

# **VILLAGE OF PALATINE, ILLINOIS**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED**  
**DECEMBER 31, 2020**



**VILLAGE OF PALATINE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended  
December 31, 2020**

Prepared by the Finance Department

Paul D. Mehring, CPA  
Director of Finance and Operations



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## **INTRODUCTORY SECTION**



VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2020

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**MAYOR**

Jim Schwantz

**VILLAGE COUNCIL**

Tim Millar	District 1
Scott Lamerand	District 2
Doug Myslinski	District 3
Greg Solberg	District 4
Kollin Kozlowski	District 5
Brad Helms	District 6

**VILLAGE CLERK**

Margaret Duer

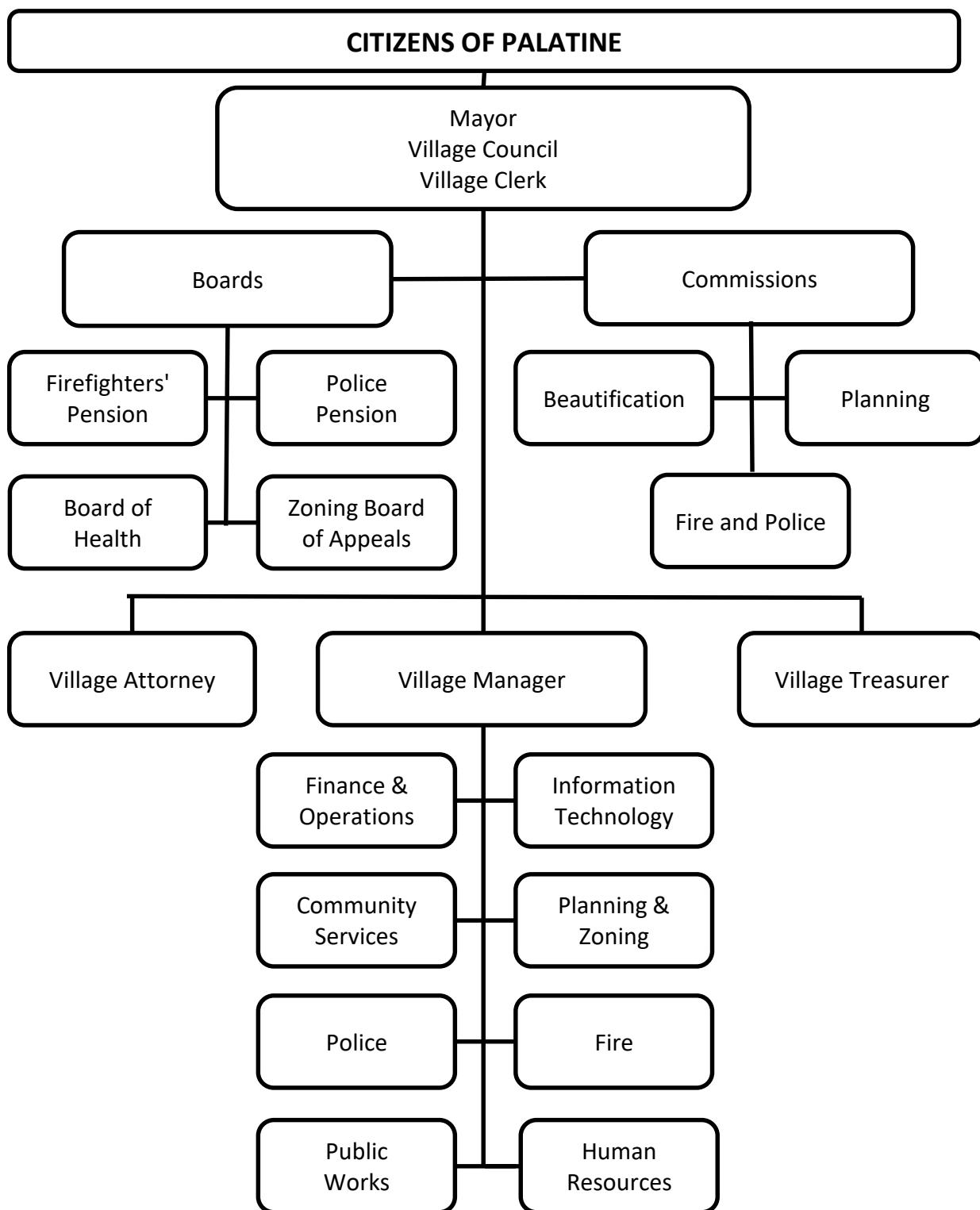
**ADMINISTRATIVE**

Reid Ottesen	Village Manager
Patrick Brankin	Village Attorney
Jeffrey Boundy	Village Treasurer
Paul Mehring	Director of Finance & Operations

VILLAGE OF PALATINE, ILLINOIS

ORGANIZATION CHART

December 31, 2020





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Palatine  
Illinois**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Monill*

Executive Director/CEO

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# VILLAGE *of* PALATINE

## DEPARTMENT OF FINANCE & OPERATIONS

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[www.palatine.il.us](http://www.palatine.il.us)

April 26, 2021

Mayor Schwantz

Members of the Village Council

Village Manager Ottesen

Citizens of the Village of Palatine, Illinois

State law requires that all general-purpose governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Village of Palatine, Illinois for the calendar year ended December 31, 2020.

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Village for the calendar year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the calendar year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.



## Profile of the Village of Palatine

The Village of Palatine, incorporated on March 19, 1866, is located approximately 30 miles northwest of the City of Chicago in Cook County. The Village has a land area of 15 square miles and a population of 68,557. The Village is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The Village operates under the Council/Manager form of government. It is a home-rule community as defined by the Illinois Constitution. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The mayor is elected to serve a four-year term. The council members are elected by district and the mayor is elected at large.

The Village provides a full range of municipal services as contemplated by statute or charter. These services include public safety, highways and streets, health services, refuse collection, public improvements, planning and zoning, engineering and inspection, water and sewer utility services, and general administrative services. Separately governed taxing bodies provide other public services such as library services, education, and parks and recreation.

The Village of Palatine has adopted sections 5/8-2-9.1, through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes providing for an annual municipal budget in lieu of the passage of an annual appropriation ordinance. The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit requests for appropriation to the Village Manager each year. The Village Manager uses these requests as the starting point for developing a proposed budget. The Village Manager then presents this proposed budget to the Mayor and Village Council for review. The Mayor and Council are required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the Village's fiscal year. The appropriated budget is prepared by fund and department. The Village Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Downtown TIF Fund, and Rand Road Corridor Fund this comparison is presented on pages 79-81 as part of the basic financial statements for the governmental funds. For governmental funds, other than the major funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 97.

There are many factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Perhaps four of the most objective measures are the level of retail sales, the employment level of the community, income levels in the community, and building activity. In Illinois, sales taxes are collected based upon the point-of-sale, and accordingly represent the sales in the community. Total sales tax revenue for calendar year 2020 remained consistent with the prior year.

Palatine's average unemployment rate is some 1.3% lower than the state average and has consistently been 1% to 2% lower than state and national averages. Palatine's median family income, as of the 2010 census, ranked the Village 59th in the State of Illinois and 34.4% higher than the median for the State of Illinois. Currently, the Village is realizing the results of economic growth over the last ten years. This growth has come through increased residential and commercial/industrial construction.

In a suburban setting where it is often difficult to distinguish the boundaries of one community from a neighboring community, the economic activity of the "region" is a major influence on the economies of the individual communities. The Village of Palatine is located on the northern edge of the "I-90 Corridor" which extends along Interstate 90 from O'Hare Airport to Elgin, a stretch of approximately 25 miles. The Village of Palatine benefits from easy access to the northwest suburban road network (including Northwest Highway, Rand Road, Dundee Road, Route 53, and Interstates 90, and 290). In addition, downtown Palatine contains a train station on Metra's Northwest Line (which provides service to communities from Harvard to Chicago).

The following is a discussion of some of the major development projects recently completed, under construction, or recently approved:

***Northwest Highway Corridor*** – The redevelopment of the property at the northeast corner of Palatine Road & Northwest Highway is underway. The former (vacant) gas station and two adjacent commercial buildings have been demolished and site preparation is underway. The redevelopment will include a new 7/11 gas station and a 3,000 square foot multi-tenant commercial building. The redevelopment of the former HB Fuller site, roughly 18 acres, was completed and now is home to a 162,000 square foot Amazon warehouse/distribution center. The redevelopment proposal for the former Weber-Stephen property near Northwest Highway and Hicks Road (approximately 25 acres) is under final zoning review and will consist of two warehouse/distribution buildings totaling nearly 425,000 square feet.

***Rand and Dundee Corridors*** – Early last year, The Napleton Automotive Group completed the relocation of their existing Subaru and Mazda dealerships to the former Menards/Knupper Nursery sites on Rand Road. The Village has had ongoing discussions with the owner of the Park Place center near the southeast corner of Rand and Dundee Roads, which have related to the reuse of a major portion of the existing center along with the development of some multi-tenant out-lots.

***Other Areas*** – In September 2020, the Village annexed approximately 300 acres near the southeast corner of Roselle and Algonquin Roads. While a portion of this property contains the St. Michael's Cemetery and Mausoleum, there is a large amount of undeveloped property (which includes frontage on the north side of I-90).

## **Long-Term Financial Planning and Major Initiatives**

In addition to the economic development projects mentioned above, the Village has demonstrated a commitment to maintaining its infrastructure. In 2020, the Village spent over \$9.3 million to maintain and improve its transportation system. The Village uses the PAVER system to track the condition of its streets. This system assigns a rating to a street based on an assessment of its physical condition. The Village uses these ratings to annually develop a prioritized listing of streets in need of repair.

The Village has placed a heavy focus on its aging utility (water and sanitary sewer) infrastructure. In 2009, the Village commissioned a Village-wide study and evaluation of the current state of its infrastructure in

addition to looking out fifteen to twenty years to determine what will be required to maintain the system over that horizon. This study resulted in a long-term maintenance and replacement plan to ensure the systems continue functioning as required by the Village's customers. For 2020, over \$8.1 million was spent to maintain and improve water and sanitary sewer infrastructure.

Palatine will continue to participate in the strong economic growth of the area through its emergence as an ideal place to live and raise a family. One of Palatine's strongest qualities is the residential character of the Village. With an excellent range of housing, increasing property values, access to transportation, outstanding schools and parks, a power shopping corridor on Dundee Road, and economical municipal services, Palatine will continue to attract residents, employers and customers to the Village. These factors coupled with the commitment by Village officials to address emergent issues should enable the Village to maintain its economic stability for years to come.

### **Relevant Financial Policies**

During 2020, the Village transferred funds from suspended projects in the Capital Projects Funds to the General Fund to soften the impact of COVID-19 revenue shortfalls on daily municipal operations. Additionally, as in previous years, the adopted 2020 budget included General Fund contributions above and beyond the actuarially required amount to the Police and Firefighters' Pension Funds to amortize a portion of the unfunded liability which will save future property tax dollars.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palatine for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the 20<sup>th</sup> consecutive year that the Village has received this prestigious award. To be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report.

Additionally, I would like to acknowledge the Mayor, Village Council, and Village Manager for their leadership and support in planning and conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,



Paul D. Mehring, CPA  
Director of Finance and Operations

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## **FINANCIAL SECTION**



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**SIKICH.COM**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor  
Members of the Village Council  
Village of Palatine, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palatine, Illinois, (the Village) as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northwest Water Commission, which represents 32.23%, 36.30%, and 5.67%, respectively, of the assets, net position, and revenues of the Water Fund information that are included in the Village's financial statements as an equity joint venture. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village's investment in joint venture, is based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Northwest Water Commission were not audited in accordance with *Government Auditing Standards*.



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

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Palatine, Illinois, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 26, 2021 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
April 26, 2021

## **General Purpose External Financial Statements**



**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

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The Village of Palatine (the “Village”) Management’s Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village’s financial activity, (3) identify changes in the Village’s financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the Village’s financial statements (beginning on page 3).

**Financial Highlights**

- The Village’s net position increased by \$14.8 million (9.4%) during the current year. The governmental net position increased by \$9.1 million (9.7%) and the business-type activities net position increased by \$5.7 million (8.8%).
- The Village’s combined Governmental Funds ending fund balance increased \$1.6 million (2.8%).
- At the end of the current year, fund balance for the General Fund increased by \$1.9 million (7.8%) to \$26.2 million or 45.3% of actual calendar year 2020 General Fund expenditures.
- On December 1, 2020, the Village issued \$18,335,000 General Obligation Refunding Bonds, Series 2020 to currently refund the outstanding \$18,800,000 General Obligation Bonds, Taxable Series 2010C, resulting in an economic gain of \$2,885,577 and a reduction of \$3,359,519 in future debt service payments.
- The Village contributed \$1,337,308 more than the combined actuarially required contribution for the PPERS and FPERS to increase the amortization of the net pension liability beyond the actuarially calculated amount.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

The financial statements’ focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the Village’s accountability.

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**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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## **Government-Wide Financial Statements**

The government-wide financial statements (see pages 4-6) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Position ("the Unrestricted Net Position") (see page 4) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 5-6) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, fire, public works, community development, and general administration. Property taxes, shared State sales taxes, local utility taxes, shared State income taxes, and home rule sales taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Refuse Collection Fund, Waterworks Fund, Sewerage Fund and the Motor Vehicle Parking System Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. All the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### *Governmental Funds*

The governmental major fund presentation (see pages 7-12) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the government-wide financial statements. The Village maintains 17 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 balances for the General Fund, Downtown TIF Fund, Rand Road Corridor TIF Fund, and General Obligation Bond

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**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

*Proprietary Funds*

The Village maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in business-type activities in the government-wide financial statements. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet operations and self-insurance programs.

