

**TOWNSHIP OF PALATINE
PALATINE, ILLINOIS**

**ANNUAL FINANCIAL REPORT
FOR THE THIRTEEN MONTHS ENDED MARCH 31, 2023**

**Township of Palatine
Annual Financial Report
For the Thirteen Months Ended March 31, 2023
For the Year Ended March 31, 2023 for the Road and Bridge Fund**

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**Township of Palatine
Annual Financial Report
For the Thirteen Months Ended March 31, 2023
For the Year Ended March 31, 2023 for the Road and Bridge Fund**

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INDEPENDENT AUDITOR'S REPORT

Selden Fox

Accounting for your future

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Township of Palatine
Palatine, Illinois

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Township of Palatine** (Township), as of and for the thirteen months ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Township of Palatine**, as of March 31, 2023, and the respective changes in financial position for the thirteen months then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Correction of an Error

As described in Note IV. F. to the financial statements, an adjustment was made to the beginning net position on the statement of activities to correct the accumulated depreciation balance as of the beginning of the year. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (pages MD&A-1 through MD&A-7), the statements of revenues, expenditures and changes in fund balance - budget and actual for the Town, General Assistance, and Road and Bridge Funds (major special revenue funds) (pages 35-37), the multiyear schedule of changes in net pension liability and related ratios (pages 38-39), the multiyear schedule of contributions (page 40), and the multiyear schedule of changes in net OPEB liability and related ratios (pages 41-42) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Selden Fox, Ltd.

September 26, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MD&A Township of Palatine
Management's Discussion and Analysis
For the Thirteen Months and Year Ended March 31, 2023**

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 thirteen months ended, and for the Road District the year ended, March 31, 2023. The Township changed its year end from February 28 to March 31 in the current fiscal period, to coincide with the Road District year end. The management of the Township encourages the users of this report to consider this management discussion and analysis in conjunction with the financial statements to obtain a better understanding of the Township's financial operations. The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and follow the guidelines of the Governmental Accounting Standards Board (GASB).

Financial Highlights

The net position of the Township of Palatine as of March 31, 2023 and February 28 and March 31, 2022, was \$13,727,402 and \$13,436,339, respectively. The Township's net position increased by \$69,564 for the fiscal period ended March 31, 2023, and a prior period restatement of \$221,499 to correct accumulated depreciation on capital assets was made to the opening net position. The term "net position" represents the difference between total assets/deferred outflows and liabilities/deferred inflows of resources.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The financial statements have three major components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information and supplementary information. Required supplementary information includes budget and actual schedules of revenues, expenditures, and changes in fund balance for the Town Fund and major special revenue funds, and the multiyear schedules of changes in net pension liability and related ratios and the multiyear schedules of contributions for the Illinois Municipal Retirement Fund, the Township's state retirement pension, and the other post-employment benefit plan. Supplementary information includes schedules of expenditures – budget and actual, for all funds for which budgets were adopted, and a schedule of expenditures for the Needy Family Fund.

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

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

Overview of the Financial Statements (cont'd)

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

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

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

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

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

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

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

Financial Analysis

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

A condensed statement of net position as of March 31, 2023, and February 28 and March 31, 2022, follows:

Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>
Assets and deferred outflows:		
Current assets	\$ 11,268,645	\$ 12,351,451
Net pension asset	-	1,664,877
Capital assets, less accumulated depreciation	3,800,706	3,653,306
Deferred outflows – pension-related	<u>639,464</u>	<u>28,407</u>
Total assets and deferred outflows	<u>15,708,815</u>	<u>17,698,041</u>
Liabilities and deferred inflows:		
Current liabilities	234,809	182,475
Noncurrent liabilities	259,535	148,801
Deferred inflows	<u>1,487,069</u>	<u>3,930,426</u>
Total liabilities and deferred inflows	<u>1,981,413</u>	<u>4,261,702</u>
Net position:		
Invested in capital assets	3,800,706	3,653,306
Restricted	5,226,741	5,460,304
Unrestricted	<u>4,699,955</u>	<u>4,322,729</u>
Total net position	<u>\$ 13,727,402</u>	<u>\$ 13,436,339</u>

Financial Analysis (cont'd)

The statement of activities for the Township for the thirteen months and year March 31, 2023 and February 28, 2022, respectively, and for the Road District for the years ended March 31, 2023 and 2022, follow:

	<u>2023</u>	<u>2022</u>
Program revenues:		
Charges for services	\$ 336,864	\$ 257,389
Grants and contributions	236,857	579,441
General revenues:		
Property taxes	3,653,821	3,740,393
Replacement taxes	439,955	304,535
Unrestricted investment earnings	75,605	14,750
Miscellaneous/other	34,516	32,741
Total revenues	<u>4,777,618</u>	<u>4,929,249</u>
Expenses:		
Administration	1,366,681	1,153,738
Assessor	163,842	74,413
Senior and disabled transportation	393,596	316,944
Human needs funding	582,302	571,428
Home relief	390,512	193,314
Cemetery maintenance	41,473	25,861
Quentin Road facilities	36,083	38,728
Maintenance of roads	1,053,548	905,718
Health, safety and communication	45,972	37,904
Depreciation-unallocated	634,045	596,715
Total expenses	<u>4,708,054</u>	<u>3,914,763</u>
Change in net position	<u>69,564</u>	1,014,486
Net position:		
Beginning of the year, as previously reported	13,436,339	-
Prior period restatement	221,499	-
Beginning of the year, as restated	<u>13,657,838</u>	<u>12,421,853</u>
Net position, end of the year	<u>\$ 13,727,402</u>	<u>\$ 13,436,339</u>

The beginning net position was restated in the current year for changes to accumulated depreciation on capital assets.

Financial Analysis (cont'd)

The following is a summary of changes in fund balances for the thirteen months and year ended March 31, 2023:

<u>Governmental Fund</u>	<u>Beginning Fund Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
Town	\$ 3,534,196	\$ 357,702	\$ 3,891,898
General Assistance	671,695	(65,312)	606,383
Road and Bridge	3,597,472	(20,166)	3,577,306
Needy Family	1,221,487	(147,321)	1,074,166
Capital Improvement	494,264	705	494,969
	<u>\$ 9,519,114</u>	<u>\$ 125,608</u>	<u>\$ 9,644,722</u>

Budgetary Highlights

There were line-item changes to the original appropriations for the Town Fund, General Assistance Fund and the Road and Bridge Fund which did not impact the budget overall. Revenue in the Town Fund of \$2,537,800 was more than expenditures by \$357,702, and expenditures were \$195,502 less than the appropriation of \$2,375,600. Revenues in the General Assistance Fund were \$65,312 less than expenditures, but the net results bettered the budgeted expectations of a net deficiency of revenues under expenditures by \$41,088. The Road and Bridge Fund revenues were less than expenditures by \$20,166, while budgeted expectations were for revenues to be deficient of expenditures by \$787,665.

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

During the thirteen months ended March 31, 2023, the Township of Palatine partnered with 30 social service agencies to provide various programs for children, teens, adults, senior citizens and disabled individuals. The Township of Palatine provided \$582,301 in funding to these not-for-profit agencies so that services would be available to Township residents.

Capital Assets

The Township's investment in capital assets, net of accumulated depreciation, as of March 31, 2023, amounts to \$3,800,706 (\$3,653,306 at February 28 and March 31, 2022). This investment in capital assets includes land, infrastructure, buildings, building and land improvements, and machinery and equipment. The Township's net capital assets increased by 4.03%, including the effect of an adjustment of \$221,499 to the opening capital asset balance in the current year. Additional information on capital assets can be found at Note III. C. on pages 22-23.

