBRUARY 28 AND MARCH 31, 2014

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 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/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 2013 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.

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, and Road and Bridge 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
Building Improvements	10-20 years
Infrastructure	10 years
Machinery and Equipment	5 - 20 years
Intangibles	5 years

The minimum capitalization threshold is any item of Machinery and Equipment with a total cost greater than \$1,000, Buildings and Land Improvements of \$10,000 and Infrastructure of \$50,000. The Township began capitalizing infrastructure assets as capital assets as of February 28 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.

Deferred Inflows of Resources

Effective for the year ended February 28, 2014, the Township implemented GASB Statement 65 which pertains to a new classification of certain items previously reported as assets and liabilities. The Township has only one type of item, under the modified accrual basis of accounting, which is affected by this change in classification; deferred property taxes. Deferred property taxes do not fit the definition of a liability, that 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.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 \$565, was \$6,314,243 and the bank balance was \$6,425,736. Of the bank balance, \$1,966,645 was covered by federal depository insurance, \$4,375,971 was collateralized with securities held by the pledging financial institution's agent in the Township's name, and \$83,120 was uncollateralized. The uncollateralized portion relates to the Needy Family Fund.

Included in deposits are four certificates of deposit totaling \$1,509,651 with terms of 12 to 24 months and rates of .25% to 1.00%.

NOTE 3 - PROPERTY TAXES

The Township passed the Tax Levy Ordinances for the Township and for the Road District on December 16, 2013. Property Taxes from the 2013 levy attached as an enforceable lien on property as of January 1, 2013. 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

NOTE 3 - PROPERTY TAXES (Continued)

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 2013 levy which is used to fund fiscal 2015 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the years ended February 28 and March 31, 2014 was as follows:

	Balance February 28 and March 31, 2013	Additions	Retirements	Balance February 28 and March 31, 2014
Capital assets, not being depreciated				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
Infrastructure Work in Progress	126,145	-	-	126,145
Total Capital assets, not being depreciated	245,243	-	-	245,243
Capital assets, being depreciated/amortized				
Land Improvements	396,186	-	-	396,186
Buildings	2,685,807	-	-	2,685,807
Building Improvements	49,620	27,167	-	76,787
Machinery and Equipment	1,072,860	3,290	(8,786)	1,067,364
Infrastructure	3,441,201	639,098	(527,393)	3,552,906
Intangibles	6,300	-	-	6,300
Total capital assets being depreciated/amortized	7,651,974	669,555	(536,179)	7,785,350
Less accumulated depreciation/amortization for				
Land Improvements	(318,128)	(7,549)	-	(325,677)
Buildings	(1,644,264)	(39,736)	-	(1,684,000)
Building Improvements	(1,654)	(4,666)	-	(6,320)
Machinery and Equipment	(743,339)	(64,412)	7,207	(800,544)
Infrastructure	(1,399,073)	(343,789)	470,325	(1,272,537)
Intangibles	(3,150)	(1,260)	-	(4,410)
Total accumulated depreciation/amortization	(4,109,608)	(461,412)	477,532	(4,093,488)
Total capital assets being depreciated/amortized, net	3,542,366	208,143	(58,647)	3,691,862
Capital assets, net	\$ 3,787,609	\$ 208,143	\$ (58,647)	\$ 3,937,105

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 (RSI). 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

NOTE 5 - DEFINED BENEFIT PENSION PLAN (Continued)

retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 13.01%. 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, 2014 was \$149,834.

THREE YEAR TREND INFORMATION FOR THE REGULAR PLAN

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2/28/14 & 3/31/14	\$149,834	100%	\$0
2/28/13 & 3/31/13	141,370	100%	0
2/29/12 & 3/31/12	150,140	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, 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 .4% to 10% 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, 2011 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, 2013, the most recent actuarial valuation date, the Regular plan was 76.20% funded. The actuarial accrued liability for benefits was \$2,582,297 and the actuarial value of assets was \$1,967,679, resulting in an underfunded actuarial accrued liability (UAAL) of \$614,618. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$1,096,049 and the ratio of the UAAL to the covered payroll was 56%.

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.

NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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.