Proprietary fund financial statements (see pages 13-18) provide the same type of information as the government-wide financial statements, only in more detail. The Waterworks Fund, Sewerage Fund, and Motor Vehicle Parking System Fund are considered major funds of the Village and are presented in a separate column in the Fund Financial Statements. The Refuse Collection Fund is the Village's only non-major enterprise fund; however, it is also presented in a separate column in the Fund Financial Statements. The Internal Service Funds are combined in a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds is presented elsewhere in the report.

*Fiduciary Funds*

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension Fund, Firefighters Pension Fund, and Custodial Funds, see pages 19-20). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide statements.

The governmental fund financial statements provide a reconciliation to facilitate the comparison between the governmental funds and governmental activities on the government-wide financial statement. The governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 9 and 12). The flow of current financial resources reflects bond proceeds and interfund transfers as other financial sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligation (bond and others) into the governmental activities column (in the government-wide statements). The reconciliation also includes the Internal Service Funds' activities given that the Internal Service Funds serve primarily the governmental funds.

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**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 21-78 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 76-90 of this report. The combining and individual fund statements for non-major governmental, enterprise, and internal service funds are presented on pages 97-123 of this report, immediately following the required supplementary information.

**Infrastructure Assets**

The Village has chosen to depreciate infrastructure assets over their useful life. If a road project is considered a recurring cost that does not extend the road's original useful life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

**GOVERNMENT-WIDE STATEMENT**

**Statement of Position**

The Village's combined net position increased by \$14.8 million (9.4%) during the current year. The following analysis will look at net position of the governmental and business-type activities separately. The total net position for governmental activities was \$102.5 million, a \$9.1 million (9.7%) increase. The business-type activities net position was \$70.3 million, a \$5.7 million (8.8%) increase from the prior year. The following table reflects the condensed statement of net position for the current and prior years (presented in millions):

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

	Current Year						Prior Year					
	Govern- ment Activities		Business- type Activities		Total		Govern- ment Activities		Business- type Activities		Total	
Current and other assets	\$ 91.9	\$ 34.8	\$ 126.7	\$ 92.9	\$ 33.6	\$ 126.5						
Capital assets	207.6	46.1	253.7	206.6	44.1	250.7						
<b>Total Assets</b>	<b>299.5</b>	<b>80.9</b>	<b>380.4</b>	<b>299.5</b>	<b>77.7</b>	<b>377.2</b>						
Deferred outflows of resources	16.0	1.2	17.2	20.5	2.0	22.5						
Noncurrent liabilities	162.0	9.9	171.9	184.7	12.7	197.4						
Other liabilities	3.8	1.3	5.1	5.3	2.2	7.5						
<b>Total liabilities</b>	<b>165.8</b>	<b>11.2</b>	<b>177.0</b>	<b>190.0</b>	<b>14.9</b>	<b>204.9</b>						
Deferred inflows of resources	47.2	0.6	47.8	36.6	0.2	36.8						
Net position												
Net investment in capital assets	176.4	37.9	214.3	173.5	34.2	207.7						
Restricted	9.4	-	9.4	6.7	-	6.7						
Unrestricted	(83.3)	32.4	(50.9)	(86.8)	30.4	(56.4)						
<b>Total net position</b>	<b>\$ 102.5</b>	<b>\$ 70.3</b>	<b>\$ 172.8</b>	<b>\$ 93.4</b>	<b>\$ 64.6</b>	<b>\$ 158.0</b>						

For more detailed information see the statement of net position (page 4).

#### **Normal Impacts on Net Position**

There are six basic (normal) transactions that will affect the comparability of the statement of net position summary presentation.

**Net Results of Activities** - which will impact (increase/decrease) current assets and unrestricted net position.

**Borrowing for Capital** - which will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** - which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related net debt, which will not change the net investment in capital assets.

**Spending of Nonborrowed Current Assets on New Capital** - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Principal Payment on Debt** - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

**Reduction of Capital Assets through Depreciation** - which will reduce capital assets and net investment in capital assets.

**Current Year Impacts**

The Village's \$14.8 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$9.1 million and the business-type activities net position increasing by \$5.7 million.

**Governmental Activities**

Total assets remained unchanged in total mainly reflecting a \$1.0 million decrease in due from other governments and accrued interest reflecting lower amounts due from others due to depressed revenues resulting from COVID-19 and a \$1.0 million increase in depreciable capital assets due to current year capital additions exceeding current year depreciation. Deferred outflows of resources decreased by \$4.5 million and deferred inflows of resources increased by \$10.6 million related to pensions and OPEB. Total liabilities decreased by \$24.2 million reflecting a \$1.6 million decrease in current liabilities representing operational liabilities (accounts payable, accrued payroll, and due to fiduciary funds) that were liquidated in the following month and a \$22.7 million decrease in noncurrent liabilities, reflecting a \$5.3 million decrease in bonds due a refunding and regularly scheduled bond principal reductions and a \$17.4 million decrease in net pension and net OPEB liabilities.

**Business-Type Activities**

Total assets increased by \$3.2 million mainly reflecting a \$0.5 million increase in current assets from ongoing operations, a \$0.7 increase in the Village's investment in joint venture, and a \$2.0 million increase in capital assets resulting from capital additions exceeding depreciation expense. Deferred outflows of resources decreased by \$0.8 million and deferred inflows of resources increased by \$0.4 million related to pensions and OPEB. Total liabilities decreased by \$3.7 mainly reflecting a \$0.9 million decrease in operational liabilities (accounts payable and accrued payroll) that were liquidated in the following month, a \$1.6 million decrease from regularly scheduled bond principal reductions during the year and a \$1.2 million increase in net pension obligation, OPEB, and asset retirement liabilities.

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Changes in Net Position**

The Village's combined change in net position of \$14.8 million increased by \$9.4 million from the prior year. The Village's total revenues increased by \$0.5 million, while the cost of all programs decreased by \$8.9 million. The following chart shows the revenue and expenses of the Village's activities (presented in millions):

	Current Year						Prior Year					
	Govern- ment- al Activities			Business- type Activities			Govern- ment- al Activities			Business- type Activities		
	Total			Total			Total			Total		
<b>Revenues</b>												
Program revenues												
Charges for services	\$ 11.0	\$ 21.3	\$ 32.3	\$ 12.9	\$ 21.4	\$ 34.3						
Operating grants	5.1	0.6	5.7	3.1	-	3.1						
Capital grants and contributions	0.6	2.3	2.9	1.0	0.7	1.7						
General revenues												
Property taxes	35.5	-	35.5	35.6	-	35.6						
Other taxes	8.5	-	8.5	9.2	-	9.2						
Other revenues	20.5	0.2	20.7	20.8	0.4	21.2						
<b>Total revenues</b>	<b>81.2</b>	<b>24.4</b>	<b>105.6</b>	<b>82.6</b>	<b>22.5</b>	<b>105.1</b>						
<b>Expenses</b>												
Governmental activities												
General government	4.8	-	4.8	4.9	-	4.9						
Public safety	47.7	-	47.7	53.8	-	53.8						
Public works	14.1	-	14.1	12.9	-	12.9						
Economic development	4.2	-	4.2	8.4	-	8.4						
Interest & fiscal charges	2.4	-	2.4	2.2	-	2.2						
Business-type activities												
Waterworks	-	8.5	8.5	-	7.9	7.9						
Sewerage	-	3.4	3.4	-	3.4	3.4						
Refuse collection	-	1.4	1.4	-	1.6	1.6						
Motor vehicle parking	-	4.3	4.3	-	4.6	4.6						
<b>Total expenses</b>	<b>73.2</b>	<b>17.6</b>	<b>90.8</b>	<b>82.2</b>	<b>17.5</b>	<b>99.7</b>						
<b>Change in net position before transfers</b>	<b>8.0</b>	<b>6.8</b>	<b>14.8</b>	<b>0.4</b>	<b>5.0</b>	<b>5.4</b>						
<b>Transfers</b>	<b>1.1</b>	<b>(1.1)</b>	<b>-</b>	<b>0.7</b>	<b>(0.7)</b>	<b>-</b>						
<b>Change in net position</b>	<b>9.1</b>	<b>5.7</b>	<b>14.8</b>	<b>1.1</b>	<b>4.3</b>	<b>5.4</b>						
<b>Net position, beginning</b>	<b>93.4</b>	<b>64.6</b>	<b>158.0</b>	<b>92.3</b>	<b>60.3</b>	<b>152.6</b>						
<b>Net position, ending</b>	<b>\$ 102.5</b>	<b>\$ 70.3</b>	<b>\$ 172.8</b>	<b>\$ 93.4</b>	<b>\$ 64.6</b>	<b>\$ 158.0</b>						

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Normal Impacts**

There are eight basic impacts on revenues and expenses as reflected below.

**Revenues:**

**Economic Condition** - which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and volumes of consumption.

**Increase/Decrease in Village-Approved Rates** - while certain tax rates are set by statute, the Village Council has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, impact fees, building fees, home rule sales tax, prepared food tax, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring)** - certain recurring revenues (State-shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

**Market Impacts on Investment Income** - the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

**Expenses:**

**Introduction of New Programs** - within the functional expense categories (General Government, Public Safety, and Public Works, etc.), individual programs may be added or deleted to meet changing community needs.

**Increase in Authorized Personnel** - changes in service demand may cause the Village Council to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80% of the Village's General Fund and 30% Water Fund and Sewer Fund operating costs.

**Salary Increases (annual adjustments and merit)** - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

**Inflation** - while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

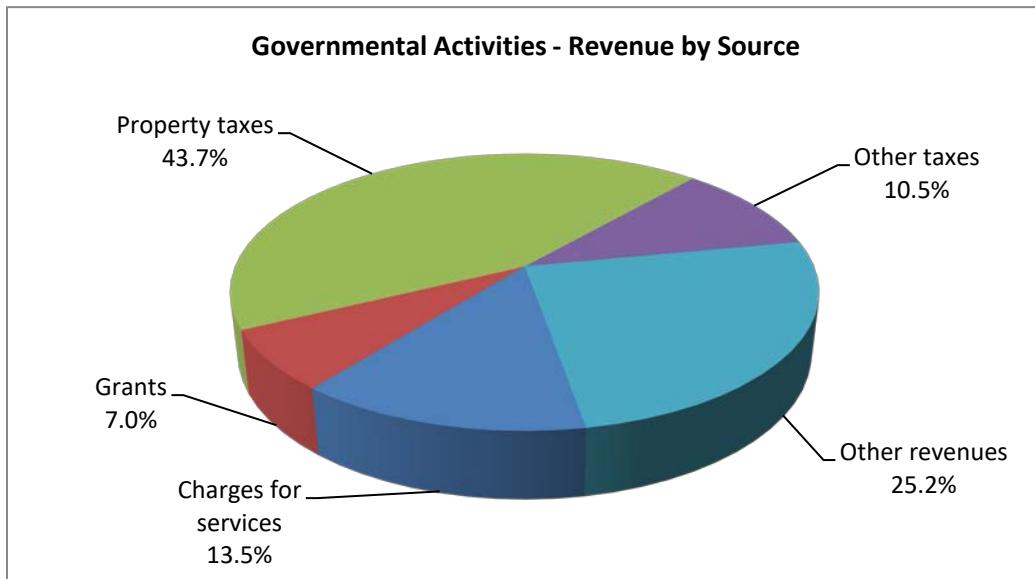
**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Current Year Impacts**

***Governmental Activities***

**Revenues:**



For the current year, revenues from Governmental Activities totaled \$81.2 million, a decrease of \$1.4 million (1.7%). Property taxes continue to be the Village's largest revenue source coming in at \$35.5 million and representing 43.7% of total Governmental Activity revenue. Other revenues, representing support from other governmental agencies (mainly shared revenue from the State of Illinois), provide 25.2% of total governmental revenues.

General revenues (property taxes, other taxes, and other revenues) decreased by \$1.1 million mainly due to the impacts of COVID-19 on locally-imposed taxes.

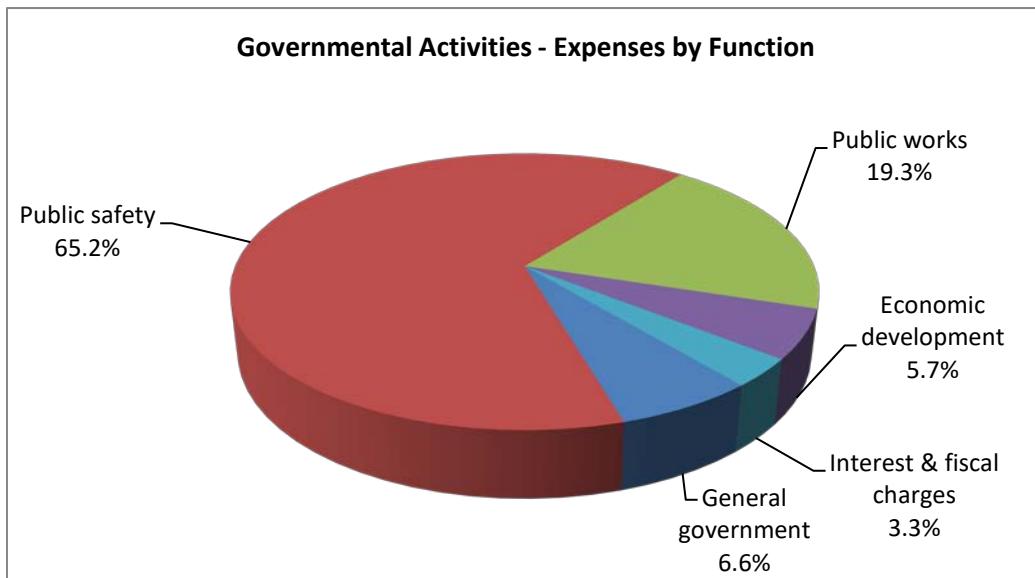
The charges for services category decrease of \$1.9 million reflects a lower expenditure by residents on discretionary services that relate directly to the economic conditions resulting from COVID-19.