Description of Current and Expected Conditions

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

Food Pantry services:

- 5,804 visits to the Food Pantry (+52.6%)
- 285 Emergency Food Bags (+338.5%)
- 390 individuals served with Emergency bags for W.I.N.G.S. (including produce/meat/dairy) (+25.0%)
- 2,621 families receiving S.N.A.P. benefits – COVID allotment still in effect for 11 of these months (+25.0%)
- 5,000 pair of socks donated from Bombas for clients (same as previous year)
- 4, 205 of fresh harvested vegetables received from Barrington United Methodist Church Annual Garden Harvest (-19%)
- 40 total Pantry Volunteers (+20%)

Outreach services:

- 763 Easter baskets were distributed to needy children (+11.1%)
- 1,044 students received assistance with school supplies from the Back to School Supplies Program (formerly known as Apple Tree program (+65.7%)
- 927 Senior citizens and children in need received Angel Tree gifts (-13.9%)
- 140 families received gifts thru the holiday Adopt-a-Family Program (-1.4%)
- 261 Kids for the Toy Drive (+143.9%)
- 952 Thanksgiving baskets were distributed to needy families and senior citizens at the Township (+18.3%)

Transportation services:

- 10,062 bus and van rides (+7.2%)
- 529 Taxi rides (-23.0%)

Administration services:

- 56 RTA Senior Passes issued (+64.7%)
- 198 Temporary Handicap Placards issued (+41.4%)
- 7 Voters registered (+600.0%)
- 753 Notary services provided (50.3%)

Assessor's Office services:

- 1,952 appeals filed for residents with the Assessor's Office (+88.05%)
- 1,334 appeals filed for residents with the Board of Review (+163.12%)
- 681 Exemptions for Palatine residents (-29.14%)
- 79 Property Changes/updates (-28.18%)

General Assistance – services:

- 1,774 Emergency Fund requests (+449.2%)

Description of Current and Expected Conditions (cont'd)

General Assistance Non-Monetary Deliverables

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

- Approximately 1,774 trackable intakes with clients requesting some form of assistance (i.e. rental assistance, utility assistance, Mobile Dental Clinic registrations, food pantry registrations, Benefit Access applications, referrals, etc.). Approximately 370 of these requests were for General Assistance and/or Emergency Assistance.
- 240 Mobile Dental Clinic patients in Palatine (623 appointments/visits) and provided \$277,996 worth of care (stats reported by MDC)
- Completed approximately 984 CEDA-related applications for DVP, PIPP, LIHWAP, Reconnection Assistance, and Weatherization

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**Township of Palatine
Statement of Net Position
March 31, 2023**

Assets and Deferred Outflows of Resources	
Current assets:	
Cash and investments	\$ 8,587,370
Receivables:	
Property taxes, net	2,485,884
Replacement taxes	42,296
Other current assets	128,708
Prepaid expenses	24,387
Total current assets	11,268,645
Noncurrent assets - capital assets, less accumulated depreciation	3,800,706
Total assets	15,069,351
Deferred outflows of resources - pension-related	639,464
Total assets and deferred outflow of resources	\$ 15,708,815
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	\$ 30,707
Accrued salaries and wages	34,065
Payroll liabilities	97,682
Compensated absences	72,355
Total current liabilities	234,809
Noncurrent liabilities:	
Net pension liability	98,994
Net other postemployment benefits payable	160,541
Total liabilities	494,344
Deferred inflows of resources:	
Property tax revenue	1,461,469
Pension-related	25,600
Total deferred inflows of resources	1,487,069
Total liabilities and deferred inflows of resources	\$ 1,981,413
Net Position	
Net investment in capital assets	\$ 3,800,706
Restricted	5,226,741
Unrestricted	4,699,955
Total net position	\$ 13,727,402

See accompanying notes.

**Township of Palatine
Statement of Activities
For the Thirteen Months Ended March 31, 2023
For the Year Ended March 31, 2023 for the Road and Bridge Fund**

Functions/Programs	<u>Expenses</u>	<u>Charges for Services</u>
Governmental activities:		
Administration	\$ 1,366,681	\$ 204,924
Assessor	163,842	-
Senior and disabled transportation	393,596	-
Human needs funding	582,302	-
Home relief	390,512	-
Cemetery maintenance	41,473	1,690
Quentin Road facilities	36,083	-
Maintenance of roads	1,053,548	130,250
Health, safety, and communication	45,972	-
Depreciation/amortization unallocated	634,045	-
	<hr/>	<hr/>
Total governmental activities	\$ 4,708,054	\$ 336,864
	<hr/>	<hr/>

See accompanying notes.

Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
\$ 9,133	\$ 2,250	\$ (1,150,374)
-	-	(163,842)
-	-	(393,596)
-	-	(582,302)
225,474	-	(165,038)
-	-	(39,783)
-	-	(36,083)
-	-	(923,298)
-	-	(45,972)
-	-	(634,045)
<u>\$ 234,607</u>	<u>\$ 2,250</u>	<u>(4,134,333)</u>

General revenues:

Taxes:

Property	3,653,821
Replacement	439,955
Interest income	75,605
Miscellaneous	34,516

Total general revenues 4,203,897

Change in net position 69,564

Net position, beginning of the year, as previously reported	13,436,339
Prior period restatement	<u>221,499</u>

Net position, beginning of the year,
as restated 13,657,838

Net position, end of the year \$ 13,727,402

**Township of Palatine
Balance Sheet - Governmental Funds
March 31, 2023**

Assets	<u>Town</u>	<u>General Assistance</u>	<u>Road and Bridge</u>
Cash and investments	\$ 3,278,099	\$ 572,047	\$ 3,226,699
Receivables:			
Property taxes, net	1,466,617	178,505	840,762
Replacement taxes	29,930	-	12,366
Other current assets	70,098	-	-
Prepaid expenses	11,253	-	13,134
Total assets	\$ 4,855,997	\$ 750,552	\$ 4,092,961
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 11,426	\$ 7,952	\$ 11,329
Accrued salaries and wages	16,457	4,827	12,781
Payroll liabilities	41,360	29,115	27,207
Total liabilities	69,243	41,894	51,317
Deferred inflows of resources:			
Property taxes	894,856	102,275	464,338
Total liabilities and deferred inflows of resources	964,099	144,169	515,655
Fund balances:			
Nonspendable	11,253	-	13,134
Restricted for statutory purpose	-	588,403	3,564,172
Restricted by donors	-	-	-
Committed	37,022	17,980	-
Unassigned	3,843,623	-	-
Total fund balances	3,891,898	606,383	3,577,306
Total liabilities and deferred inflows of resources and fund balances	\$ 4,855,997	\$ 750,552	\$ 4,092,961

See accompanying notes.

Nonmajor Funds		
Needy Family	Capital Improvements	Total
\$ 1,015,556	\$ 494,969	\$ 8,587,370
-	-	2,485,884
-	-	42,296
58,610	-	128,708
-	-	24,387
<u>\$ 1,074,166</u>	<u>\$ 494,969</u>	<u>\$ 11,268,645</u>
-	-	-
-	-	30,707
-	-	34,065
-	-	97,682
<u>-</u>	<u>-</u>	<u>162,454</u>
-	-	-
<u>-</u>	<u>-</u>	<u>1,461,469</u>
-	-	-
<u>-</u>	<u>-</u>	<u>1,623,923</u>
-	-	24,387
-	-	4,152,575
1,074,166	-	1,074,166
-	494,264	549,264
-	705	3,844,328
<u>1,074,166</u>	<u>494,969</u>	<u>9,644,722</u>
<u>\$ 1,074,166</u>	<u>\$ 494,969</u>	<u>\$ 11,268,645</u>

Township of Palatine
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
March 31, 2023

Total fund balance - governmental funds (page 8)	\$ 9,644,722
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,800,706
Deferred outflows of resources related to the net pension liability are not deferred in the governmental funds.	639,464
Deferred inflows of resources related to the net pension liability are not deferred in the governmental funds.	(25,600)
Compensated absences are only recognized in the Statement of Net Position.	(72,355)
Net other post-employment benefits payable, listed as a noncurrent liability, is only recognized in the Statement of Net Position.	(160,541)
Net pension asset for IMRF, listed as a noncurrent liability, is only recognized in the Statement of Net Position.	<u>(98,994)</u>
Net position of governmental activities (page 4)	<u>\$ 13,727,402</u>

See accompanying notes.