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><u>17</u></u>
Number of participating employers	<u><u>1</u></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><u>\$ 27,789</u></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 advance funded 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 - FUND BALANCES

As of February 28, 2014, the Township has restricted monies of \$361,834 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 7 – FUND BALANCES (Continued)

The Board of Trustees has committed \$120,000 of the General Fund balance for capital equipment replacement. The funds have been set aside into a separate cash account.

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, 2014, the Road and Bridge Fund transferred \$68,208 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

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)
12/31/13	\$ 1,967,679	\$ 2,582,297	\$ 614,618	76.20%	\$ 1,096,049	56.08%
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%

On a market value basis, then actuarial value of assets as December 31, 2013 is \$2,480,479. On a market basis, the funded ratio would be 96.06%.

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

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued 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)
2/28/2014	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%
2/29/2012	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, 2014

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 1,660,000	\$ 1,660,000	\$ 1,629,748	\$ (30,252)
Replacement Taxes	50,000	50,000	66,487	16,487
Interest Income	1,500	1,500	1,209	(291)
Fees	25,000	25,000	25,204	204
PACE Charges for Services	30,000	30,000	27,405	(2,595)
Cemetery Receipts	1,000	1,000	-	(1,000)
Cemetery Contributions	-	-	355	355
Donated Rental Income	136,590	136,590	136,590	-
Grants	-	-	19,466	19,466
Miscellaneous	1,000	1,000	8,903	7,903
Total Revenues	1,905,090	1,905,090	1,915,367	10,277
EXPENDITURES				
Current				
Administration	770,850	762,050	727,749	34,301
Assessor	140,913	140,912	127,305	13,607
Senior and Disabled Transportation	319,815	346,659	326,346	20,313
Human Needs Funding	620,000	620,000	609,668	10,332
Cemetery Maintenance	48,200	48,200	38,591	9,609
Quentin Road Facilities	60,500	42,457	24,340	18,117
Total Expenditures	1,960,278	1,960,278	1,853,999	106,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,188)	(55,188)	61,368	116,556
Other Financing Sources (Uses)				
Operating Transfers	62,500	62,500	68,208	5,708
Net Change in Fund Balance	\$ 7,312	\$ 7,312	\$ 129,576	\$ 122,264

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

GENERAL ASSISTANCE FUND

FOR THE YEAR ENDED FEBRUARY 28, 2014

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 425,960	\$ 425,960	\$ 472,628	\$ 46,668
Interest Income	300	300	384	84
SSI Reimbursements	3,000	3,000	-	(3,000)
LIHEAP Reimbursements	6,000	6,000	7,401	1,401
CDBG Grants	4,500	4,500	4,565	65
Total Revenues	439,760	439,760	484,978	45,218
EXPENDITURES				
Current				
Administration	300,242	300,242	282,104	18,138
Home Relief	139,518	139,518	118,783	20,735
Total Expenditures	439,760	439,760	400,887	38,873
Net Change in Fund Balance	\$ -	\$ -	\$ 84,091	\$ 84,091

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

ROAD AND BRIDGE FUND

FOR THE YEAR ENDED MARCH 31, 2014

	APPROPRIATION		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 1,357,000	\$ 1,357,000	\$ 1,423,659	\$ 66,659
Replacement Taxes	60,000	60,000	65,996	5,996
Motor Fuel Taxes	-	-	139,507	139,507
Interest Income	21,000	21,000	12,959	(8,041)
Charges for Services	100,000	100,000	159,778	59,778
Fines	5,000	5,000	3,748	(1,252)
Leaf Bags/Stickers	1,000	1,000	1,311	311
Miscellaneous	162,800	162,800	9,495	(153,305)
Total Revenues	1,706,800	1,706,800	1,816,453	109,653
EXPENDITURES				
Administration	102,875	102,875	77,328	25,547
Maintenance of Roads	1,713,250	1,758,750	1,686,000	72,750
Contingency	50,000	4,000	-	4,000
Total Expenditures	1,866,125	1,865,625	1,763,328	102,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,325)	(158,825)	53,125	211,950
Other Financing Sources (Uses) Operating Transfers	(62,000)	(62,500)	(68,208)	(5,708)
Net Change in Fund Balance	\$ (221,325)	\$ (221,325)	\$ (15,083)	\$ 206,242