Grants and Contributions increased by \$2.0 million resulting from increased funding from the CARES Act and increased Federal Highway Construction Grant funding.

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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## **Expenses**



For the current year, expenses from Governmental Activities totaled \$73.2 million, which represents a \$9.0 million (10.9%) decrease from the prior year.

General government expenses experienced a decrease of \$0.1 million (2.0%) related to pensions and OPEB.

Public safety expenses show a decrease of \$6.1 million (11.3%) related to pensions and OPEB.

Public works expenses show an increase of \$1.2 million (9.3%) mainly due to an increase in capital maintenance activities.

Economic development activities show a decrease of \$4.2 million (50.0%), which reflects a decrease in TIF Surplus declarations within the Village's tax increment financing districts.

Interest and fiscal charges reflect a \$0.2 million (9.1%) increase related to scheduled debt service requirements.

## ***Business-Type Activities***

### **Revenues**

Total revenue for the business-type activities experienced a \$1.9 million (8.4%) increase in the current year, which was mainly due to capital contributions from the Village's Tax Increment Financing District Funds.

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**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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## **Expenses**

Business-type activity total expenses increased by \$0.1 million, which was mainly a result of an increase of \$0.6 in water utility costs, a decrease of \$0.2 million in refuse collection costs resulting from a new contract with the waste hauler, and a \$0.3 million decrease in commuter parking activities related to reduced commuters as a result of COVID-19.

## **FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

### ***Governmental Funds***

The Governmental Funds (as presented on pages 7-12) reported a combined total fund balance of \$57.0 million, which is a \$1.6 million increase from the prior year balance of \$55.4 million. This increase is mainly attributable the planned reduction of expenditures in the General Fund in response to COVID-19 anticipated revenue reductions. The total fund balance of \$57.0 million is comprised of the following components:

***Nonspendable Fund Balance*** of \$2.0 million represents the portion of fund balance that is not available to be spent, either short-term or long-term, in form: \$1.9 million for advances and \$0.1 million for long-term receivables.

***Restricted Fund Balance*** totaling \$19.9 million represents the portion of fund balance that is subject to external enforceable legal restrictions: \$1.5 million for highways and streets; \$0.1 million for debt service; \$1.0 million for public safety; and \$17.3 million for economic development.

***Assigned Fund Balance*** in the amount of \$10.8 million for capital projects represents the portion of fund balance denoted for an intended use of resources, or for all remaining fund balance in non-General funds that cannot be categorized above.

***Unassigned Fund Balance*** of \$24.2 million that represents available expendable financial resources that are not the object of tentative management plan. In the General Fund, this includes the regular operating reserves of 3 to 4 months of expenditures and the "Economic Stabilization" reserve as defined in the Village's adopted Reserve Policy.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total fund balance increased by \$1.9 million from the prior year; the fund balance for the prior year showed a decrease of \$0.6 million. Revenues decreased by \$0.3 million, and expenditures increased by \$1.0 million, resulting in a decrease in results from operations of \$1.3 compared to the prior year, both before other financing uses (transfers). Net financing sources (uses) increased by \$3.8 million, which had a positive effect on fund balance.

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**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

(presented in millions)

	<i>Current Year</i>			<i>Prior Year</i>				
	<i>Original Budget</i>		<i>Final Budget</i>	<i>Actual</i>	<i>Actual</i>			
	\$	60.9	\$	61.4	\$	58.8	\$	59.1
Revenues								
Expenditures		60.8	59.6	57.8			56.8	
Excess (deficiency) of revenues over expenditures		-	1.9	1.0			2.3	
Other financing sources (uses)		-	0.9	0.9			(2.9)	
<b>Net change in fund balance</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2.8</b>	<b>\$</b>	<b>1.9</b>	<b>\$</b>	<b>(0.6)</b>

In total, the General Fund's "key" revenues increased from the prior year and include:

	<i>Current Year</i>	<i>Prior Year</i>	<i>Increase/(Decrease)</i>
Property tax	\$ 21.1	\$ 19.9	\$ 1.2
State sales tax	8.5	8.2	0.3
Home rule sales tax	4.1	4.3	(0.2)
State income tax	7.5	7.3	0.2

The General Fund expenditure budget was amended during the fiscal year to reflect encumbrance items from the prior year, transfers of excess reserves as defined by the Village's Reserve Policy, and projects deemed necessary during the year. General fund expenditures were \$1.0 million higher than the prior year mainly due to increased personnel costs as a result of regular wage, health insurance, and pension contribution increases and a decrease in supplies and services expenditures.

General Fund actual revenues and actual expenditures were \$2.6 million lower and \$1.8 million lower than the final budgeted amounts, respectively. The expenditure budget variance was due to decreased actual spending from vacant positions and consciously controlled spending on supplies and services in response to COVID-19.

The Downtown TIF Fund experienced a positive net change in fund balance in the amount of \$2.1 million due, which is \$1.3 million more than the prior year due to a \$1.3 million increase in incremental property tax revenues resulting from increasing property values within the redevelopment district and a consistent level of expenditures. The Rand Road Corridor TIF had a

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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negative net change in fund balance of \$2.8 million or \$2.6 million lower than the prior year due an increase of \$0.3 million in incremental property tax revenues, an increase of \$1.0 million in economic development activities, and a \$1.9 million increase in capital outlay. The General Obligation Bond Fund experienced a break-even year from the results of operations.

***Proprietary Funds***

The Enterprise Funds' (as presented on pages 13-18) total net position increased by \$5.7 million (8.8%). This increase is primarily due to a \$7.1 million increase in the Waterworks and Sewerage Funds from continued strong revenues from prior years' rate increases, capital contributions, new grant revenues, and increased asset capitalizations; a \$0.4 million decrease in the Refuse Collection Fund due to a \$1.0 per month rate reduction enacted on January 1, 2020; and a \$1.0 million decrease in the Motor Vehicle Parking Fund mainly COVID-19 related revenue shortfalls and the depreciation of capital assets.

**CAPITAL ASSETS**

The Village's investment in capital assets for its governmental and business-type activities amounts to \$253.6 million. The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, infrastructure, and construction in progress. This amount represents a \$3.0 million net increase (including additions and deductions) from the prior year. Detailed information regarding the change in capital assets for governmental and business-type activities is included in the Notes to the Financial Statements on pages 35-36.

The net capital assets for governmental activities increased by \$1.0 million and net capital assets for business-type activities increased from last year by \$2.0. The change in net capital assets for governmental activities and business-type activities was due mainly to capital additions exceeding net depreciation.

**DEBT OUTSTANDING**

In calendar year 2020, the Village issued \$18,335,000 General Obligation Refunding Bonds, Series 2020 to currently refund the outstanding \$18,800,000 General Obligation Bonds, Taxable Series 2010C, resulting in an economic gain of \$2,885,577 and a reduction of \$3,359,519 in future debt service payments.

The Village currently has eleven general obligation bond series and one tax increment revenue limited obligation redevelopment notes series outstanding. \$47.4 million of general obligation bonds and \$59 thousand of tax increment revenue limited obligation redevelopment notes are currently outstanding.

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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\$10.4 million (21.9%) of the \$47.4 million currently outstanding general obligation bonds were issued for improvements in the Village's various TIF Districts. The issuance of these bonds did not produce capital assets for the Village; therefore, the unrestricted net position for Governmental Activities have been reduced by the amount of these bonds.

The Village, under its home rule authority, does not have a legal debt limit. At the date of this report, the Village maintained an AA+ rating from Standard and Poor's and an AA2 rating from Moody's Investors Service.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 36-41.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Village's composition is primarily residential with a smaller commercial component. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. State revenues are beginning to stabilize from previous years' levels. Sales tax revenues continue to show relative stability due to the mix of businesses that generate the revenue. The commercial component includes building material sales, restaurants, and other food and retail businesses.

The Fiscal Year 2020 budget includes no increase in the property tax levy, which is the seventh time in the last nine years that the levy was either flat or decreasing. Sales taxes are projected to increase slightly based on actual results from 2020 and the assumption that this revenue will rebound to 2019 levels; however, this projection also considers known economic development activities that will impact sales tax. Building permit revenues and planning and inspection fees are projected to increase slightly due to a fee increase. State income tax revenue is forecasted to decrease based on unemployment levels created by COVID-19. The Village will be closely monitoring this revenue and all other State-shared sources and any discussions/deliberations regarding its further reduction and react accordingly. A combined \$0.25 (4.2%) increase in base water and sewer rates and no increase in refuse collection or commuter parking lot fees have been included.

Budgeted expenditures include increases due to salary adjustments, which are part of employee labor agreements, and health and liability insurance costs. Pension costs are also expected to increase due to the general state of the financial markets. Expenditures for commodities and other contractual services in most instances have been held flat. The budget includes economic development projects within the Village's Tax Increment Financing Districts.

**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. The economic impact of the State of Illinois' Executive Order imposing "stay at home" restrictions will be widespread and last for several years. As a result, the Village planned for the decline in revenues and increase in expenditures that will impact the Village in 2020 and beyond. Management believes that the strong financial position of the Village headed into this event lessened the direct impact in 2020 and will continue to limit its impact for 2021 and beyond. Management will continue to carefully monitor the situation and evaluate its options for the current year and following year's budgetary position as the situation continues to unfold.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Paul D. Mehring, CPA, Director of Finance and Operations, Village of Palatine, 200 E. Wood Street, Palatine, IL 60067.

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VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 58,319,548	\$ 18,576,653	\$ 76,896,201
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	23,082,795	-	23,082,795
Accounts	-	1,937,294	1,937,294
Other	1,000,617	29,209	1,029,826
Due from other governments	5,032,516	74,569	5,107,085
Accrued interest	142,665	23,140	165,805
Prepaid items	36,689	-	36,689
Inventories	199,830	-	199,830
Land held for resale	4,082,000	-	4,082,000
Investment in joint venture			
Northwest Water Commission	-	14,232,650	14,232,650
Capital assets not being depreciated	151,371,945	4,858,690	156,230,635
Capital assets being depreciated (net of accumulated depreciation)	56,219,305	41,196,809	97,416,114
Total assets	<u>299,487,910</u>	<u>80,929,014</u>	<u>380,416,924</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	127,890	103,135	231,025
Asset retirement obligation items	-	490,000	490,000
Pension items	13,426,873	567,869	13,994,742
OPEB items	2,453,878	49,568	2,503,446
Total deferred outflows of resources	<u>16,008,641</u>	<u>1,210,572</u>	<u>17,219,213</u>
<b>LIABILITIES</b>			
Accounts payable	1,785,076	797,504	2,582,580
Accrued payroll	776,978	32,712	809,690
Accrued interest payable	96,320	24,190	120,510
Due to fiduciary funds	44,569	-	44,569
Deposits payable	798,354	327,659	1,126,013
Claims payable	232,830	-	232,830
Unearned revenues	11,844	137,040	148,884
Noncurrent liabilities			
Due within one year	5,843,256	1,694,720	7,537,976
Due in more than one year	156,175,225	8,195,960	164,371,185
Total liabilities	<u>165,764,452</u>	<u>11,209,785</u>	<u>176,974,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenue	22,996,834	-	22,996,834
Pension items	20,646,623	521,156	21,167,779
OPEB items	3,555,243	71,815	3,627,058
Total deferred inflows of resources	<u>47,198,700</u>	<u>592,971</u>	<u>47,791,671</u>
<b>NET POSITION</b>			
Net investment in capital assets	176,417,781	37,903,674	214,321,455
Restricted for			
Streets and highways	1,444,338	-	1,444,338
Debt service	39,364	-	39,364
Public safety	1,044,884	-	1,044,884
Economic development	6,876,958	-	6,876,958
Unrestricted	(83,289,926)	32,433,156	(50,856,770)
<b>TOTAL NET POSITION</b>	<b><u>\$ 102,533,399</u></b>	<b><u>\$ 70,336,830</u></b>	<b><u>\$ 172,870,229</u></b>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Grants and Contributions	
			Operating	Capital
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,750,856	\$ 2,272,664	\$ -	\$ -
Public safety	47,724,257	6,277,299	433,196	-
Public works	14,110,117	2,453,582	4,171,676	584,973
Economic development	4,182,530	-	166,948	-
Interest and fiscal charges	2,331,499	-	352,541	-
Total governmental activities	<u>73,099,259</u>	<u>11,003,545</u>	<u>5,124,361</u>	<u>584,973</u>
Business-Type Activities				
Waterworks	8,538,978	12,078,859	582,062	224,485
Sewerage	3,415,404	4,577,350	-	2,062,919
Motor vehicle parking system	1,356,121	273,043	-	-
Refuse collection	4,268,888	4,379,117	-	-
Total business-type activities	<u>17,579,391</u>	<u>21,308,369</u>	<u>582,062</u>	<u>2,287,404</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 90,678,650</u>	<u>\$ 32,311,914</u>	<u>\$ 5,706,423</u>	<u>\$ 2,872,377</u>

See accompanying notes to financial statements.