Township of Palatine
Statement of Revenues, Expenditures and
Changes in Fund Balance - All Governmental Funds
For the Thirteen Months Ended March 31, 2023
For the Year Ended March 31, 2023 for the Road and Bridge Fund

	<u>Town</u>	<u>General Assistance</u>	<u>Road and Bridge</u>
Revenues:			
Property tax	\$ 2,028,042	\$ 276,750	\$ 1,349,029
Replacement tax	261,297	-	178,658
Interest income	27,551	5,582	35,991
Grants	9,133	2,250	-
Reimbursements	-	18,838	20,331
Contributions	-	-	-
Fines	-	-	1,544
Fees and permits	18,191	-	344
Charges for services	50,143	-	99,432
Cemetery receipts	1,690	-	-
Donated rental income	136,590	-	-
Miscellaneous	5,163	-	19,114
	<u>2,537,800</u>	<u>303,420</u>	<u>1,704,443</u>
Total revenues			
Expenditures:			
Current:			
Administration	908,955	330,116	98,948
Assessor	169,961	-	-
Senior and disabled transportation	395,353	-	-
Human needs funding	582,301	-	-
Home relief	-	38,616	-
Cemetery maintenance	41,473	-	-
Quentin Road facilities	36,083	-	-
Maintenance of roads	-	-	1,625,661
Health, safety, and communication	45,972	-	-
	<u>2,180,098</u>	<u>368,732</u>	<u>1,724,609</u>
Total expenditures			
Net changes in fund balance			
	357,702	(65,312)	(20,166)
Fund balance, beginning of the year	<u>3,534,196</u>	<u>671,695</u>	<u>3,597,472</u>
Fund balance, end of the year	<u>\$ 3,891,898</u>	<u>\$ 606,383</u>	<u>\$ 3,577,306</u>

See accompanying notes.

Nonmajor Funds		
Needy Family	Capital Improvements	Total
\$ -	\$ -	\$ 3,653,821
-	-	439,955
5,776	705	75,605
-	-	11,383
-	-	39,169
225,474	-	225,474
-	-	1,544
-	-	18,535
-	-	149,575
-	-	1,690
-	-	136,590
-	-	24,277
<u>231,250</u>	<u>705</u>	<u>4,777,618</u>
368,421	-	1,706,440
-	-	169,961
-	-	395,353
-	-	582,301
10,150	-	48,766
-	-	41,473
-	-	36,083
-	-	1,625,661
-	-	45,972
<u>378,571</u>	<u>-</u>	<u>4,652,010</u>
(147,321)	705	125,608
<u>1,221,487</u>	<u>494,264</u>	<u>9,519,114</u>
<u>\$ 1,074,166</u>	<u>\$ 494,969</u>	<u>\$ 9,644,722</u>

**Township of Palatine
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
For the Thirteen Months Ended March 31, 2023**

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

Net changes in fund balances - total governmental funds (page 11).	\$ 125,608
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	564,998
Depreciation expense	(634,045)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.</p>	
	(5,052)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The expenses include the changes in:</p>	
Net other post-employment benefits payable	(11,740)
Compensated absences payable	1,995
<p>Outflows and inflows related to the net pension liability, as well as the change in the net pension asset, are not due and payable in the current period and, therefore, are not reported in the funds.</p>	
	27,800
Changes in net position of governmental activities (page 6)	\$ 69,564

See accompanying notes.

Township of Palatine Notes to the Financial Statements

I. Summary of Significant Accounting Policies

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

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

A. The Reporting Entity

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

The Township has developed criteria to determine whether these legally separate organizations should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Township (1) selects the governing authority or management, (2) has the ability to significantly influence operations, or (3) has accountability for fiscal matters (e.g., final budget approval, responsibility for funding deficits, management of assets, etc.). In applying these criteria, the Township has included in its financial statements the activities of the Township of Palatine Road District, Palatine Township Needy Family Fund, Inc. and Palatine Township Report, Inc. Although a legally separate entity, the Road District shares the same Board of Trustees as the Township and is, therefore, a component unit blended with the Township identified as the Road and Bridge Fund. The Road District has a fiscal year end of March 31. The Township changed its fiscal year end from February 28 to March 31 in the current year. As a result, these financial statements include thirteen months of activity for the Township and twelve months for the Road District (hereinafter referred to as the "fiscal period"). Palatine Township Needy Family Fund, Inc. and Palatine Township Report, Inc. are nonprofit corporations which exist solely to serve the Township of Palatine and are, therefore, component units blended with the Township.

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

Property taxes and interest earned are susceptible to accrual. The Township recognizes property taxes receivable during the fiscal year in which the taxes are levied and become a legal claim of the Township; however, property taxes are not recognized as revenue until the subsequent fiscal year when the property taxes are extended by Cook County and remitted to the Township. Accordingly, the property tax levy for the 2021 tax year, including collections thereon, is recognized as deferred inflows of resources in the accompanying balance sheet. Replacement income tax collected and held by the state of Illinois at year end on behalf of the Township is also recognized as revenue. Other receipts become measurable and available when cash is received and are recognized at that time. The Township reports the following major governmental funds:

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

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

Major Funds:

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

Road and Bridge Fund – Accounts for the operations of the Road District. It is used to account for all financial resources at the Road District and accounts for expenditures related to maintenance and improvement of Township Roads. The Road District levies a separate property tax.

Nonmajor Funds:

Needy Family Fund – Accounts for contributions and emergency payments for residents who do not qualify for general assistance. Needy Family Fund is also responsible for Outreach Programs.

Capital Improvement Fund – Used to accumulate resources for capital assets and project purchases in the future.

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

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

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

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

The Township's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half on March 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are based on the assessed valuation of the Township's real property as equalized by the state of Illinois. The equalized assessed valuation of real property totaled \$3,442,453,627 for the calendar year 2021 (most recent available).

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

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

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

3. Prepaid Expenses

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

4. Capital Assets

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

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

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

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

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

5. Compensated Absences

In the event of termination, Township employees are not reimbursed for accumulated sick leave. Vacation pay does not carryover; employees must take vacation by the end of the calendar year. Terminated employees are reimbursed for any accumulated unpaid vacation pay. Non-exempt employees accrue overtime in the form of compensatory time. Accumulated compensatory time must be taken as time off or as payment by the end of the 6th pay period after the pay period in which it was earned. Vacation pay and compensatory time are accrued in the Statement of Net Position.

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Fund Equity and Net Position

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

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

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

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

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

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

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

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

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. The fund balances for the special revenue funds are considered restricted, as the source of these fund balances are dedicated property tax revenues. As of March 31, 2023, the Township has \$1,074,166 that is restricted by donors for social service emergencies which include a food pantry and other one-time emergency payments for residents of the Township who do not qualify for General Assistance from the Township. The program is funded through contributions from the community through a nonprofit organization, Township of Palatine Needy Family Fund, Inc. The Road District has a 5-year plan to spend \$886,010 on new machinery and equipment. Additionally, the Road District has set aside approximately \$613,200 for a future bridge replacement and road realignment.