ADDITIONAL INFORMATION

TOWNSHIP OF PALATINE

TOWN FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2014

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries			
Supervisor	\$ 24,208	\$ 22,042	\$ 2,166
Clerk	20,375	18,625	1,750
Assessor	24,917	23,000	1,917
Highway Commissioner	10,371	7,958	2,413
Board Of Trustees	21,667	20,000	1,667
Board Meetings	2,325	2,325	-
Road District Treasurer	1,083	1,083	-
Committees	4,800	3,500	1,300
Office Personnel	227,351	219,803	7,548
Temporary Personnel	250	-	250
Janitorial	19,062	18,429	633
Salary Increases	4,800	4,587	213
Social Security/Medicare Expense	26,505	26,117	388
Illinois Retirement Contribution	34,367	33,213	1,154
Health And Life Insurance	37,770	37,644	126
Workers' Compensation Insurance	2,600	2,041	559
	<u>462,451</u>	<u>440,367</u>	<u>22,084</u>
Total Personnel Services			
Contractual Services			
Building Maintenance	17,639	17,799	(160)
Equipment Maintenance	3,000	1,511	1,489
Building Improvements Non-Capital	5,055	5,054	1
Office Equipment Maintenance	7,285	7,285	-
General Insurance	28,300	27,638	662
Telephone and Communications	3,500	2,818	682
Alarm	3,098	3,098	-
Utilities	12,790	13,902	(1,112)
Scavenger	5,104	5,104	-
Conferences and Seminars	4,500	4,208	292
Travel Expenses	2,000	989	1,011
Printing and Publishing	3,000	913	2,087
Grounds Maintenance	6,400	5,488	912
Audit	11,240	11,240	-
Legal Services	23,000	19,025	3,975
Professional Services	7,268	8,721	(1,453)

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Community Events	\$ 1,500	\$ 1,493	\$ 7
Officials Bonding	1,250	50	1,200
Supervisor Bonding	9,834	9,834	-
Training	1,000	310	690
Dues and Subscriptions	7,693	7,693	-
Recognitions	3,750	2,100	1,650
Copier	6,000	5,613	387
Employment Counseling	14,000	12,817	1,183
Employment Job Fair	1,000	-	1,000
Miscellaneous	7,255	7,549	(294)
Website Services	2,060	2,060	-
Communications	32,113	32,113	-
Health And Safety Programs	1,000	269	731
Payroll Service	3,275	3,275	-
Total Contractual Services	<u>234,909</u>	<u>219,969</u>	<u>14,940</u>
Commodities			
Janitorial Supplies	2,792	2,793	(1)
Postage	2,000	1,052	948
Office Supplies	4,303	4,303	-
Total Commodities	<u>9,095</u>	<u>8,148</u>	<u>947</u>
Capital Outlay			
Building & Improvements	50,595	54,465	(3,870)
Equipment Replacement	5,000	4,800	200
Total Capital Outlay	<u>55,595</u>	<u>59,265</u>	<u>(3,670)</u>
Total Administration	<u>762,050</u>	<u>727,749</u>	<u>34,301</u>
TOWNSHIP ASSESSOR			
Personnel Services			
Salaries	81,324	78,657	2,667
Salary Increases	1,665	1,547	118
Social Security/Medicare Expense	6,566	5,696	870
Illinois Retirement Contribution	9,261	8,766	495
Health And Life Insurance	25,550	20,242	5,308
Workers' Compensation Insurance	1,135	340	795
Total Personnel Services	<u>125,501</u>	<u>115,248</u>	<u>10,253</u>