Net (Expense) Revenue and Change in Net Position				
Primary Government				
Governmental Activities		Business-Type Activities		Total
\$ (2,478,192)	\$ -	\$ (2,478,192)		
(41,013,762)		-	(41,013,762)	
(6,899,886)		-	(6,899,886)	
(4,015,582)		-	(4,015,582)	
(1,978,958)		-	(1,978,958)	
	(56,386,380)		-	(56,386,380)
		- 4,346,428	4,346,428	
		- 3,224,865	3,224,865	
		- (1,083,078)	(1,083,078)	
		- 110,229	110,229	
		- 6,598,444	6,598,444	
	(56,386,380)	6,598,444		(49,787,936)
General Revenues				
Taxes				
Property	35,482,895		-	35,482,895
Home rule sales	4,105,026		-	4,105,026
Telecommunications	942,200		-	942,200
Electric utility use	2,211,795		-	2,211,795
Other	1,235,020		-	1,235,020
State shared sales taxes (unrestricted)	11,334,735		-	11,334,735
State shared income tax (unrestricted)	7,450,016		-	7,450,016
Other intergovernmental revenues (unrestricted)	709,168		-	709,168
Investment income	512,785	166,161		678,946
Miscellaneous	496,759	49,385		546,144
Transfers	1,075,000	(1,075,000)		-
Total	65,555,399	(859,454)		64,695,945
CHANGE IN NET POSITION				
	9,169,019	5,738,990		14,908,009
NET POSITION, JANUARY 1	93,364,380	64,597,840		157,962,220
NET POSITION, DECEMBER 31	\$ 102,533,399	\$ 70,336,830	\$ 172,870,229	

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2020

	General	Downtown TIF	Rand Road Corridor TIF	General Obligation Bond	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 22,422,763	\$ 5,486,856	\$ 6,894,533	\$ 168,790	\$ 15,727,461	\$ 50,700,403
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	21,747,049	56,628	-	1,279,118	-	23,082,795
Other	976,551	-	-	-	75	976,626
Due from other governments	4,317,221	-	-	-	715,295	5,032,516
Accrued interest	47,525	-	29,400	-	35,120	112,045
Due from other funds	26,833	-	-	-	-	26,833
Prepaid items	36,689	-	-	-	-	36,689
Land held for resale	-	4,082,000	-	-	-	4,082,000
Advance to other funds	1,927,940	-	-	-	-	1,927,940
<b>TOTAL ASSETS</b>	<b>\$ 51,502,571</b>	<b>\$ 9,625,484</b>	<b>\$ 6,923,933</b>	<b>\$ 1,447,908</b>	<b>\$ 16,477,951</b>	<b>\$ 85,977,847</b>

See accompanying notes to financial statements.

	General	Downtown TIF	Rand Road Corridor TIF	General Obligation Bond	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES</b>						
Accounts payable	\$ 1,205,985	\$ 327,672	\$ 5,642	\$ 34,568	\$ 99,729	\$ 1,673,596
Accrued payroll	765,134	-	-	-	2,570	767,704
Due to other funds	-	-	-	-	26,833	26,833
Due to fiduciary funds	44,569	-	-	-	-	44,569
Deposits payable	798,354	-	-	-	-	798,354
Unearned revenues	-	-	-	-	11,844	11,844
Advance from other funds	-	1,927,940	-	-	-	1,927,940
<b>Total liabilities</b>	<b>2,814,042</b>	<b>2,255,612</b>	<b>5,642</b>	<b>34,568</b>	<b>140,976</b>	<b>5,250,840</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property tax revenue	21,719,178	-	-	1,277,656	-	22,996,834
Unavailable revenue - Park District loan	747,820	-	-	-	20,000	767,820
<b>Total deferred inflows of resources</b>	<b>22,466,998</b>	<b>-</b>	<b>-</b>	<b>1,277,656</b>	<b>20,000</b>	<b>23,764,654</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>25,281,040</b>	<b>2,255,612</b>	<b>5,642</b>	<b>1,312,224</b>	<b>160,976</b>	<b>29,015,494</b>
<b>FUND BALANCES</b>						
Nonspendable in form						
Prepaid items	36,689	-	-	-	-	36,689
Long-term receivables	58,748	-	-	-	-	58,748
Advances	1,927,940	-	-	-	-	1,927,940
Restricted for streets and highways	-	-	-	-	1,444,338	1,444,338
Restricted for debt service	-	-	-	135,684	-	135,684
Restricted for public safety	-	-	-	-	1,044,884	1,044,884
Restricted for economic development	-	7,369,872	6,918,291	-	3,022,706	17,310,869
Unrestricted						
Assigned for capital projects	-	-	-	-	10,805,047	10,805,047
Unassigned	24,198,154	-	-	-	-	24,198,154
<b>Total fund balances</b>	<b>26,221,531</b>	<b>7,369,872</b>	<b>6,918,291</b>	<b>135,684</b>	<b>16,316,975</b>	<b>56,962,353</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
	<b>\$ 51,502,571</b>	<b>\$ 9,625,484</b>	<b>\$ 6,923,933</b>	<b>\$ 1,447,908</b>	<b>\$ 16,477,951</b>	<b>\$ 85,977,847</b>

See accompanying notes to financial statements.

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VILLAGE OF PALATINE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

December 31, 2020

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 56,962,353
<hr/>	
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term intergovernmental receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the governmental funds	767,820
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	207,591,250
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(39,738,911)
Unamortized discount on long-term debt are expenditures in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position	15,300
Unamortized premium on long-term debt are expenditures in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position	(2,011,659)
Charges on refundings are reported as a deferred outflow of resources on the statement of net position	127,890
Accrued interest on long-term debt is reported as a liability on the statement of net position	(96,320)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	(1,559,680)
Less compensated absences payable reported in internal service funds	40,265
The net position of internal service funds is included in the governmental activities in the statement of net position	6,150,802
The following items related to OPEB are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows	2,453,878
Less deferred outflows reported in internal service funds	(7,510)
Deferred inflows	(3,555,243)
Less deferred inflows reported in internal service funds	10,881
Net OPEB liability	(13,401,274)
Less net OPEB liability reported in internal service funds	41,016
The following items related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows	13,426,873
Less deferred outflows reported in internal service funds	(156,230)
Deferred inflows	(20,646,623)
Less deferred inflows reported in internal service funds	187,705
Net pension liability	(104,282,962)
Less net pension liability reported in internal service funds	<u>213,778</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 102,533,399</u></u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2020

	Downtown		Rand Road Corridor TIF	General Obligation Bond	Nonmajor Governmental Funds	Total Governmental Funds
	General	TIF				
<b>REVENUES</b>						
Taxes	\$ 27,921,769	\$ 7,363,169	\$ 3,509,000	\$ 1,493,726	\$ 3,689,272	\$ 43,976,936
Licenses and permits	3,148,869	-	-	-	-	3,148,869
Intergovernmental	22,111,733	-	-	352,541	5,380,904	27,845,178
Charges for services	3,645,993	-	-	-	480,904	4,126,897
Fines and forfeits	1,196,453	-	-	-	5,764	1,202,217
Investment income	289,279	39,225	74,034	3,611	106,636	512,785
Miscellaneous	487,681	-	-	-	9,078	496,759
<b>Total revenues</b>	<b>58,801,777</b>	<b>7,402,394</b>	<b>3,583,034</b>	<b>1,849,878</b>	<b>9,672,558</b>	<b>81,309,641</b>
<b>EXPENDITURES</b>						
Current						
General government	4,915,571	-	-	-	-	4,915,571
Public safety	46,692,238	-	-	-	460,372	47,152,610
Public works	6,219,908	-	-	-	-	6,219,908
Economic development	-	5,252	2,750,000	-	1,427,278	4,182,530
Capital outlay	-	1,890,897	2,114,299	-	7,552,522	11,557,718
Debt service						
Principal retirement	-	3,125,463	1,305,000	440,000	-	4,870,463
Interest	-	319,928	256,263	1,403,570	-	1,979,761
Fiscal charges	-	2,250	1,225	575,715	-	579,190
<b>Total expenditures</b>	<b>57,827,717</b>	<b>5,343,790</b>	<b>6,426,787</b>	<b>2,419,285</b>	<b>9,440,172</b>	<b>81,457,751</b>

See accompanying notes to financial statements.

	General	Downtown TIF	Rand Road Corridor TIF	General Obligation Bond	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 974,060	\$ 2,058,604	\$ (2,843,753)	\$ (569,407)	\$ 232,386	\$ (148,110)
OTHER FINANCING SOURCES (USES)						
Refunding bonds issued, at par	-	-	-	18,335,000	-	18,335,000
Bond premium	-	-	-	1,045,434	-	1,045,434
Payment to refunded bond escrow agent	-	-	-	(18,800,000)	-	(18,800,000)
Proceeds from sale of capital assets	-	-	-	-	55,261	55,261
Transfers in	930,980	-	-	-	1,075,000	2,005,980
Transfers (out)	-	-	-	-	(930,980)	(930,980)
Total other financing sources (uses)	930,980	-	-	580,434	199,281	1,710,695
NET CHANGE IN FUND BALANCES	1,905,040	2,058,604	(2,843,753)	11,027	431,667	1,562,585
FUND BALANCES, JANUARY 1	24,316,491	5,311,268	9,762,044	124,657	15,885,308	55,399,768
FUND BALANCES, DECEMBER 31	\$ 26,221,531	\$ 7,369,872	\$ 6,918,291	\$ 135,684	\$ 16,316,975	\$ 56,962,353

See accompanying notes to financial statements.

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## VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 1,562,585
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities		3,815,380
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received		(126,363)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation		(2,813,170)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities		(18,335,000)
The repayment of principal on long-term debt is reported as an expenditure in governmental funds but as a reduction of principal outstanding in the statement of activities		
Principal repayment		4,870,463
Refunding of bonds		18,800,000
The amortization of discount on long-term debt is reported as an expense on the statement of activities		(5,260)
The premium on long-term debt issued is reported as an other financing source in the governmental funds and are deferred in the statement of activities		(1,045,434)
The amortization of premium on long-term debt is reported as a reduction of expense on the statement of activities		164,052
The amortization of the loss on refunding on long-term debt is reported as an expense on the statement of activities		(42,275)
The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities		110,935
The change in compensated absences payable is shown as an expense on the statement of activities		(183,400)
The change in net position of certain activities of internal service funds is reported in governmental funds on the statement of activities		(455,539)
The change in the following items are not current financial resources and, therefore, are not reported in the governmental funds		
Deferred outflows related to OPEB		596,521
Deferred inflows related to OPEB		(2,864,028)
Total OPEB liability		1,667,092
The change in the following items related to pensions are not current financial resources and, therefore, are not reported in the governmental funds		
Deferred outflows related to pensions		(4,721,742)
Deferred inflows related to pensions		(7,575,380)
Net pension liability		15,749,582
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 9,169,019

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2020

	Business-Type Activities					Governmental Activities
	Waterworks	Sewerage	Motor Vehicle Parking System	Refuse Collection	Total	Internal Service
<b>CURRENT ASSETS</b>						
Cash and investments	\$ 10,192,615	\$ 5,412,752	\$ 1,852,163	\$ 1,119,123	\$ 18,576,653	\$ 7,619,145
Receivables (net, where applicable, of allowances for uncollectibles)						
Accounts	1,365,722	571,572	-	-	1,937,294	-
Other	15,265	7,439	6,505	-	29,209	23,991
Due from other governments	-	74,569	-	-	74,569	-
Accrued interest	13,750	4,585	4,805	-	23,140	30,620
Inventories	-	-	-	-	-	199,830
Total current assets	11,587,352	6,070,917	1,863,473	1,119,123	20,640,865	7,873,586
<b>NONCURRENT ASSETS</b>						
Capital assets						
Land	740,200	-	4,118,490	-	4,858,690	-
Buildings and improvements	6,739,405	597,545	15,681,480	-	23,018,430	-
Systems and improvements	27,728,894	63,530,650	-	-	91,259,544	-
Machinery and equipment	2,575,285	263,395	-	-	2,838,680	-
Accumulated depreciation	(19,448,470)	(42,459,085)	(14,012,290)	-	(75,919,845)	-
Total capital assets	18,335,314	21,932,505	5,787,680	-	46,055,499	-
Other assets						
Investment in joint venture						
Northwest Water Commission	14,232,650	-	-	-	14,232,650	-
Total noncurrent assets	32,567,964	21,932,505	5,787,680	-	60,288,149	-
Total assets	44,155,316	28,003,422	7,651,153	1,119,123	80,929,014	7,873,586

See accompanying notes to financial statements.