Committed fund balance is constrained by formal actions, in the form of ordinances, of the Township's Board of Trustees, which is considered the Township's highest level of decision-making authority. The modification to or rescinding of a fund balance must be done by passage of an ordinance by the Board of Trustees. During the prior year, a resolution was passed by the Board of Trustees to commit funds in the Town Fund and General Assistance Fund for future health and welfare benefits. The Town Fund committed \$37,022 and the General Assistance Fund committed \$17,980 for this purpose. The fund balance in the Capital Improvements Fund is committed for future capital outlay.

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

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

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

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

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

8. Reimbursements

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

III. Detailed Notes For All Fund Types and Account Groups

A. Deposits and Investments

Deposits – At year end, the carrying amount of the Township’s deposits, excluding petty cash of \$871, was \$8,237,103 and the bank balance was \$8,460,040. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and the \$7,460,040 was collateralized by securities held by the pledging financial institution’s agent in the Township’s name. Cash on hand totals \$871.

Investments – At year end, investments consist of a Symetra Select 36-month fixed annuity with Symetra, with an annual guaranteed interest rate of 1.70%, held in the Road and Bridge Fund. The original investment was \$347,000 and the carrying amount at March 31, 2023, is \$349,396.

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

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

A. Deposits and Investments (cont'd)

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

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

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

B. Property Taxes

The Township passed the 2022 Tax Levy Ordinances for the Township and for the Road District in December 2021. Property Taxes from the 2022 levy attached as an enforceable lien on property as of January 1, 2022. Taxes are payable in two installments on or around March 1 and August 1. As such, significant tax monies are received between March and December. The County of Cook collects such taxes and remits them periodically.

The current property tax levy is recorded as a receivable. Property tax revenue is recognized to the extent of taxes due and collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year. Such time thereafter does not exceed 60 days. The current net tax levy receivable is recorded on the balance sheet along with a corresponding amount of deferred revenue. Deferred revenue represents the portion of the 2022 levy which is used to fund fiscal 2024 operations. All uncollected taxes receivable relating to prior years' levies have been written off.

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

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

C. Capital Assets

Capital asset activity for the fiscal period ended March 31, 2023, was as follows:

	Balance February 28 And March 31, 2022	Additions	Retirements/ Adjustments	Balance March 31, 2023
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 119,098	\$ -	\$ -	\$ 119,098
Total capital assets not being depreciated	<u>119,098</u>	<u>-</u>	<u>-</u>	<u>119,098</u>
Capital assets, being depreciated:				
Land improvements	903,812	14,094	(1,590)	916,316
Buildings	2,685,888	-	-	2,685,888
Building improvements	250,746	16,132	(26,369)	240,509
Machinery and equipment	2,774,950	187,367	(49,191)	2,913,126
Infrastructure	3,410,827	347,405	128,233	3,886,465
Total capital assets being depreciated	<u>10,026,223</u>	<u>564,998</u>	<u>51,083</u>	<u>10,642,304</u>
Less accumulated depreciation for:				
Land improvements	470,746	53,548	151,975	676,269
Buildings	1,995,760	34,626	-	2,030,386
Building improvements	122,688	22,530	-	145,218
Machinery and equipment	1,654,142	203,242	(106,753)	1,750,631
Infrastructure	2,248,679	320,099	(210,856)	2,358,192
Total accumulated depreciation	<u>6,492,015</u>	<u>634,045</u>	<u>(165,364)</u>	<u>6,960,696</u>
Total capital assets, being depreciated, net	<u>3,534,208</u>	<u>(69,047)</u>	<u>216,447</u>	<u>3,681,608</u>
Total capital assets, net	<u>\$ 3,653,306</u>	<u>\$ (69,047)</u>	<u>\$ 216,447</u>	<u>\$ 3,800,706</u>

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

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

C. Capital Assets (cont'd)

In the government-wide statement of activities depreciation expense is not allocated among government activities. Total depreciation expense for the fiscal period ended March 31, 2023, totals \$634,045.

D. Noncurrent Liabilities

Changes in noncurrent liabilities during the thirteen months ended March 31, 2023, were as follows:

Type of Debt	Balances March 1, 2022	Additions	Reductions	Balances March 31, 2023	Amounts Due Within One Year
Net pension (asset) liability	\$ (1,664,877)	\$ -	\$ 1,763,871	\$ 98,994	\$ -
Post-employment benefits payable	148,801	11,740	-	160,541	-
	<u>\$ (1,516,076)</u>	<u>\$ 11,740</u>	<u>\$ 1,763,871</u>	<u>\$ 259,535</u>	<u>\$ -</u>

E. In-Kind Support

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

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

IV. Other Information

A. Risk Management

The Township is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions and natural disasters for which the Township carries commercial insurance. There have not been significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

B. Employee Retirement System

General Information About the Pension Plan

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

At December 31, 2022, the IMRF Plan membership consisted of:

Retirees and beneficiaries	34
Inactive, non-retired members	20
Active members	<u>23</u>
Total	<u>77</u>

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

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

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

General Information About the Pension Plan (cont'd)

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$123,489 and \$119,892 at January 1, 2023, and 2022, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 67, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Township is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar years 2023 and 2022 were 3.22 and 5.14 percent, respectively. The Township's contribution to the Plan totaled \$70,495 for the thirteen months ended March 31, 2023, which was equal to its annual required contribution.

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

IV. Other Information (cont'd)

B. Employee Retirement System (cont'd)

Net Pension Liability (cont'd)

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2022, valuation were based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at March 31, 2023, was 21 years.

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

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

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

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

Net Pension Liability (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	35.5%	6.50%
International equities	18%	7.60%
Fixed income	25.5%	4.90%
Real estate	10.5%	6.20%
Alternatives:	9.5%	
Private equity		9.90%
Commodities		6.25%
Cash equivalents	1%	4.00%

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to the next 99 periods of projected benefit payments, and then the municipal bond rate of 4.05% (as reported in Fidelity's "20-Year Municipal GO AA Index as of December 31, 2022) was utilized, resulting in a single discount rate of 7.25 being used to determine the total pension liability.

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

IV. Other Information (cont'd)

B. Employee Retirement System (cont'd)

Changes in Net Pension (Asset) Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances 12/31/21	\$ 7,455,893	\$ 9,120,770	\$ (1,664,877)
Changes for the year:			
Service cost	131,240	-	131,240
Interest	529,866	-	529,866
Differences between expected and actual experience	57,191	-	57,191
Changes in assumptions	-	-	-
Contributions - employer	-	69,514	(69,514)
Contributions - employee	-	60,858	(60,858)
Net investment income	-	(1,192,936)	1,192,936
Benefit payments, including refunds of employee contributions	(426,046)	(426,046)	-
Other changes	-	16,990	(16,990)
	<u>\$ 7,748,144</u>	<u>\$ 7,649,150</u>	<u>\$ 98,994</u>
Balances 12/31/22	<u>\$ 7,748,144</u>	<u>\$ 7,649,150</u>	<u>\$ 98,994</u>

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension (asset) liability	<u>\$ 923,941</u>	<u>\$ 98,994</u>	<u>\$ (573,163)</u>

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

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

IV. Other Information (cont'd)

B. Employee Retirement System (cont'd)

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

For the fiscal period ended March 31, 2023, the Township recognized pension expense of \$42,696 in the government-wide financial statements. At March 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 36,941	\$ 25,600	\$ 11,341
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	590,703	-	590,703
Subtotal	627,644	25,600	602,044
Contributions made subsequent to the measurement date	11,820	-	11,820
Total	\$ 639,464	\$ 25,600	\$ 613,864

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

	Year Ending March 31,
2024	\$ (71,843)
2025	105,757
2026	199,312
2027	368,818
Total	\$ 602,044

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

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

C. **Other Post-Employment Benefits**

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

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

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

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

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	1
Active plan members	<u>22</u>
Total	<u>23</u>

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

Total OPEB Liability – The Township's net OPEB liability was measured as of March 31, 2023. The total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of March 1, 2022, using the alternative measurement method.