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Contractual Services			
Equipment Maintenance	\$ 738	\$ 738	\$ -
Travel	975	68	907
Outreach Seminar	1,000	488	512
Computer Program	2,584	2,584	-
IPA Institute Workshop	1,850	1,518	332
Training	550	20	530
Printing	662	448	214
Dues And Subscriptions	300	300	-
Professional Services	90	-	90
Publications	135	-	135
Telephone	900	900	-
Copier	1,814	1,814	-
Miscellaneous	258	258	-
SID Annual Rental	600	600	-
Equipment Rental	10	-	10
Contingency Provision	11	-	11
	<u>12,477</u>	<u>9,736</u>	<u>2,741</u>
Total Contractual Services			
Commodities			
Postage	450	126	324
Office Supplies	1,184	1,184	-
	<u>1,634</u>	<u>1,310</u>	<u>324</u>
Total Commodities			
Capital Outlay			
Equipment	1,300	1,011	289
	<u>1,300</u>	<u>1,011</u>	<u>289</u>
Total Capital Outlay			
Total Township Assessor	<u>140,912</u>	<u>127,305</u>	<u>13,607</u>
SENIOR AND DISABLED TRANSPORTATION			
Personnel Services			
Salaries	169,057	159,555	9,502
Salary Increases	3,129	3,114	15
Social Security/Medicare Expense	13,173	12,484	689
Illinois Retirement Contribution	18,022	18,022	-
Health And Life Insurance	33,500	32,242	1,258
Workers Compensation	5,253	4,409	844
	<u>242,134</u>	<u>229,826</u>	<u>12,308</u>
Total Personnel Services			
Contractual Services			
Fuel And Oil	29,000	25,913	3,087

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Maintenance	\$ 47,057	\$ 47,057	\$ -
Travel	100	46	54
Telephone	3,168	3,168	-
Advertising	1,100	1,023	77
Equipment Maintenance	1,000	558	442
Taxi	13,000	13,583	(583)
Training	150	60	90
Copier	1,500	1,074	426
DOT Testing	750	766	(16)
Legal	500	-	500
Miscellaneous	4,150	729	3,421
Vehicle Insurance	1,200	1,025	175
	<u>102,675</u>	<u>95,002</u>	<u>7,673</u>
Total Contractual Services			
Commodities			
Office Supplies	200	-	200
Postage	150	84	66
	<u>350</u>	<u>84</u>	<u>266</u>
Total Commodities			
Capital Outlay			
Equipment	1,500	1,434	66
	<u>1,500</u>	<u>1,434</u>	<u>66</u>
Total Capital Outlay			
Total Senior and Disabled Transportation	<u>346,659</u>	<u>326,346</u>	<u>20,313</u>
HUMAN NEEDS FUNDING			
Contractual Services			
Day Care Brokerage Service	30,000	30,000	-
Behavioral Health	5,000	5,000	-
The Bridge	190,000	190,000	-
Clearbrook	3,000	3,000	-
Community Child Care Center	120,000	120,000	-
Alexian Brothers Mental Health	35,000	32,085	2,915
Palatine Opportunity Center	9,000	9,000	-
Countryside Association	17,000	17,000	-
Rolling Meadows Golden Years	3,500	3,500	-
Salvation Army	14,000	13,833	167
Shelter, Inc	8,000	8,000	-
Community Living	8,000	8,000	-
Community Initiative	6,500	-	6,500
NW Casa	3,000	3,000	-
Palatine Township Senior Center	100,000	100,000	-
PHD	3,000	3,000	-

(Continued)

TOWN FUND STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Catholic Charities	\$ 6,000	\$ 6,000	\$ -
Dental Care Program	25,000	25,000	-
Barrington Career Center	6,000	6,000	-
Access To Care	6,000	6,000	-
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	2,250	750
Little City Foundation	3,000	3,000	-
Volunteer Center	4,000	4,000	-
Midwest Palliative & Hospice CareCenter	3,000	3,000	-
Total Contractual Services	<u>620,000</u>	<u>609,668</u>	<u>10,332</u>
Total Human Needs Funding	<u>620,000</u>	<u>609,668</u>	<u>10,332</u>
CEMETERY MAINTENANCE			
Contractual Services			
Maintenance/Improvements	21,500	15,000	6,500
Ground Upkeep	25,000	23,144	1,856
Memorial Day	400	400	-
Cemetery Burial	1,000	-	1,000
Miscellaneous	300	47	253
Total Contractual Services	<u>48,200</u>	<u>38,591</u>	<u>9,609</u>
Total Cemetery Maintenance	<u>48,200</u>	<u>38,591</u>	<u>9,609</u>
QUENTIN ROAD FACILITIES			
Contractual Services			
Alarm	1,500	937	563
Grounds Maintenance	2,500	465	2,035
Building Maintenance	10,000	2,439	7,561
Permanent Building Improvements	4,457	15	4,442
Utilities	24,000	20,484	3,516
Total Contractual Services	<u>42,457</u>	<u>24,340</u>	<u>18,117</u>
Total Quentin Road Facilities	<u>42,457</u>	<u>24,340</u>	<u>18,117</u>
Total Expenditures	<u>\$ 1,960,278</u>	<u>\$ 1,853,999</u>	<u>\$ 106,279</u>