	Business-Type Activities					Governmental Activities	
	Waterworks	Sewerage	Motor Vehicle Parking System	Refuse Collection	Total	Internal Service	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Unamortized loss on refunding	\$ 330	\$ 102,805	\$ -	\$ -	\$ 103,135	\$ -	-
Asset retirement obligation items	490,000	-	-	-	490,000	-	-
Pension items	443,221	124,648	-	-	567,869	156,230	
OPEB items	38,052	11,516	-	-	49,568	7,510	
<b>Total deferred outflows of resources</b>	<b>971,603</b>	<b>238,969</b>	<b>-</b>	<b>-</b>	<b>1,210,572</b>	<b>163,740</b>	
<b>CURRENT LIABILITIES</b>							
Accounts payable	247,158	37,115	15,112	498,119	797,504	111,480	
Accrued payroll	24,703	8,009	-	-	32,712	9,274	
Accrued interest payable	11,705	12,485	-	-	24,190	-	
Deposits payable	272,704	-	-	54,955	327,659	-	
Claims payable	-	-	-	-	-	232,830	
Unearned revenues	-	-	-	137,040	137,040	-	
Compensated absences payable	14,050	5,745	-	-	19,795	8,055	
<b>Total OPEB liability</b>	<b>7,619</b>	<b>2,306</b>	<b>-</b>	<b>-</b>	<b>9,925</b>	<b>1,504</b>	
General obligation bonds payable	580,000	1,085,000	-	-	1,665,000	-	
<b>Total current liabilities</b>	<b>1,157,939</b>	<b>1,150,660</b>	<b>15,112</b>	<b>690,114</b>	<b>3,013,825</b>	<b>363,143</b>	
<b>LONG-TERM LIABILITIES</b>							
Claims payable	-	-	-	-	-	1,039,295	
Compensated absences payable	56,190	22,965	-	-	79,155	32,210	
Asset retirement obligation	500,000	-	-	-	500,000	-	
Net pension liability	601,264	164,801	-	-	766,065	213,778	
<b>Total OPEB liability</b>	<b>200,195</b>	<b>60,585</b>	<b>-</b>	<b>-</b>	<b>260,780</b>	<b>39,512</b>	
General obligation bonds payable	2,985,260	3,604,700	-	-	6,589,960	-	
<b>Total long-term liabilities</b>	<b>4,342,909</b>	<b>3,853,051</b>	<b>-</b>	<b>-</b>	<b>8,195,960</b>	<b>1,324,795</b>	
<b>Total liabilities</b>	<b>5,500,848</b>	<b>5,003,711</b>	<b>15,112</b>	<b>690,114</b>	<b>11,209,785</b>	<b>1,687,938</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension items	367,046	154,110	-	-	521,156	187,705	
OPEB items	55,131	16,684	-	-	71,815	10,881	
<b>Total deferred inflows of resources</b>	<b>422,177</b>	<b>170,794</b>	<b>-</b>	<b>-</b>	<b>592,971</b>	<b>198,586</b>	
<b>NET POSITION</b>							
Net investment in capital assets	14,770,384	17,345,610	5,787,680	-	37,903,674	-	
Unrestricted	24,433,510	5,722,276	1,848,361	429,009	32,433,156	6,150,802	
<b>TOTAL NET POSITION</b>	<b>\$ 39,203,894</b>	<b>\$ 23,067,886</b>	<b>\$ 7,636,041</b>	<b>\$ 429,009</b>	<b>\$ 70,336,830</b>	<b>\$ 6,150,802</b>	

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Business-Type Activities					Governmental Activities
	Waterworks	Sewerage	Motor Vehicle	Refuse Collection	Total	Internal Service
			Parking System			
OPERATING REVENUES						
Charges for services	\$ 11,394,877	\$ 4,574,298	\$ 273,043	\$ 4,379,117	\$ 20,621,335	\$ 3,324,050
Miscellaneous	36,322	3,052	-	-	39,374	249,261
Total operating revenues	<u>11,431,199</u>	<u>4,577,350</u>	<u>273,043</u>	<u>4,379,117</u>	<u>20,660,709</u>	<u>3,573,311</u>
OPERATING EXPENSES						
EXCLUDING DEPRECIATION						
Costs of sales and services	7,654,258	2,041,846	572,041	4,268,888	14,537,033	4,072,006
Total operating expenses excluding depreciation	<u>7,654,258</u>	<u>2,041,846</u>	<u>572,041</u>	<u>4,268,888</u>	<u>14,537,033</u>	<u>4,072,006</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	3,776,941	2,535,504	(298,998)	110,229	6,123,676	(498,695)
DEPRECIATION	799,800	1,208,750	784,080	-	2,792,630	-
OPERATING INCOME (LOSS)	<u>2,977,141</u>	<u>1,326,754</u>	<u>(1,083,078)</u>	<u>110,229</u>	<u>3,331,046</u>	<u>(498,695)</u>

See accompanying notes to financial statements.

	Business-Type Activities					Governmental Activities	
	Waterworks	Sewerage	Motor Vehicle Parking System	Refuse Collection	Total	Internal Service	
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Investment income	\$ 86,791	\$ 44,993	\$ 19,017	\$ 15,360	\$ 166,161	\$ 43,156	
Grants	582,062	-	-	-	582,062	-	
Interest expense	(78,250)	(164,808)	-	-	(243,058)	-	
Loss on disposal of capital assets	(6,670)	-	-	-	(6,670)	-	
Insurance recovery	-	-	49,385	-	49,385	-	
Joint venture	647,660	-	-	-	647,660	-	
<b>Total nonoperating revenues (expenses)</b>	<b>1,231,593</b>	<b>(119,815)</b>	<b>68,402</b>	<b>15,360</b>	<b>1,195,540</b>	<b>43,156</b>	
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>							
	4,208,734	1,206,939	(1,014,676)	125,589	4,526,586	(455,539)	
Contributions	224,485	2,062,919	-	-	2,287,404	-	
Transfers (out)	(300,000)	(300,000)	-	(475,000)	(1,075,000)	-	
<b>CHANGE IN NET POSITION</b>	<b>4,133,219</b>	<b>2,969,858</b>	<b>(1,014,676)</b>	<b>(349,411)</b>	<b>5,738,990</b>	<b>(455,539)</b>	
<b>NET POSITION, JANUARY 1</b>	<b>35,070,675</b>	<b>20,098,028</b>	<b>8,650,717</b>	<b>778,420</b>	<b>64,597,840</b>	<b>6,606,341</b>	
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 39,203,894</b>	<b>\$ 23,067,886</b>	<b>\$ 7,636,041</b>	<b>\$ 429,009</b>	<b>\$ 70,336,830</b>	<b>\$ 6,150,802</b>	

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Business-Type Activities					Governmental Activities	
	Waterworks	Sewerage	Motor Vehicle	Refuse Collection	Total	Internal Service	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 11,411,644	\$ 4,569,774	\$ 290,453	\$ 4,408,006	\$ 20,679,877	\$ 414,652	
Receipts from interfund services transactions	-	-	-	-	-	-	3,173,380
Payments to suppliers	(5,895,925)	(840,008)	(432,494)	(4,184,510)	(11,352,937)	(4,439,055)	
Payments to employees	(1,842,424)	(811,627)	(500)	-	(2,654,551)	(962,584)	
Payments for interfund services transactions	(546,000)	(473,000)	(155,000)	(150,000)	(1,324,000)	-	
Net cash from operating activities	3,127,295	2,445,139	(297,541)	73,496	5,348,389	(1,813,607)	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Insurance recoveries	-	-	49,385	-	49,385	-	
Grants	582,062	-	-	-	582,062	-	
Transfers (out)	(300,000)	(300,000)	-	(475,000)	(1,075,000)	-	
Net cash from noncapital financing activities	282,062	(300,000)	49,385	(475,000)	(443,553)	-	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital assets purchased	(2,335,385)	(238,345)	-	-	(2,573,730)	-	
Principal payments on long-term debt	(556,000)	(1,044,000)	-	-	(1,600,000)	-	
Interest and fiscal charges paid on long-term debt	(163,520)	(187,343)	-	-	(350,863)	-	
Net cash from capital and related financing activities	(3,054,905)	(1,469,688)	-	-	(4,524,593)	-	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	139,261	72,053	42,807	33,230	287,351	84,191	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	493,713	747,504	(205,349)	(368,274)	667,594	(1,729,416)	
CASH AND CASH EQUIVALENTS, JANUARY 1	9,698,902	4,665,248	2,057,512	1,487,397	17,909,059	9,348,561	
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 10,192,615	\$ 5,412,752	\$ 1,852,163	\$ 1,119,123	\$ 18,576,653	\$ 7,619,145	

See accompanying notes to financial statements.

	Business-Type Activities					Governmental Activities	
	Waterworks	Sewerage	Motor Vehicle Parking System	Refuse Collection	Total	Internal Service	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 2,977,141	\$ 1,326,754	\$ (1,083,078)	\$ 110,229	\$ 3,331,046	\$ (498,695)	
Adjustments to reconcile operating income (loss) to net cash from operating activities							
Depreciation	799,800	1,208,750	784,080	-	2,792,630	-	
(Increase) decrease in Accounts receivables	(5,821)	(2,243)	-	-	(8,064)	-	
Other receivables	(15,265)	(5,333)	17,410	34,260	31,072	13,729	
Inventories	-	-	-	-	-	5,945	
Deferred outflows - asset retirement obligation items	5,000	-	-	-	5,000	-	
Deferred outflows - pension items	527,649	245,595	-	-	773,244	292,565	
Deferred outflows - OPEB items	(9,473)	(2,999)	-	-	(12,472)	(1,832)	
Increase (decrease) in							
Accounts payable	(657,596)	(97,779)	(15,571)	(65,622)	(836,568)	(4,554)	
Accrued payroll	(30,504)	(15,073)	(382)	-	(45,959)	(19,996)	
Deposits payable	1,531	-	-	1,729	3,260	-	
Claims payable	-	-	-	-	-	(1,322,407)	
Unearned revenue	-	-	-	(7,100)	(7,100)	-	
Compensated absences payable	13,495	7,000	-	-	20,495	(9,900)	
Net pension liability	(731,058)	(332,299)	-	-	(1,063,357)	(398,759)	
Net OPEB liability	(24,346)	(6,296)	-	-	(30,642)	(5,108)	
Deferred inflows related to pensions	232,122	105,510	-	-	337,632	126,612	
Deferred inflows related to OPEB	44,620	13,552	-	-	58,172	8,793	
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 3,127,295</u>	<u>\$ 2,445,139</u>	<u>\$ (297,541)</u>	<u>\$ 73,496</u>	<u>\$ 5,348,389</u>	<u>\$ (1,813,607)</u>	

**SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES**

Loss on disposal of capital assets	\$ (6,670)	\$ -	\$ -	\$ -	\$ (6,670)	\$ -
Capital contributions	224,485	2,062,919	-	-	2,287,404	\$ -
Change in investment in joint venture	647,660	-	-	-	647,660	-
TOTAL NONCASH INVESTING AND FINANCING ACTIVITIES	<u>\$ 865,475</u>	<u>\$ 2,062,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,928,394</u>	<u>\$ -</u>

See accompanying notes to financial statements.

## VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

December 31, 2020

	Pension Trust	Custodial
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,371,462	\$ 1,339,030
Investments		
U.S. Treasury securities	26,774,004	-
U.S. agency securities	3,223,737	-
Corporate and international bonds	32,067,638	-
Certificates of deposit	273,110	-
Money market mutual funds	454,590	-
Equities	128,538,904	-
Receivables		
Property taxes	-	588,050
Accrued interest	373,028	-
Due from primary government	44,569	-
 Total assets	 194,121,042	 1,927,080
<b>LIABILITIES</b>		
Unearned revenue	78,124	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property taxes	-	588,050
<b>NET POSITION</b>		
Restricted for pensions	194,042,918	-
Restricted for debt service	-	1,339,030
 Total net position	 \$ 194,042,918	 \$ 1,339,030

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2020

	Pension Trust	Custodial
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 10,973,581	\$ -
Employee	2,151,690	-
Property owner	-	605,773
 Total contributions	 13,125,271	 605,773
Investment earnings		
Net increase in the fair value of investments	19,270,395	-
Interest	3,834,284	6,000
 Total investment earnings	 23,104,679	 6,000
Less investment expense	(463,605)	-
 Net investment earnings	 22,641,074	 6,000
 Total additions	 35,766,345	 611,773
<b>DEDUCTIONS</b>		
Administration	26,783	-
Benefits and refunds	12,175,927	-
Debt service		
Principal retirement	-	105,000
Interest and fiscal charges	-	481,125
 Total deductions	 12,202,710	 586,125
 <b>CHANGE IN NET POSITION</b>	 23,563,635	 25,648
<b>NET POSITION</b>		
January 1	170,479,283	1,313,382
 December 31	 \$ 194,042,918	 \$ 1,339,030

See accompanying notes to financial statements.

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VILLAGE OF PALATINE, ILLINOIS

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NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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## VILLAGE OF PALATINE, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### a. Reporting Entity

The Village was incorporated on March 19, 1866. The Village is a municipal corporation governed by an elected seven-member board. As required by GAAP, these financial statements present the Village (the primary government). Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds.

##### Police Pension Employees Retirement System (PPERS)

The Village's police employees participate in PPERS. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The Village is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the Village. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities, PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (FPERS)

The Village's sworn firefighters participate in FPERS. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected fire employees constitute the pension board. The Village is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the Village. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's fire employees and because of the fiduciary nature of such activities, FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

Joint Ventures

Northwest Water Commission (NWC)

NWC is a municipal corporation empowered to construct and maintain a joint water supply system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of NWC beyond its representation on the Board of Directors. NWC is reported as a proprietary joint venture.