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

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

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

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

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

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

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation using the Alternative Measurement Method as detailed in GASB Statement 75, as of March 1, 2022. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	2.50%
Discount rate	4.05% (2.51% at beginning of year)
Inflation rate	2.50%

The health care trend rate, based on the 2023 Segal Health Plan Cost Trend Survey, is 7.40 percent for fiscal years 2022-2023, then decreasing over time to an ultimate rate of 4.50 percent for both plans by fiscal year 2038. The mortality rates were based on the PubG.H-2010(B) Mortality Table – General with mortality improvement using scale MP-2020.

Discount Rate – The discount rate used to measure the total OPEB liability is based on the ability of the fund to meet benefit obligations in the future. Because the Township does not have a dedicated trust to pay retiree healthcare benefits, the discount rate used should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 4.05% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of March 31, 2023.

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

IV. Other Information (cont'd)

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

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
Balance 2/28/22	\$ 148,801	\$ -	\$ 148,801
Changes for the year:			
Service cost	10,424	-	10,424
Interest	3,622	-	3,622
Differences between expected and actual experience	17,325	-	17,325
Changes in assumptions	(10,659)	-	(10,659)
Contributions - employer	-	8,972	(8,972)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(8,972)	(8,972)	-
Other changes	-	-	-
Net changes	11,740	-	11,740
Balances at 3/31/23	\$ 160,541	\$ -	\$ 160,541

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Township as of the date of the latest measurement date, calculated using the discount rate of 4.05%, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.05%)	Current Discount Rate (4.05%)	1% Increase (5.05%)
Net OPEB Liability	\$ 169,973	\$ 160,541	\$ 151,895

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

IV. Other Information (cont'd)

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

Changes in Net OPEB Liability (cont'd)

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

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 149,481	\$ 160,541	\$ 173,393

OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to OPEB – For the period ended March 31, 2023, the Township recognized OPEB expense of \$20,711. At March 31, 2023, the Township did not report any deferred outflows and inflows of resources related to OPEB.

D. Nonprofit Corporations

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

Palatine Township Report, Inc. – Palatine Township Report, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The corporation was established for the purpose of generating and mailing the Township newsletter. The corporation had expenditures of \$4,325 funded by the General Fund and a cash balance of \$121 as of March 31, 2023. These amounts are included in the General (Town) Fund.

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

IV. Other Information (cont'd)

E. Motor Fuel Tax Fund

Every year the Township of Palatine Road District receives an allotment of Motor Fuel Tax (MFT) money from the State of Illinois. This money is disbursed by the State to Cook County where it is held for pending projects. Projects are petitioned by the Palatine Township's Highway Commissioner to the Cook County Highway Department for approval to use these MFT funds. When the projects are approved, all management, payment and accounting for the projects are done through Cook County. These funds are reflected in the government-wide financial statements of the Township as capital grant revenue and capitalized as infrastructure assets. The unused allotment is not reflected in the financial statements of the Township. During the year ended March 31, 2023, the Township of Palatine Road District did not use any funds held at the County for infrastructure projects.

F. Prior Period Restatement

The beginning of the year net position on the statement of activities was restated to correct depreciation expense reported in previous years. The restatement increased beginning capital assets, less accumulated depreciation on the statement of net position and beginning net position on the statement of activities by \$221,499. There was no effect on the change in net position on the statement of activities or the fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**Township of Palatine
Town Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property tax	\$ 2,133,000	\$ 2,133,000	\$ 2,028,042	\$ (104,958)
Replacement tax	98,300	98,300	261,297	162,997
Interest income	5,500	5,500	27,551	22,051
Grants	-	-	9,133	9,133
Fees	21,700	21,700	18,191	(3,509)
PACE charges for services	27,700	27,700	50,143	22,443
Cemetery receipts	1,100	1,100	1,690	590
Cemetery contributions	500	500	-	(500)
Donated rental income	136,600	136,600	136,590	(10)
Miscellaneous income	4,100	4,100	5,163	1,063
Total revenues	2,428,500	2,428,500	2,537,800	109,300
Expenditures:				
Current:				
Administration	1,007,900	1,007,900	908,955	98,945
Assessor	175,500	175,500	169,961	5,539
Senior and disabled transportation	431,200	431,200	395,353	35,847
Human needs funding	580,700	580,700	582,301	(1,601)
Cemetery maintenance	69,600	69,600	41,473	28,127
Quentin Road facilities	55,500	55,500	36,083	19,417
Health, safety and communication	55,200	55,200	45,972	9,228
Total expenditures	2,375,600	2,375,600	2,180,098	195,502
Net change in fund balance	\$ 52,900	\$ 52,900	357,702	\$ 304,802
Fund balance - beginning of the year			3,534,196	
Fund balance - end of the year			\$ 3,891,898	

See independent auditor's report.

**Township of Palatine
General Assistance Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property tax	\$ 252,500	\$ 252,500	\$ 276,750	\$ 24,250
Interest income	1,100	1,100	5,582	4,482
Grants	3,000	3,000	2,250	(750)
LIHEAP reimbursements	8,700	8,700	17,468	8,768
SSI reimbursements	1,100	1,100	1,370	270
Miscellaneous income	129,500	129,500	-	(129,500)
Total revenues	395,900	395,900	303,420	(92,480)
Expenditures:				
Current:				
Administration	396,600	396,600	330,116	66,484
Home relief	105,700	105,700	38,616	67,084
Total expenditures	502,300	502,300	368,732	133,568
Net change in fund balance	\$ (106,400)	\$ (106,400)	(65,312)	\$ 41,088
Fund balance - beginning of the year			671,695	
Fund balance - end of the year			\$ 606,383	

See independent auditor's report.

**Township of Palatine
Road and Bridge Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property tax	\$ 1,225,000	\$ 1,225,000	\$ 1,349,029	\$ 124,029
Replacement tax	70,000	70,000	178,658	108,658
Interest income	15,000	15,000	35,991	20,991
Fines	1,500	1,500	1,544	44
Leaf bags/stickers	500	500	344	(156)
Reimbursements	18,000	18,000	20,331	2,331
Miscellaneous income	10,000	10,000	19,114	9,114
Intergovernmental agreements	75,000	75,000	99,432	24,432
Total revenues	1,415,000	1,415,000	1,704,443	289,443
Expenditures:				
Current:				
Administration	139,965	146,665	98,948	47,717
Maintenance of roads	2,012,700	2,038,000	1,625,661	412,339
Provision for contingencies	50,000	18,000	-	18,000
Total expenditures	2,202,665	2,202,665	1,724,609	478,056
Net change in fund balance	\$ (787,665)	\$ (787,665)	(20,166)	\$ 767,499
Fund balance - beginning of the year			3,597,472	
Fund balance - end of the year			\$ 3,577,306	

See independent auditor's report.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability:			
Service cost	\$ 131,240	\$ 128,224	\$ 136,175
Interest on the total pension liability	529,866	519,655	505,597
Benefit changes	-	-	-
Difference between expected and actual changes	57,191	(82,284)	58,563
Assumption changes	-	-	(63,261)
Benefit payments and refunds	<u>(426,046)</u>	<u>(426,500)</u>	<u>(451,881)</u>
Net change in total pension liability	292,251	139,095	185,193
Total pension liability - beginning	<u>7,455,893</u>	<u>7,316,798</u>	<u>7,131,605</u>
Total pension liability - ending	<u>\$ 7,748,144</u>	<u>\$ 7,455,893</u>	<u>\$ 7,316,798</u>
Plan fiduciary net position:			
Employer contributions	\$ 69,514	\$ 109,170	\$ 241,515
Employee contributions	60,858	60,725	60,056
Pension plan net investment income	(1,192,936)	1,423,562	1,071,960
Benefit payments and refunds	(426,046)	(426,500)	(451,881)
Other	<u>16,990</u>	<u>(239,640)</u>	<u>28,252</u>
Net change in plan fiduciary net position	(1,471,620)	927,317	949,902
Plan fiduciary net position - beginning	<u>9,120,770</u>	<u>8,193,453</u>	<u>7,243,551</u>
Plan fiduciary net position - ending	<u>\$ 7,649,150</u>	<u>\$ 9,120,770</u>	<u>\$ 8,193,453</u>
Net pension liability	<u>\$ 98,994</u>	<u>\$ (1,664,877)</u>	<u>\$ (876,655)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>98.72%</u>	<u>122.33%</u>	<u>111.98%</u>
Covered valuation payroll	<u>\$ 1,352,399</u>	<u>\$ 1,349,444</u>	<u>\$ 1,302,215</u>
Net pension liability as a percentage of covered valuation payroll	<u>7.32%</u>	<u>-123.38%</u>	<u>-67.32%</u>

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

See independent auditor's report.