TOWNSHIP OF PALATINE

GENERAL ASSISTANCE FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2014

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries	\$ 189,420	\$ 183,079	\$ 6,341
Salary Increases	3,791	3,791	-
Temporary Personnel	100	-	100
Social Security/Medicare Expense	14,269	13,598	671
Illinois Retirement Contribution	24,844	24,844	-
Health And Life Insurance	55,235	49,531	5,704
Workers' Compensation Insurance	500	571	(71)
	<u>288,159</u>	<u>275,414</u>	<u>12,745</u>
Total Personnel Services			
Contractual Services			
Equipment Maintenance	1,500	625	875
Travel Expense	750	218	532
Printing	500	-	500
Legal	1,500	-	1,500
Telephone	1,400	1,200	200
Training	1,000	375	625
Copier	2,200	1,893	307
Miscellaneous	300	130	170
	<u>9,150</u>	<u>4,441</u>	<u>4,709</u>
Total Contractual Services			
Commodities			
Equipment Purchases	661	-	661
Office Supplies	1,872	1,872	-
Postage	400	377	23
	<u>2,933</u>	<u>2,249</u>	<u>684</u>
Total Commodities			
Total Administration	<u>300,242</u>	<u>282,104</u>	<u>18,138</u>
HOME RELIEF			
Contractual Services			
Medical Care	5,000	764	4,236
Telephone	2,000	875	1,125
Utilities	10,890	10,265	625
Burial	500	-	500

(Continued)

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

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Rental	\$ 69,075	\$ 68,453	\$ 622
Travel	16,610	9,365	7,245
Food	23,943	23,943	-
Clothing And Personnel	6,000	1,693	4,307
Health Insurance	4,500	3,425	1,075
Transient	1,000	-	1,000
	<u>139,518</u>	<u>118,783</u>	<u>20,735</u>
Total Contractual Services	<u>139,518</u>	<u>118,783</u>	<u>20,735</u>
Total Home Relief	<u>139,518</u>	<u>118,783</u>	<u>20,735</u>
Total Expenditures	<u><u>\$ 439,760</u></u>	<u><u>\$ 400,887</u></u>	<u><u>\$ 38,873</u></u>

TOWNSHIP OF PALATINE

ROAD AND BRIDGE FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2014

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Personnel Services			
Salaries	\$ 27,500	\$ 18,121	\$ 9,379
Social Security/Medicare Expense	2,350	1,379	971
Illinois Retirement Contribution	1,825	1,517	308
Workers Compensation	250	112	138
Health Insurance	1,250	1,200	50
Total Personnel Services	<u>33,175</u>	<u>22,329</u>	<u>10,846</u>
Contractual Services			
General Insurance	30,000	28,991	1,009
Accounting Service	6,200	5,990	210
Telephone	6,000	6,185	(185)
Printing	2,800	2,588	212
Legal Services	12,000	2,708	9,292
Dues and Subscriptions	5,500	4,482	1,018
Training	750	100	650
Travel Expenses	1,000	460	540
Total Contractual Services	<u>64,250</u>	<u>51,504</u>	<u>12,746</u>
Commodities			
Office Supplies	1,100	1,048	52
Postage	500	232	268
Operating Supplies	500	316	184
Miscellaneous	350	324	26
Total Commodities	<u>2,450</u>	<u>1,920</u>	<u>530</u>
Capital Outlay			
Computer Software	500	209	291
Equipment	1,500	1,366	134
Office Remodeling	500	-	500
Real Estate	500	-	500
Total Capital Outlay	<u>3,000</u>	<u>1,575</u>	<u>1,425</u>
Total Administration	<u>102,875</u>	<u>77,328</u>	<u>25,547</u>
MAINTENANCE OF ROADS			
Personnel Services			
Salaries	396,000	394,938	1,062
Overtime and Comp Time	107,500	102,625	4,875