Solid Waste Agency of Northern Cook County (SWANCC)

SWANCC is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board of Directors. SWANCC is reported as a non-equity proprietary joint venture.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

The Village uses fund accounting to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of revenues which are restricted or committed for specific purposes (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), the servicing of general long-term debt (debt service funds) and the management of funds held in trust that can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The Village utilizes pension trust funds (for its Police and Firefighters' Pension Funds) and custodial funds (for its Special Service Area debt service), which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. 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 of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements except for interfund services provided and used. Governmental activities, which normally are 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.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program 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 standard revenues 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 instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with governments, which are not accounted for in another fund.

The Downtown TIF Fund accounts for the development and debt service costs associated with a tax increment financing redevelopment project within the Downtown Business District. Financing is provided by incremental taxes derived from the TIF District.

The Rand Road Corridor TIF Fund accounts for the development and debt service costs associated with a tax increment financing redevelopment project within the Rand Road Corridor. Financing is provided by incremental taxes derived from the TIF District. The Village has elected to present this non-major fund as a major fund for consistency purposes.

The General Obligation Bond Fund accounts for the accumulation of resources and payment of the principal and interest of the Village's general obligation bonded debt. The Village has elected to present this non-major fund as a major fund for consistency purposes.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major proprietary funds:

The Waterworks Fund accounts for the provision of water services to incorporated and unincorporated residents.

The Sewerage Fund accounts for the provision of sewer services to incorporated and unincorporated residents.

The Motor Vehicle Parking System Fund accounts for the provision of public parking services. The Village has elected to present this non-major fund as a major fund for consistency purposes.

The Refuse Collection Fund accounts for the refuse collection and recycling services provided by the Village. The Village has elected to present this non-major fund as a major fund for consistency purposes.

Additionally, the Village reports the following proprietary funds:

Internal Service Funds account for the Village's self-insurance programs and the provision of fleet services to various departments of the Village. Financing is provided through fees charged to various village departments. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the Village's governmental funds/activities.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. The Special Service Area Fund is reported as a custodial fund.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days, except for sales tax and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes owed to the Village at year end, franchise taxes, licenses, charges for services and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports unearned/unavailable revenue on its financial statements. Unearned/unavailable revenue arises when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable revenue also arises when resources are received by the government before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or earned, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances from/to other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due from/to other funds."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

h. Deferred Charge on Refunding

Deferred outflows in the government-wide and enterprise fund financial statements represent unamortized deferred charges on refunding which are being amortized over the life of the bonds.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are recognized as expenditures proportionately over the periods that the service is provided.

j. Land Held for Resale

Land held for resale is valued at cost. Reported land held for resale is equally offset by a restricted fund balance, which indicates that it is restricted for a specific purpose. The land held consists of numerous parcels within the Downtown TIF District that the Village owns and is holding until sold.

k. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm water) and intangibles (software and easements), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Buildings and land improvements	\$ 200,000
Infrastructure	250,000
Vehicles, machinery, equipment and software	50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated/amortized using the straight-line method over the following estimated useful lives:

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets (Continued)

Asset Class	Years
Buildings	25-50
Improvements	10-20
Machinery, equipment, vehicles and software	3-10
Infrastructure	40

l. Compensated Absences

The Village's policy permits employees to accumulate earned but unused sick leave and vacation benefits, which, under certain circumstances, are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

m. Rebatable Arbitrage

As of the date of this report, the Village has accrued no potential arbitrage liability. Where applicable, any liability for rebatable arbitrage is reported in the funds in which the excess interest income was recorded.

n. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, and refunding losses, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium and discount. Loss on bond refunding are reported as deferred outflows and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. 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 or internally restricted via enabling legislation. Committed fund balance is constrained by formal actions of the Village Council, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Village Council, which are considered to be equally binding. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director by the Village Council per the fund balance policy adopted by resolution. Any residual fund balance is reported as unassigned. The General Fund is the only fund that reports a positive unassigned fund balance.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets. None of the net positions or fund balances is restricted as a result from enabling legislation adopted by the Village.

The Village has a policy to maintain unassigned fund balance in the General Fund at a level of 3 to 4 months (25% to 33%) of budget operating expenditures.

p. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Interfund Transactions

Interfund services transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

r. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 financial 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.

s. Adoption of Accounting Standards

The Village has elected to implement GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic. This provides for the postponement of the implementation of GASB Statement No. 87, *Leases*.

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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2. DEPOSITS AND INVESTMENTS (Continued)

Village Deposits and Investments (Continued)

The Village's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Village will not invest in any institution in which the Village's funds on deposit are in excess of 75% of the institution's capital stock and surplus.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools. The Illinois Public Treasurers' Investment Pool (rated AAA by Standard & Poor's), known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, Certain External Investment Pools and Pool Participants, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions (Continued)

The following table presents the investments and maturities of the Village's debt securities as of the date of this report:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Treasury obligations	\$ 2,497,577	\$ 2,497,577	\$ -	\$ -	\$ -
Negotiable CDs	6,199,739	6,199,739	-	-	-
Total	\$ 8,697,316	\$ 8,697,316	\$ -	\$ -	\$ -

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At the date of this report, the Village did not have more than 5% of its overall portfolio invested in any one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk but only has set percentage limits on investments by institution.

The Village has the following recurring fair value measurements as of the date of this report. The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The negotiable cds are valued using quoted matrix pricing models (Level 2 inputs).

3. RECEIVABLES

a. Property taxes

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 each year and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

The Village has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2020 tax levy has been recorded as unavailable/deferred revenue on the financial statements.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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3. RECEIVABLES (Continued)

b. Other Receivables

At the date of this report, the Village had other receivables as follows:

GOVERNMENTAL ACTIVITIES		
Hotel occupancy tax	\$	4,105
Ambulance service and fees		171,335
Cable franchise fees		256,814
Food and beverage tax		131,990
Red light violations		34,780
Electric utility tax		185,000
Rental income		58,748
Billed miscellaneous receivables		<u>157,845</u>
Total governmental activities		<u>1,000,617</u>
 BUSINESS-TYPE ACTIVITIES		
Billed miscellaneous receivables		16,678
Parking fees		6,505
Sewer loan program		<u>6,026</u>
Total business-type activities		<u>29,209</u>
 TOTAL OTHER RECEIVABLES		
	\$	<u>1,029,826</u>

c. Due from Other Governments

At the date of this report, the Village had amounts due from other governments as follows:

GOVERNMENTAL ACTIVITIES		
State sales tax	\$	2,257,364
Home rule sales tax		1,099,090
TIF Surplus Rebate		62,761
Loan to park district		767,820
Grants		260,262
Court fines		53,825
Other state sources		88,650
Motor fuel tax allotments		227,583
Telecommunications tax		<u>215,161</u>
Total governmental activities		<u>5,032,516</u>
 BUSINESS-TYPE ACTIVITIES		
Grants		<u>74,569</u>
 TOTAL DUE FROM OTHER GOVERNMENTS		
	\$	<u>5,107,085</u>

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 11,565,020	\$ -	\$ -	\$ 11,565,020
Land right of way	139,806,925	-	-	139,806,925
Total capital assets not being depreciated	<u>151,371,945</u>	-	-	<u>151,371,945</u>
Capital assets being depreciated				
Buildings and improvements	52,208,475	-	-	52,208,475
Machinery and equipment	11,945,125	1,248,365	664,295	12,529,195
Streets	30,260,400	2,567,015	153,520	32,673,895
Bridges	1,596,735	-	-	1,596,735
Total capital assets being depreciated	<u>96,010,735</u>	<u>3,815,380</u>	<u>817,815</u>	<u>99,008,300</u>
Less accumulated depreciation for				
Buildings and improvements	15,178,775	1,235,165	-	16,413,940
Machinery and equipment	7,399,960	892,500	664,295	7,628,165
Streets	17,232,270	653,525	153,520	17,732,275
Bridges	982,635	31,980	-	1,014,615
Total accumulated depreciation	<u>40,793,640</u>	<u>2,813,170</u>	<u>817,815</u>	<u>42,788,995</u>
Total capital assets being depreciated, net	<u>55,217,095</u>	<u>1,002,210</u>	-	<u>56,219,305</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 206,589,040</u></b>	<b><u>\$ 1,002,210</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 207,591,250</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 4,858,690	\$ -	\$ -	\$ 4,858,690
Total capital assets not being depreciated	<u>4,858,690</u>	-	-	<u>4,858,690</u>
Capital assets being depreciated				
Equipment	2,838,680	-	-	2,838,680
Buildings and improvements	7,336,950	-	-	7,336,950
Water system	25,191,704	2,559,870	22,680	27,728,894
Sewer system	61,303,955	2,226,695	-	63,530,650
Parking improvements	15,681,480	-	-	15,681,480
Total capital assets being depreciated	<u>112,352,769</u>	<u>4,786,565</u>	<u>22,680</u>	<u>117,116,654</u>
Less accumulated depreciation for				
Equipment	2,403,285	99,590	-	2,502,875
Buildings and improvements	4,890,300	160,640	-	5,050,940
Water system	11,692,030	569,620	16,010	12,245,640
Sewer system	40,929,400	1,178,700	-	42,108,100
Parking improvements	13,228,210	784,080	-	14,012,290
Total accumulated depreciation	<u>73,143,225</u>	<u>2,792,630</u>	<u>16,010</u>	<u>75,919,845</u>
Total capital assets being depreciated, net	<u>39,209,544</u>	<u>1,993,935</u>	<u>6,670</u>	<u>41,196,809</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 44,068,234</u></b>	<b><u>\$ 1,993,935</u></b>	<b><u>\$ 6,670</u></b>	<b><u>\$ 46,055,499</u></b>

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 399,855
Public safety	1,154,140
Public works	<u>1,259,175</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,813,170</u></b>

5. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Any general obligation bonds issued for proprietary funds are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund general obligation bonds.

On December 1, 2020, the Village issued General Obligation Refunding Bonds, Series 2020 in the amount of \$18,335,000 to refund the \$18,800,000 General Obligation Bonds, Series 2010C.

General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
GOVERNMENTAL ACTIVITIES						
\$18,800,000 General Obligation Bonds, Taxable Series 2010C, due in annual installments of \$725,000 to \$2,600,000 with interest at 5.0% to 5.8%. Final maturity is December 1, 2034.	General Obligation Bond	\$ 18,800,000	\$ -	\$ 18,800,000	\$ -	\$ -
\$5,025,000 General Obligation Refunding Bonds, Series 2012, due in annual installments of \$95,000 to \$615,000 with interest at 1.0% to 2.375%. Final maturity is December 1, 2022.	Downtown TIF	1,780,000	-	570,000	1,210,000	595,000

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

General obligation bonds currently outstanding are as follows (Continued):

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
GOVERNMENTAL ACTIVITIES (Continued)						
\$7,345,000 General Obligation Refunding Bonds, Series 2014A, due in annual installments of \$605,000 to \$655,000 with interest at 2.0%. Final maturity is December 1, 2020.	Downtown TIF	\$ 655,000	\$ -	\$ 655,000	\$ -	\$ -
\$7,265,000 General Obligation Refunding Bonds, Taxable Series 2014B, due in annual installments of \$550,000 to \$790,000 with interest at 2.0% to 3.3%. Final maturity is December 1, 2025.	Rand Road Corridor TIF	4,325,000	-	655,000	3,670,000	680,000
\$7,705,000 General Obligation Refunding Bonds, Series 2017A, due in annual installments of \$1,135,000 to \$2,060,000 with interest at 1.8% to 4.0%. Final maturity is December 1, 2025.	Downtown TIF	5,320,000	-	1,265,000	4,055,000	1,995,000
\$1,465,000 General Obligation Refunding Bonds, Series 2017B, due in annual installments of \$485,000 to \$490,000 with interest at 3.0%. Final maturity is December 1, 2025.	General Obligation Bond	1,465,000	-	-	1,465,000	-
\$3,125,000 General Obligation Refunding Bonds, Taxable Series 2017C, due in annual installments of \$590,000 to \$650,000 with interest at 1.3% to 2.2%. Final maturity is December 1, 2022.	Downtown TIF	1,915,000	-	625,000	1,290,000	640,000
\$6,060,000 General Obligation Refunding Bonds, Taxable Series 2017D, due in annual installments of \$565,000 to \$745,000 with interest at 2.0% to 3.0%. Final maturity is December 1, 2026.	Rand Road Corridor TIF	4,855,000	-	650,000	4,205,000	660,000
\$6,235,000 General Obligation Refunding Bonds, Series 2018, due in annual installments of \$345,000 to \$755,000 with interest at 5.0%. Final maturity is December 1, 2029.	General Obligation Bond	5,890,000	-	440,000	5,450,000	470,000
\$18,335,000 General Obligation Refunding Bonds, Series 2020, due in annual installments of \$705,000 to \$2,405,000 with interest at 2.125% to 5.0%. Final maturity is December 1, 2034.	General Obligation Bond	-	18,335,000	-	18,335,000	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 45,005,000	\$ 18,335,000	\$ 23,660,000	\$ 39,680,000	\$ 5,040,000

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

General obligation bonds currently outstanding are as follows (Continued):

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
<b>BUSINESS-TYPE ACTIVITIES</b>						
\$7,315,000 General Obligation Refunding Bonds, Series 2010A, due in annual installments of \$485,000 to \$705,000 with interest at 2.0% to 4.0%. Final maturity is December 1, 2022.	Sewerage	\$ 2,030,000	\$ -	\$ 650,000	\$ 1,380,000	\$ 675,000
\$7,345,000 General Obligation Refunding Bonds, Series 2014A, due in annual installments of \$35,000 to \$335,000 with interest at 2.0% to 3.0%. Final maturity is December 1, 2028.	Sewerage	2,630,000	-	255,000	2,375,000	265,000
\$7,165,000 General Obligation Bonds, Series 2015, due in annual installments of \$725,000 to \$2,600,000 with interest at 5.0% to 5.8%. Final maturity is December 1, 2025.	Water Sewerage	3,716,000 929,000	- -	556,000 139,000	3,160,000 790,000	580,000 145,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 9,305,000</b>	<b>\$ -</b>	<b>\$ 1,600,000</b>	<b>\$ 7,705,000</b>	<b>\$ 1,665,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 5,040,000	\$ 1,155,616	\$ 1,665,000	\$ 290,163
2022	5,205,000	1,038,835	1,725,000	228,663
2023	2,445,000	910,836	1,065,000	162,443
2024	3,225,000	830,336	1,110,000	116,518
2025	3,325,000	710,176	1,170,000	67,933
2026 - 2030	11,135,000	1,939,581	970,000	57,046
2031 - 2034	9,305,000	482,625	-	-
<b>Total</b>	<b>\$ 39,680,000</b>	<b>\$ 7,068,005</b>	<b>\$ 7,705,000</b>	<b>\$ 922,766</b>

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

b. Tax Increment Financing Revenue Bonds and Notes

The Village also issues bonds and notes where the Village pledges incremental property tax income derived from separately created tax increment financing districts. The original amount of tax increment financing revenue bonds and notes in prior years was \$190,000.