2019	2018	2017	2016	2015
\$ 131,050	\$ 110,979	\$ 124,558	\$ 125,009	\$ 122,059
479,822	449,370	457,989	448,737	425,242
-	-	-	-	-
183,063	310,859	(85,317)	(72,486)	112,897
-	168,451	(204,493)	(19,516)	12,894
(430,088)	(416,010)	(385,749)	(378,616)	(311,068)
363,847	623,649	(93,012)	103,128	362,024
6,767,758	6,144,109	6,237,121	6,133,993	5,771,969
<u>\$ 7,131,605</u>	<u>\$ 6,767,758</u>	<u>\$ 6,144,109</u>	<u>\$ 6,237,121</u>	<u>\$ 6,133,993</u>
\$ 51,594	\$ 96,792	\$ 118,869	\$ 761,953	\$ 131,278
57,185	57,471	50,321	52,325	51,934
1,224,159	(424,461)	1,124,610	354,600	26,643
(430,088)	(416,010)	(385,749)	(378,616)	(311,068)
46,770	139,525	(133,898)	(108,213)	93,185
949,620	(546,683)	774,153	682,049	(8,028)
6,293,931	6,840,614	6,066,461	5,384,412	5,392,440
<u>\$ 7,243,551</u>	<u>\$ 6,293,931</u>	<u>\$ 6,840,614</u>	<u>\$ 6,066,461</u>	<u>\$ 5,384,412</u>
<u>\$ (111,946)</u>	<u>\$ 473,827</u>	<u>\$ (696,505)</u>	<u>\$ 170,660</u>	<u>\$ 749,581</u>
<u>101.57%</u>	<u>93.00%</u>	<u>111.34%</u>	<u>97.26%</u>	<u>87.78%</u>
<u>\$ 1,270,766</u>	<u>\$ 1,223,803</u>	<u>\$ 1,118,244</u>	<u>\$ 1,162,778</u>	<u>\$ 1,146,535</u>
<u>-8.81%</u>	<u>38.72%</u>	<u>-62.29%</u>	<u>14.68%</u>	<u>65.38%</u>

**Township of Palatine
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions - Last 10 Fiscal Years*
For the Year Ended March 31, 2023**

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2023	\$ 70,495	\$ 70,495	\$ -	\$ 1,508,628	4.67 %
2022	96,748	96,748	-	1,272,786	7.60
2021	105,127	245,264	(140,137)	1,331,728	18.42
2020	60,963	60,963	-	1,262,312	4.83
2019	87,568	87,568	-	1,285,862	6.81
2018	115,279	115,279	-	1,118,244	10.31
2017	129,766	761,502	(631,736)	1,162,778	65.49
2016	131,278	131,278	-	1,146,535	11.45

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % of Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	2.75%
Inflation	2.25%
Salary Increases	2.85% to 13.75% Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale P-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

* The Township adopted GASB 68 in the fiscal year 2016 and will build a ten-year history prospectively. The Township changed its year end from February 28 to March 31 effective with the thirteen month period ended March 31, 2023.

See independent auditor's report.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability:			
Service cost	\$ 10,424	\$ 4,734	\$ 12,974
Interest on the total OPEB liability	3,622	4,095	2,711
Benefit changes	-	-	-
Difference between expected and actual changes	17,324	-	36,020
Assumption changes	(10,659)	(23,565)	2,792
Benefit payments and refunds	(8,972)	(8,611)	(3,530)
Net change in total OPEB liability	11,739	(23,347)	50,967
Total OPEB liability - beginning	148,801	172,148	121,181
Total OPEB liability - ending	\$ 160,540	\$ 148,801	\$ 172,148
Plan fiduciary net position:			
Employer contributions	\$ 8,972	\$ 8,611	\$ 3,530
Employee contributions	-	-	-
OPEB plan net investment income	-	-	-
Benefit payments and refunds	(8,972)	(8,611)	(3,530)
Other	-	-	-
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -
Net OPEB liability	\$ 160,540	\$ 148,801	\$ 172,148
Plan fiduciary net position as a percentage of total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered valuation payroll	<u>\$ 1,291,659</u>	<u>\$ 1,332,415</u>	<u>\$ 1,059,688</u>
Net pension liability as a percentage of covered valuation payroll	<u>12.43%</u>	<u>11.17%</u>	<u>16.25%</u>

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

See independent auditor's report.

2020	2019
\$ 12,704	\$ 12,263
3,627	3,008
-	-
-	-
19,402	(2,986)
(2,450)	(4,622)
33,283	7,663
87,898	80,235
\$ 121,181	\$ 87,898
\$ 2,450	\$ 4,622
-	-
-	-
(2,450)	(4,622)
-	-
-	-
\$ -	\$ -
\$ 121,181	\$ 87,898
0.00%	0.00%
\$ 1,262,312	\$ 1,285,862
9.60%	6.84%

Township of Palatine
Notes to the Required Supplementary Information

I. Summary of Significant Accounting Policies

Budgetary Process

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

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

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

Expenditures Over Budget

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

SUPPLEMENTARY INFORMATION

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Personnel Services:				
Salaries:				
Supervisor	\$ 22,800	\$ 22,800	\$ 22,042	\$ 758
Clerk	19,500	19,500	17,250	2,250
Assessors	20,000	20,000	19,000	1,000
Highway commissioner	11,000	11,000	10,068	932
Board of Trustees	21,700	21,700	19,150	2,550
Board meetings	7,800	7,800	5,400	2,400
Road District Treasurer	1,100	1,100	875	225
Committees	-	-	400	(400)
Office personnel	358,300	358,300	334,962	23,338
Temporary personnel	5,300	5,300	-	5,300
Salary increases	19,900	19,900	-	19,900
Social Security/Medicare expense	37,400	37,400	28,738	8,662
Illinois retirement contribution	19,500	19,500	17,077	2,423
Health and life insurance	52,600	52,600	78,020	(25,420)
Workers' compensation insurance	1,600	1,600	1,613	(13)
Total personnel services	598,500	598,500	554,595	43,905
Contractual services:				
Building maintenance	56,500	56,500	37,667	18,833
Grounds maintenance	8,700	8,700	7,535	1,165
Equipment maintenance	4,700	4,700	1,529	3,171
Building improvements-noncapital	3,500	3,500	2,949	551
Office equipment maintenance	7,400	7,400	12,357	(4,957)
Emergency management services	5,000	5,000	-	5,000
General insurance	41,300	41,300	44,030	(2,730)
Telephone and communications	6,500	6,500	8,855	(2,355)
Garbage	3,000	3,000	3,148	(148)
Sewers	20,000	20,000	-	20,000
Alarm	5,600	5,600	4,484	1,116
Utilities	16,300	16,300	14,211	2,089
Conferences and seminars	3,600	3,600	3,508	92
Travel expenses	7,500	7,500	3,003	4,497
Printing and publishing	2,200	2,200	2,373	(173)