(Continued)

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

	<u>APPROPRIATION</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Salary Increases	\$ -	\$ -	-
Social Security/Medicare Expense	38,000	35,846	2,154
Illinois Retirement Contribution	64,500	63,471	1,029
Workers Compensation	34,000	34,076	(76)
Health Insurance	79,500	80,855	(1,355)
Total Personnel Services	<u>719,500</u>	<u>711,811</u>	<u>7,689</u>
Contractual Services			
Engineering Services	37,000	16,165	20,835
Building Maintenance	6,500	286	6,214
Equipment Maintenance	35,000	30,086	4,914
Drainage Maintenance	10,000	9,026	974
Roadway Maintenance	5,000	3,750	1,250
Bridge Maintenance	2,000	-	2,000
Utilities	12,000	12,210	(210)
Equipment Rental	5,000	5,000	-
Street Signs/Lights	9,500	9,689	(189)
Contract Work	650,000	646,567	3,433
Right-Of-Way Maintenance	23,000	22,196	804
Testing Services	1,000	997	3
Total Contractual Services	<u>796,000</u>	<u>755,972</u>	<u>40,028</u>
Commodities			
Operating Supplies	7,000	4,746	2,254
Automotive Fuel/Oil	32,500	32,349	151
Building Supplies	4,000	3,100	900
Materials	15,000	11,798	3,202
Small Tools	750	729	21
Road Salt	140,000	139,923	77
In House Engineering / Software	1,000	-	1,000
Total Commodities	<u>200,250</u>	<u>192,645</u>	<u>7,605</u>
Capital Outlay			
Equipment	3,000	-	3,000
Vehicle	15,000	600	14,400
Buildings	25,000	24,972	28
Total Capital Outlay	<u>43,000</u>	<u>25,572</u>	<u>17,428</u>
Total Maintenance of Roads	<u>1,758,750</u>	<u>1,686,000</u>	<u>72,750</u>
Provision For Contingencies	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Provision For Contingencies	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total Expenditures	<u>\$ 1,865,625</u>	<u>\$ 1,763,328</u>	<u>\$ 102,297</u>

TOWNSHIP OF PALATINE

NEEDY FAMILY FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

FOR THE YEAR ENDED FEBRUARY 28, 2014

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
ADMINISTRATION			
Contractual Services			
Printing	\$ -	\$ -	\$ -
Copier	-	46	(46)
Legal	-	1,518	(1,518)
Food Pantry Truck	-	234	(234)
YHOP	-	2,482	(2,482)
Apple Tree Campaign	-	10,368	(10,368)
Spring & Thanksgiving Baskets	-	4,491	(4,491)
Adopt-A-Family	-	1,783	(1,783)
Gift Card Disbursements	-	22,506	(22,506)
Miscellaneous	-	1,964	(1,964)
Total Contractual Services	<u>-</u>	<u>45,392</u>	<u>(45,392)</u>
Commodities			
Office Supplies	-	82	(82)
Postage	-	308	(308)
Total Commodities	<u>-</u>	<u>390</u>	<u>(390)</u>
Total Administration	<u>-</u>	<u>45,782</u>	<u>(45,782)</u>
HOME RELIEF			
Contractual Services			
Medical Care	-	60	(60)
Utilities	-	2,165	(2,165)
Rental	-	26,659	(26,659)
Travel	-	610	(610)
Food	-	44,105	(44,105)
Total Contractual Services	<u>-</u>	<u>73,599</u>	<u>(73,599)</u>
Total Home Relief	<u>-</u>	<u>73,599</u>	<u>(73,599)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 119,381</u>	<u>\$ (119,381)</u>