These bonds and notes are secured only by the incremental property tax revenues generated by the tax increment financing district. Tax increment financing bonds and notes currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	0%	\$ 58,911

Annual debt service payments are based upon 50% of the incremental revenues, if any, generated by the underlying project. As such, there are no established debt service amortization schedules for these bonds and notes.

Tax increment financing revenue notes currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
<b>GOVERNMENTAL ACTIVITIES</b>						
\$190,000 Limited Obligation Tax Increment Financing Notes, Series 2006B, due in annual installments of 50% of incremental revenues generated by the subject redevelopment property with no interest. Final maturity is December 31, 2022.	Downtown TIF	\$ 69,374	\$ -	\$ 10,463	\$ 58,911	\$ -

c. Legal Debt Margin

The Village is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

c. Legal Debt Margin (Continued)

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.

d. Noncommitment Debt

Special Service Area Number 5 Bonds, Taxable Series 2008 outstanding as of the date of this report totaled \$5,260,000. These bonds are not an obligation of the Village and are secured solely by the levy of an annual tax on the real property within the special service area. The Village is in no way liable for the repayment, but is only acting as agent for the property owners in levying and collecting the tax and forwarding the collections to the bondholders.

e. Tax Increment Financing Redevelopment Note Disclosures

Limited Obligation Redevelopment Notes - The Series 2006B Limited Obligation Redevelopment Notes were issued in conjunction with Downtown Redevelopment Projects. The ordinance authorizing the issuance of this obligation provided that this instrument was payable solely from the incremental property taxes generated from the subject project's parcel, if any.

The term of these notes expires on December 31, 2022, or such earlier date that the Downtown Tax Increment Financing District is terminated. Any unpaid balance of these notes at the expiration date of the Downtown Tax Increment Financing District will be forgiven.

f. Current Refunding of General Obligation Bonds

On December 1, 2020, the Village issued \$18,335,000 General Obligation Refunding Bonds, Series 2020 to currently refund the outstanding \$18,800,000 General Obligation Bonds, Taxable Series 2010C, resulting in an economic gain of \$2,885,577 and a reduction of \$3,359,519 in future debt service payments.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

g. Changes in Long-Term Liabilities

Long-term liability activity for the year was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 45,005,000	\$ 18,335,000	\$ 23,660,000	\$ 39,680,000	\$ 5,040,000
TIF notes	69,374	-	10,463	58,911	-
Claims payable	1,598,220	201,905	760,830	1,039,295	-
Net pension liability*	120,431,303	32,081,790	48,230,131	104,282,962	-
Net OPEB liability*	15,073,474	2,082,792	3,754,992	13,401,274	491,318
Compensated absences*	1,386,180	3,214,320	3,040,820	1,559,680	311,938
Total	<u>183,563,551</u>	<u>55,915,807</u>	<u>79,457,236</u>	<u>160,022,122</u>	<u>5,843,256</u>
Less deferred amounts					
Unamortized bond discount	(20,560)	-	(5,260)	(15,300)	-
Unamortized bond premium	1,130,277	1,045,434	164,052	2,011,659	-
Total deferred amounts	<u>1,109,717</u>	<u>1,045,434</u>	<u>158,792</u>	<u>1,996,359</u>	<u>-</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$184,673,268</u></b>	<b><u>\$ 56,961,241</u></b>	<b><u>\$ 79,616,028</u></b>	<b><u>\$162,018,481</u></b>	<b><u>\$ 5,843,256</u></b>

\* The General Fund has typically been used to liquidate these liabilities.

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation bonds					
Water Fund	\$ 3,716,000	\$	-	\$ 3,160,000	\$ 580,000
Sewer Fund	5,589,000	-	1,044,000	4,545,000	1,085,000
Asset retirement obligation					
Water Fund	500,000	-	-	500,000	-
Net pension liability					
Water Fund	1,332,322	822,803	1,553,861	601,264	-
Sewer Fund	497,100	374,002	706,301	164,801	-
Net OPEB liability					
Water Fund	232,160	32,298	56,644	207,814	7,619
Sewer Fund	69,187	9,774	16,070	62,891	2,306
Compensated absences					
Water Fund	56,745	106,530	93,035	70,240	14,050
Sewer Fund	21,710	45,395	38,395	28,710	5,745
Total	<u>12,014,224</u>	<u>1,390,802</u>	<u>4,064,306</u>	<u>9,340,720</u>	<u>1,694,720</u>
Less deferred amounts					
Unamortized bond discount	(11,200)	-	(1,260)	(9,940)	-
Unamortized bond premium	685,710	-	125,810	559,900	-
Total deferred amounts	<u>674,510</u>	<u>-</u>	<u>124,550</u>	<u>549,960</u>	<u>-</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 12,688,734</u></b>	<b><u>\$ 1,390,802</u></b>	<b><u>\$ 4,188,856</u></b>	<b><u>\$ 9,890,680</u></b>	<b><u>\$ 1,694,720</u></b>

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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6. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village is self-insured for medical benefits and has established a risk financing fund, Health Insurance Fund, for all medical risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. Under this program, the fund provides coverage up to a maximum of \$125,000 per individual's claims paid and a maximum of 125% of the expected aggregate claims paid. The Village purchases commercial insurance for claims in excess of the coverage provided by the fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Village is self-insured for first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims. These self-insurance activities are reported in the Casualty and Liability Insurance Fund which is an internal service fund.

All funds of the Village participate and make payments to the Health Insurance and Casualty and Liability Insurance Funds based upon actuarial estimates of the amounts needed to pay prior and current year claims. Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Medical Benefits	Workers' Compensation	General Liability	Total
<b>UNPAID CLAIMS,</b>				
DECEMBER 31, 2018	\$ 923,749	\$ 739,705	\$ 455,580	\$ 2,119,034
Claims incurred - 2019	4,206,278	1,229,733	161,817	5,597,828
Claims payments - 2019	4,331,445	576,268	214,617	5,122,330
<b>UNPAID CLAIMS,</b>				
DECEMBER 31, 2019	798,582	1,393,170	402,780	2,594,532
Claims incurred - 2020	-	292,054	115,396	407,450
Claims payments - 2020	798,582	656,829	274,446	1,729,857
<b>UNPAID CLAIMS,</b>				
DECEMBER 31, 2020	\$ -	\$ 1,028,395	\$ 243,730	\$ 1,272,125

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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7. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

c. Northwest Water Commission (NWC)

The Village has committed to purchase water from NWC. The Village expects to pay approximately \$3,020,000 through December 31, 2021. This amount has been calculated using the Village's current allocation percentage of approximately 29%. In future years, this allocation percentage will be subject to change.

d. Solid Waste Agency of Northern Cook County (SWANCC)

The Village has committed to make payments to SWANCC for the disposal of residential solid waste of the Village effective August 1, 1994. Payments are based upon a tipping fee established to cover operations and maintenance costs and the Village's pro rata share of the fixed costs of SWANCC.

The Village's estimated 2021 payment for operations and maintenance costs is \$1,166,520, based on an estimated tipping fee of \$48.52 per ton for 24,042 tons.

8. TAX ABATEMENTS

The Village rebates property taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances and as an annexation inducement. The terms of these rebate arrangements are specified within written agreements with the individuals and businesses concerned.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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8. TAX ABATEMENTS (Continued)

For the current year, the Village rebated its share of property taxes paid by several individuals to induce them to annex into the Village in 2007 for redevelopment purposes.

These agreements terminate upon the first of the following events to occur: the Owner selling, assigning, conveying, redeveloping the property and/or the business with either a new use or a new or remodeled structure, or twenty (20) years from the date of the annexation. The rebate for the year totaled \$36,464.

The Village rebated property taxes paid by several businesses located within Tax Increment Financing Districts for costs associated with construction of or improvements to their business facilities. These agreements state the total eligible costs and the rebates are contingent on meeting certain financial performance metrics. The rebate for the year totaled \$671,330.

Cook County offers a Class 6b incentive program, whereby qualifying industrial properties will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value. While this program results in a substantial reduction in the level of assessment and results in significant tax savings for the qualifying property, it does not reduce the amount of taxes received by the Village.

9. ASSET RETIREMENT OBLIGATIONS

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 100 years.

10. JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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10. JOINT VENTURES (Continued)

Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

SWANCC is governed by a board of directors which consists of either the mayor/president or village manager from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the SWANCC administrative office at 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090.

Revenues of the system consist of all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste, all income derived from the investment of monies, and all income, fees, service charges and all grants, rents and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling \$1,160,899 to SWANCC during the year. The payments have been recorded in the Refuse Collection Fund. The Village does not have an equity interest in SWANCC at the date of this report.

Northwest Water Commission (NWC)

The Village is a member of NWC which consists of four municipalities. NWC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. NWC is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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10. JOINT VENTURES (Continued)

Northwest Water Commission (NWC) (Continued)

NWC is governed by a board of commissioners which consist of one appointed representative from each member municipality as well as one from the County. Each commissioner has an equal vote. The officers of NWC are appointed by the Board of Commissioners. The Board of Commissioners determines the general policy of NWC, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations, exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the NWC, 1525 North Wolf Road, Des Plaines, Illinois 60016.

Revenues of the system consist of all receipts derived from the Water Supply Agreements or any other contract for the supply of water, all income derived from the investment of monies, and all income, fees, water service charges and all grants, rents and receipts derived by NWC from the ownership and operation of the system and the sale of water. NWC covenants to establish fees and charges sufficient to provide revenues to meet all its obligations.

NWC has entered into water supply agreements with the four member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual quantity of water.

NWC has entered into an agreement with the City of Evanston (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2035.

The obligation of the Village to make payments required by this agreement is payable from the Village's Waterworks Fund.

In accordance with the joint venture agreement, the Village remitted \$2,996,157 to NWC during the year. The Village's equity interest in NWC was \$14,232,650 at the date of this report. The Village's net investment and its share of the operating results of NWC are recorded in the Village's Waterworks Fund.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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11. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Due from/to other funds at the date of this report consisted of the following:

Receivable Fund	Payable Fund	Amount
Major governmental General	Nonmajor governmental Special Police Grant	\$ 26,833
Fiduciary - Pension Trust Police Pension	Major governmental General	21,730
Firefighters' Pension	General	<u>22,839</u>
	Total	\$ <u>71,402</u>

The purpose for the due from/to other funds is for short-term cash loan and accrued taxes at year end. The amounts will be liquidated within one year.

b. Advances From/To Other Funds

Receivable Fund	Payable Fund	Amount
Major governmental General	Downtown TIF	\$ <u>1,927,940</u>

The purpose of the advance to/from other funds relates to financing various redevelopment projects. Repayment is not expected within one year.

During the year, the following transfers were made:

Transfer Out Fund	Transfer In Fund	Amount
Capital Equipment	General	\$ 111,510
Capital Improvement	General	819,470
Waterworks	Capital Equipment	300,000
Sewerage	Capital Equipment	300,000
Refuse	Capital Improvement	<u>475,000</u>
	Total	\$ <u>2,005,980</u>

These transfers relate to the one-time movement of resources between funds that will not be repaid.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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12. OTHER POSTEMPLOYMENT BENEFITS

*Plan Administration*

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. 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 Village's governmental activities, business-type activities, and proprietary funds.