(cont'd)

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration (cont'd):				
Contractual services (cont'd):				
Audit	\$ 8,700	\$ 8,700	\$ 5,004	\$ 3,696
Legal	54,200	54,200	75,676	(21,476)
Engineering	5,000	5,000	375	4,625
Professional services	74,700	74,700	70,955	3,745
Community events	5,000	5,000	3,677	1,323
Employee/Township Officials Bonds	700	700	285	415
Supervisor bonds	3,200	3,200	5,576	(2,376)
Training	2,000	2,000	40	1,960
Dues and subscriptions	12,400	12,400	10,216	2,184
Employee/volunteer recognition	6,000	6,000	5,023	977
Copier	7,500	7,500	6,797	703
Recruitment expense	1,500	1,500	2,334	(834)
Payroll services	6,300	6,300	5,231	1,069
Miscellaneous	6,400	6,400	7,379	(979)
Total contractual services	385,400	385,400	344,217	41,183
Commodities:				
Janitorial supplies	4,400	4,400	2,415	1,985
Postage and delivery	3,800	3,800	3,961	(161)
Office supplies	5,500	5,500	3,767	1,733
Total commodities	13,700	13,700	10,143	3,557
Capital outlay:				
Equipment purchases	10,300	10,300	-	10,300
Total capital outlay	10,300	10,300	-	10,300
Total administration	1,007,900	1,007,900	908,955	98,945

(cont'd)

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Township Assessor:				
Personnel services:				
Salaries	\$ 102,400	\$ 102,400	\$ 108,908	\$ (6,508)
Salary increases	5,800	5,800	-	5,800
Social Security/Medicare	7,900	7,900	7,853	47
Illinois retirement contribution	4,200	4,200	4,513	(313)
Health and life insurance	34,500	34,500	30,335	4,165
Workers' comp insurance	200	200	158	42
Total personnel services	155,000	155,000	151,767	3,233
Contractual services:				
Equipment maintenance	550	550	1,000	(450)
Travel	100	100	597	(497)
Outreach seminar	300	300	-	300
EZ text	500	500	-	500
IPA institute workshop	1,700	1,700	3,075	(1,375)
Training	50	50	-	50
Printing	250	250	572	(322)
Dues and subscriptions	300	300	510	(210)
Professional services	10,000	10,000	8,716	1,284
Publications	1	1	-	1
Telephone	844	844	825	19
Copier	2,500	2,500	280	2,220
Miscellaneous	1	1	221	(220)
SID annual rental	350	350	860	(510)
Equipment rental	1	1	-	1
Contingency provision	2	2	-	2
Public relation	1	1	-	1
Total contractual services	17,450	17,450	16,656	794
Commodities:				
Postage	500	500	-	500
Office supplies	1,100	1,100	247	853
Total commodities	1,600	1,600	247	1,353
Capital outlay:				
Equipment purchases	1,450	1,450	1,291	159
Total capital outlay	1,450	1,450	1,291	159
Total township assessor	175,500	175,500	169,961	5,539

(cont'd)

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Senior and Disabled Transportation:				
Personnel services:				
Salaries	\$ 255,500	\$ 255,500	\$ 235,398	\$ 20,102
Salary increases	14,200	14,200	-	14,200
Transportation overtime	1,100	1,100	-	1,100
Social Security/Medicare	22,600	22,600	18,128	4,472
Illinois retirement contribution	15,000	15,000	10,490	4,510
Health and life insurance	32,900	32,900	48,136	(15,236)
Workers' comp insurance	5,100	5,100	4,134	966
Total personnel services	346,400	346,400	316,286	30,114
Contractual services:				
Fuel and oil	21,200	21,200	25,802	(4,602)
Maintenance	27,100	27,100	32,636	(5,536)
Travel	500	500	164	336
Telephone	4,600	4,600	4,442	158
Advertising	1,000	1,000	-	1,000
Equipment maintenance	9,000	9,000	8,429	571
Taxi	5,100	5,100	2,767	2,333
Employee training	200	200	10	190
Copier	200	200	-	200
DOT testing	1,700	1,700	2,071	(371)
Legal	2,700	2,700	328	2,372
Miscellaneous	1,100	1,100	802	298
Vehicle insurance	6,000	6,000	-	6,000
Apparel and clothing	2,000	2,000	176	1,824
Total contractual services	82,400	82,400	77,627	4,773
Commodities:				
Office supplies	600	600	140	460
Postage	300	300	-	300
Total commodities	900	900	140	760
Capital outlay:				
Equipment purchases	1,500	1,500	1,300	200
Total capital outlay	1,500	1,500	1,300	200
Total senior and disabled transportation	431,200	431,200	395,353	35,847

(cont'd)

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Human Needs Funding:				
Contractual services:				
The Bridge	\$ 175,590	\$ 175,590	\$ 176,923	\$ (1,333)
Community Child Care Center	100,500	100,500	105,458	(4,958)
Alexian Brothers Mental Health	27,000	27,000	27,000	-
Shelter Inc.	13,500	13,500	13,500	-
Resources Community Living	9,900	9,900	9,900	-
NW Casa	4,500	4,500	4,500	-
Palatine Township Senior Center	69,300	69,300	69,300	-
Little City Foundation	6,750	6,750	6,750	-
Hands on Suburban Chicago	2,700	2,700	2,700	-
Children's Advocacy Center	8,100	8,100	8,100	-
Connect to Community	2,250	2,250	2,250	-
Wings	7,200	7,200	7,200	-
Special Leisure Services Foundation	5,400	5,400	5,400	-
Special Gifts Theater	2,250	2,250	2,250	-
Center for Enriched Living	13,500	13,500	13,500	-
Suburban Primary Health Council	2,700	2,700	2,700	-
Clearbrook	2,250	2,250	2,250	-
St Mary's Services	4,500	4,500	4,500	-
The Harbour	3,600	3,600	3,600	-
Township Match	44,690	4,690	-	4,690
North Suburban Legal Aid Clinic	3,600	3,600	3,600	-
Northwest Compass	11,250	11,250	11,250	-
Barrington Area Council on Aging	1,350	1,350	1,350	-
Partners for Our Community	9,000	9,000	9,000	-
Connection to Care	7,200	7,200	7,200	-
ROAD Home	6,750	6,750	6,750	-
Family Forward	9,450	9,450	9,450	-
RM Parks Foundation	3,420	3,420	3,420	-
KAN-WIN	4,500	4,500	4,500	-
Little Sisters of the Poor	18,000	18,000	18,000	-
Dental Care Program	-	40,000	40,000	-
Total contractual services	580,700	580,700	582,301	(1,601)
Total human needs funding	580,700	580,700	582,301	(1,601)

(cont'd)

**Township of Palatine
Town Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Cemetery Maintenance:				
Contractual services:				
Maintenance/improvements	\$ 25,000	\$ 25,000	\$ 895	\$ 24,105
Ground upkeep	41,000	41,000	39,478	1,522
Memorial Day	500	500	-	500
Cemetery burial	2,600	2,600	975	1,625
Miscellaneous	500	500	125	375
Total contractual services	69,600	69,600	41,473	28,127
Total Cemetery Maintenance	69,600	69,600	41,473	28,127
Quentin Road Facilities:				
Contractual services:				
Alarm	3,800	3,800	300	3,500
Ground maintenance	12,900	12,900	1,612	11,288
Building maintenance	15,000	15,000	8,827	6,173
Utilities	23,800	23,800	25,344	(1,544)
Total contractual services	55,500	55,500	36,083	19,417
Total Quentin Road Facilities	55,500	55,500	36,083	19,417
Health Safety and Communication:				
Contractual services:				
Website services	16,500	16,500	6,300	10,200
Communication	38,700	38,700	39,672	(972)
Total contractual services	55,200	55,200	45,972	9,228
Total Health Safety and Communication	55,200	55,200	45,972	9,228
Total expenditures	\$ 2,375,600	\$ 2,375,600	\$ 2,180,098	\$ 195,502

See independent auditor's report.

**Township of Palatine
General Assistance Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Personnel services:				
Salaries	\$ 239,400	\$ 239,400	\$ 252,869	\$ (13,469)
Salary increases	13,300	13,300	-	13,300
Social Security/Medicare	21,000	21,000	16,872	4,128
Illinois retirement contribution	14,100	14,100	15,533	(1,433)
Health and life insurance	88,600	88,600	31,383	57,217
Workers compensation insurance	400	400	221	179
Total personnel services	376,800	376,800	316,878	59,922
Contractual services:				
Equipment maintenance	5,600	5,600	8,818	(3,218)
Travel expense	300	300	56	244
Professional services	4,700	4,700	1,768	2,932
Legal	1,700	1,700	179	1,521
Training	1,000	1,000	176	824
Printing	600	600	-	600
Copier	1,700	1,700	1,269	431
Miscellaneous	1,700	1,700	66	1,634
Total contractual services	17,300	17,300	12,332	4,968
Commodities:				
Office supplies	2,200	2,200	906	1,294
Postage	300	300	-	300
Total commodities	2,500	2,500	906	1,594
Total administration	396,600	396,600	330,116	66,484

(cont'd)

**Township of Palatine
General Assistance Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Home Relief:				
Contractual services:				
Medical care	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Telephone	1,000	1,000	264	736
Utilities	16,500	16,500	345	16,155
Burial	3,000	3,000	-	3,000
Rental	69,000	69,000	34,657	34,343
Travel	7,600	7,600	-	7,600
Food	5,500	5,500	3,100	2,400
Clothing and personal	1,000	1,000	250	750
Transient/homeless assistance	1,100	1,100	-	1,100
Total contractual services	<u>105,700</u>	<u>105,700</u>	<u>38,616</u>	<u>67,084</u>
Total home relief	<u>105,700</u>	<u>105,700</u>	<u>38,616</u>	<u>67,084</u>
Total expenditures	<u>\$ 502,300</u>	<u>\$ 502,300</u>	<u>\$ 368,732</u>	<u>\$ 133,568</u>

See independent auditor's report.

**Township of Palatine
Road and Bridge Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Administration:				
Personnel services:				
Salaries	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Social Security/Medicare	765	765	765	-
Workers compensation	150	150	-	150
Total personnel services	10,915	10,915	10,765	150
Contractual services:				
General insurance	52,000	53,500	52,709	791
Accounting services	28,500	29,500	11,836	17,664
Telephone	5,250	6,000	5,771	229
Printing and publishing	3,250	3,250	2,990	260
Legal services	11,500	11,500	421	11,079
Dues and subscriptions	3,750	3,750	3,550	200
Training	2,500	2,500	1,205	1,295
Travel/hospitality	500	500	-	500
Total contractual services	107,250	110,500	78,482	32,018
Commodities:				
Office supplies	750	750	617	133
Postage	300	300	24	276
Operating supplies	250	400	367	33
Miscellaneous	200	300	266	34
Total commodities	1,500	1,750	1,274	476
Capital outlay:				
Computer software	18,000	18,000	3,969	14,031
Equipment	1,300	4,500	4,458	42
Office remodeling	500	500	-	500
Acquisition of real estate	500	500	-	500
Total capital outlay	20,300	23,500	8,427	15,073
Total administration	139,965	146,665	98,948	47,717

(cont'd)

**Township of Palatine
Road and Bridge Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Maintenance of Roads:				
Personnel services:				
Salaries	\$ 577,000	\$ 577,000	\$ 575,551	\$ 1,449
Salary increases	17,000	17,000	-	17,000
Overtime and comp time	50,000	50,000	16,714	33,286
Social Security/Medicare	49,500	49,500	43,412	6,088
Illinois retirement contribution	33,500	33,500	31,676	1,824
Workers compensation	48,000	48,000	45,002	2,998
Health insurance	97,000	97,000	69,634	27,366
Total personnel services	872,000	872,000	781,989	90,011
Contractual services:				
Engineering services	35,000	35,000	31,935	3,065
Building maintenance	2,000	2,500	2,482	18
Equipment maintenance	25,000	26,000	25,598	402
Drainage maintenance	30,000	30,000	28,272	1,728
Bridge maintenance	2,000	2,000	1,442	558
Utilities	9,000	13,000	12,399	601
Equipment rentals	5,000	5,000	-	5,000
Street signs/lights	7,500	8,000	7,726	274
Contract work	325,000	380,000	379,409	591
Right of way maintenance	35,000	35,000	34,122	878
Testing services	3,000	3,000	1,092	1,908
Total contractual services	478,500	539,500	524,477	15,023
Commodities:				
Operating supplies	6,500	8,000	6,708	1,292
Automotive fuel-oil	55,000	66,000	65,542	458
Building supplies	4,500	4,500	3,976	524
Materials	30,000	30,000	14,314	15,686
Small tools	1,200	1,500	1,474	26
Road salt	60,000	60,000	8,893	51,107
Total commodities	157,200	170,000	100,907	69,093

(cont'd)

**Township of Palatine
Road and Bridge Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended March 31, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Maintenance of Roads (cont'd):				
Capital outlay:				
Equipment	\$ 480,000	\$ 425,000	\$ 189,441	\$ 235,559
Buildings	25,000	31,500	28,847	2,653
Total capital outlay	<u>505,000</u>	<u>456,500</u>	<u>218,288</u>	<u>238,212</u>
Total maintenance of roads	<u>2,012,700</u>	<u>2,038,000</u>	<u>1,625,661</u>	<u>412,339</u>
Provision for contingencies	<u>50,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Total expenses	<u>\$ 2,202,665</u>	<u>\$ 2,202,665</u>	<u>\$ 1,724,609</u>	<u>\$ 478,056</u>

See independent auditor's report.

**Township of Palatine
Capital Improvement Fund
Schedule of Expenditures - Budget and Actual
For the Thirteen Months Ended March 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Maintenance:				
Capital outlay:				
Building - permanent improvements	\$ 95,900	\$ 95,900	\$ -	\$ 95,900
Equipment and vehicle replacement	4,400	4,400	-	4,400
Total capital outlay	<u>100,300</u>	<u>100,300</u>	<u>-</u>	<u>100,300</u>
Total expenses	<u>\$ 100,300</u>	<u>\$ 100,300</u>	<u>\$ -</u>	<u>\$ 100,300</u>

See independent auditor's report.

**Township of Palatine
Needy Family Fund
Schedule of Expenditures
For the Thirteen Months Ended March 31, 2023**

Administration:

Contractual services:

Copier	\$	173
Legal		3,601
Food pantry truck		7,215
YHOP		1,989
Back to School Supplies Program		10,532
Spring & Thanksgiving baskets		133
Easter baskets		20
Adopt-A-Family		220
Gift card disbursements		38,305
Miscellaneous		3,144
Printing		1,917
Food pantry		290,547

Total contractual services		357,796
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Commodities:

Office supplies		40
Postage		507

Total commodities		547
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Capital outlay - equipment		10,078
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Total administration		368,421
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Home Relief:

Contractual services:

Disaster relief		7,099
Rental		3,031
Clothes/personal		20

Total contractual services		10,150
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Total home relief		10,150
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Total expenditures		\$ 378,571
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See independent auditor's report.