*Plan Membership*

At the date of this report, membership consisted of:

Inactive plan members currently receiving benefits	65
Inactive plan members entitled to but not yet receiving benefits	-
Active employees	<u>283</u>
	<u>348</u>

The Village provides the opportunity for retirees, their spouses and dependents (enrolled at time of employee's retirement) to participate in the Village's self-insured health insurance plan for pre-Medicare postretirement health insurance. To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. An implicit benefit is provided due to the retirees paying 100% of the actuarially determined premium to the plan. Pursuant to the Illinois Public Safety Employee Benefits Act, the Village provides health insurance to any sworn police or fire employee (their spouses and dependents) who suffers a catastrophic injury or is killed in the line of duty. The Village is responsible for paying the entire actuarially determined contribution to the plan.

*Total OPEB Liability*

The Village's total OPEB liability of \$13,671,979 was measured as of December 31, 2020.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Actuarial Assumptions and Other Inputs*

Actuarial cost method	Entry-age normal
<b>Assumptions</b>	
Total payroll increases	3.00%
Discount rate	
Beginning of year	2.74%
End of year	2.12%
Healthcare cost trend rates	
Initial	8.20%
Ultimate	5.50%

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

*Changes in the Total OPEB Liability*

Balance at beginning of the year	\$ 15,374,821
<b>Changes for the period</b>	
Service Cost	819,775
Interest	414,399
Actuarial experience	(3,326,163)
Changes in assumptions	890,690
Plan changes	-
Benefit payments	<u>(501,543)</u>
Net changes	<u>(1,702,842)</u>
Balance at end of the year	<u>\$ 13,671,979</u>

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.74% to 2.12% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. Additionally, the expected increases in medical costs assumption have been revised to better reflect the future anticipated experience of the system.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Rate Sensitivity (Continued)*

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

The table below presents the total OPEB liability of the Village determined using the end of year discount rate listed in the assumption section, as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 14,719,831	\$ 13,671,979	\$ 12,678,461

The table below presents the total OPEB liability of the Village calculated using the healthcare cost trend rates listed in the assumption section, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher:

	1% Decrease (Varies)	Current Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 12,060,664	\$ 13,671,979	\$ 15,573,900

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to OPEB*

For the year, the Village recognized OPEB expense of \$617,326. At the date of this report, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,011,185
Changes in assumptions	<u>2,503,446</u>	<u>615,873</u>
Total	<u>\$ 2,503,446</u>	<u>\$ 3,627,058</u>

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)*

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

Year Ending December 31	
2021	\$ (115,305)
2022	(115,305)
2023	(115,305)
2024	(115,305)
2025	(115,305)
Thereafter	<u>(547,087)</u>
Total	<u>\$ (1,123,612)</u>

13. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Employees Retirement System (PPERS) which is a single-employer pension plan; and the Firefighters' Pension Employees Retirement System (FPERS) which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained online at [www.imrf.org](http://www.imrf.org).

The table below is a summary for all pension plans as of and for the year ended December 31, 2020:

	IMRF	PPERS	FPERS	Total
Net pension liability (NPL)	\$ 4,897,837	\$ 49,917,773	\$ 50,233,417	\$ 105,049,027
Deferred outflows of resources	3,390,341	6,619,394	3,985,007	13,994,742
Deferred inflows of resources	3,359,366	11,174,025	6,634,388	21,167,779
Pension Expense for the year	1,680,478	3,023,535	4,249,514	8,953,527

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS

a. Illinois Municipal Retirement Fund (IMRF)

*Plan Administration*

All employees (other than those covered by PPERS or FPERS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At December 31, 2019 (latest information available), membership consisted of:

Inactive plan members currently receiving benefits	201
Inactive plan members entitled to but not yet receiving benefits	110
Active employees	135
	446

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3 % of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Illinois Municipal Retirement Fund (IMRF) (Continued)

*Contributions*

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution and required employer contribution for 2020 was 11.99% of covered payroll.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation using the following actuarial methods and assumptions as of the date of this report.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Asset valuation method	Market
Inflation	2.50%
Salary increases	3.35% - 14.25%
Interest rate	7.25%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 – 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Illinois Municipal Retirement Fund (IMRF) (Continued)

*Discount Rate*

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For this valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index"), and the resulting Single Discount Rate is 7.25%.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at beginning of the year	\$ 77,956,905	\$ 66,413,088	\$ 11,543,817
Changes for the period			
Service Cost	1,097,251	-	1,097,251
Interest	5,560,012	-	5,560,012
Difference between expected and actual experience	822,768	-	822,768
Changes in assumptions	-	-	-
Employer contributions	-	1,072,435	(1,072,435)
Employee contributions	-	493,955	(493,955)
Net investment income	-	12,298,754	(12,298,754)
Benefit payments and refunds	(3,631,408)	(3,631,408)	-
Administrative expenses	-	-	-
Other (net transfer)	-	260,867	(260,867)
Net changes	3,848,623	10,494,603	(6,645,980)
Balances at end of the year	\$ 81,805,528	\$ 76,907,691	\$ 4,897,837

The governmental activities portion of the net pension liability is generally liquidated by the General Fund.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Illinois Municipal Retirement Fund (IMRF) (Continued)

*Changes in the Net Pension Liability (Continued)*

The tax-exempt municipal bond rate was changed from 3.71% to 2.75% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 15,391,337	\$ 4,897,837	\$ (3,750,314)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year, the Village recognized IMRF pension expense of \$1,680,478. At the date of this report, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,103,405	\$ -
Changes in assumptions	922,468	356,353
Net difference between projected and actual earnings on pension plan investments	-	3,003,013
Employer contributions after the measurement date	1,346,507	-
Total	<u>\$ 3,372,380</u>	<u>\$ 3,359,366</u>

The \$1,346,507 reported as deferred outflows of resources related to pensions resulting from Village contributions after the measurement date will be recognized as a reduction of the net pension liability in the following year.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Illinois Municipal Retirement Fund (IMRF) (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

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

Year Ending December 31	
2021	\$ 103,423
2022	(260,052)
2023	332,978
2024	(1,509,842)
2025	-
Thereafter	-
Total	<u>\$ (1,333,493)</u>

b. Police Pension Employees Retirement System (PPERS)

*Plan Administration*

Police sworn personnel are covered by PPERS. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the PPERS as a pension trust fund.

PPERS is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Plan Membership*

At the date of this report, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	84
Inactive plan members entitled to but not yet receiving benefits	8
Active employees	<u>106</u>
	<u>198</u>
Number of participating employers	<u>1</u>

*Benefits Provided*

PPERS provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to PPERS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the Village has elected to calculate its annual contribution using the entry age normal level percentage of payroll actuarial cost method that will result in the funding of 100% of the past service cost by the year 2040. For the year, the Village's contribution was 47.82% of covered payroll.

*Investment Policy*

ILCS limit the PPERS' investments to those allowable by ILCS and require PPERS' Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. PPERS' investment policy authorizes deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. PPERS may also invest in certain non-U.S. obligations, Illinois municipal corporation tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity securities, and real estate investment trusts. During the year, there were no changes to the investment policy approved by the Board of Trustees.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Investment Policy (Continued)*

PPERS' investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.0%	0.9%
US Large cap	44.7%	6.9%
US Mid cap	6.1%	7.6%
US Small cap	1.9%	7.3%
International	8.2%	6.2%
Emerging and Frontier	3.6%	8.7%
Fixed income	32.0%	1.8%
REITs	1.5%	6.2%

ILCS limit PPERS' investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on PPERS' investments was determined using an asset allocation study conducted by PPERS' investment management consultant at year-end, in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in PPERS' target asset allocation as of the date of this report are listed in the table above.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market process at December 31 for debt securities, equity securities, mutual funds and contract values for insurance contracts. The Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that reports investments at amortized cost in accordance with GASB Statement 79.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of PPERS' investments.

*Investment Rate of Return*

For the year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, PPERS' deposits may not be returned to it. PPERS' investment policy does not require collateralization; however, all deposits at the date of this report are covered by Federal Depository Insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of PPERS' debt securities as of the date of this report:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Treasury obligations	\$ 7,643,661	\$ 584,456	\$ 1,273,253	\$ 2,050,637	\$ 3,735,315
U.S. Agency obligations	2,500,120	1,814,961	112,958	321,905	250,296
Corporate bonds	20,062,248	272,336	7,270,501	11,173,812	1,345,599
Certificates of deposit	273,110	-	273,110	-	-
Total	\$ 30,479,139	\$ 2,671,753	\$ 8,929,822	\$ 13,546,354	\$ 5,331,210

In accordance with its investment policy, PPERS limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Interest Rate Risk (Continued)*

PPERS has the following recurring fair value measurements as of the date of this report. The U.S. Treasury obligations, equity securities and money market mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds, and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

*Credit Risk*

PPERS limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment grade corporate bonds held at year-end are rated at or above Baa3 by Moody's. However, the certificates of deposit are not rated.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, PPERS will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, PPERS' investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*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 member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, PPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on PPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at beginning of the year	<u>\$ 144,424,662</u>	\$ 88,811,795	\$ 55,612,867
Changes for the period			
Service Cost	2,385,236	-	2,385,236
Interest	10,250,927	-	10,250,927
Difference between expected and actual experience	(599,585)	-	(599,585)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,364,713	(5,364,713)
Employee contributions	-	1,188,697	(1,188,697)
Net investment income	-	11,192,237	(11,192,237)
Benefit payments and refunds	(6,276,335)	(6,276,335)	-
Administrative expenses	-	(13,975)	13,975
Net changes	<u>5,760,243</u>	<u>11,455,337</u>	<u>(5,695,094)</u>
Balances at end of the year	<u>\$ 150,184,905</u>	<u>\$ 100,267,132</u>	<u>\$ 49,917,773</u>

The governmental activities portion of the net pension liability is generally liquidated by the General Fund.

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.74% to 2.12% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation using the following actuarial methods and assumptions as of the date of this report. Unless otherwise noted, the same actuarial assumptions are used for Tier 1 and Tier 2.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Economic assumptions	
Discount rate used for the Total Pension Liability	7.25%
Expected rate of return on investments	7.25%
High-Quality 20 Year tax exempt GO Bond Rate	2.12%
Projected individual pay increases	3.75% - 15.35%
Projected total payroll increases	3.25%
Consumer price index (Urban)	2.25%
Inflation rate	2.25%
Asset valuation method	Market

Demographic assumptions

Mortality rates

Active Mortality - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active Member deaths are assumed to be in the line of duty.

Retiree Mortality - follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Disabled Mortality - follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for Disabled Participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Spouse Mortality - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for Contingent Survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Actuarial Assumptions (Continued)*

Demographic assumptions (Continued)

Retirement rates – 150% of L&A 2020 Illinois Police Retirement Rates Capped at Age 65

Termination rates – 100% of L&A 2020 Illinois Police Termination Rates

Disability Rates – 100% of L&A 2020 Illinois Police Disability Rates

Marital assumptions

Active members – 80%

Retiree and disabled members – Based on actual spouse data

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25%, as well as, what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 73,606,463	\$ 49,917,773	\$ 30,910,237

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Police Pension Employees Retirement System (PPERS) (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year, the Village recognized PPERS pension expense of \$3,023,535 and reported deferred outflows of resources and deferred inflows of resources related to PPERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,099,710	\$ 3,774,244
Changes in assumptions	3,519,684	708,860
Net difference between projected and actual earnings on pension plan investments	-	<u>6,690,921</u>
Total	<u>\$ 6,619,394</u>	<u>\$ 11,174,025</u>

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

Year Ending December 31	
2021	\$ (2,001,756)
2022	(1,072,421)
2023	(2,758,126)
2024	(197,769)
2025	934,576
Thereafter	<u>540,865</u>
Total	<u>\$ (4,554,631)</u>

c. Firefighters' Pension Employees Retirement System (FPERS)

*Plan Administration*

Fire sworn personnel are covered by FPERS. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for FPERS as a pension trust fund.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Plan Administration (Continued)*

FPERS is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Village's Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

*Plan Membership*

At the date of this report, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	79
Inactive plan members entitled to but not yet receiving benefits	3
Active employees	89
	<hr/>
	171

Number of participating employers	1
	<hr/>

*Benefits Provided*

FPERS provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.455% of their base salary to FPERS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the Village has elected to calculate its annual contribution using the entry age normal level percentage of payroll actuarial cost method that will result in the funding of 100% of the past service cost by the year 2040. For the year, the Village's contribution was 52.09% of covered payroll.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Investment Policy*

ILCS limit FPERS' investments to those allowable by ILCS and require FPERS' Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. FPERS' investment policy authorizes deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S.

Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. FPERS may also invest in certain non-U.S. obligations, Illinois municipal corporation tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity securities, and real estate investment trusts. During the year, there were no changes to the investment policy approved by the Board of Trustees.

FPERS' investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Emerging markets equity	4.0%	9.7%
World equity ex-US	21.0%	9.3%
US Small/Mid Cap equity index	7.0%	8.0%
High yield bond	4.0%	7.8%
Emerging markets debt	4.0%	8.8%
S&P 500 index	20.0%	8.0%
Limited duration fixed income	34.0%	5.7%
Dynamic asset allocation	5.0%	10.3%
Cash	1.0%	0.6%

ILCS limit FPERS' investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Investment Policy (Continued)*

The long-term expected rate of return on FPERS' investments was determined using an asset allocation study conducted by FPERS' investment management consultant at year end, in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in FPERS' target asset allocation as of the date of this report are listed in the previous table.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market process at December 31 for debt securities, equity securities, mutual funds and contract values for insurance contracts. The Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that reports investments at amortized cost in accordance with GASB Statement 79.

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of FPERS' investments.

*Investment Rate of Return*

For the year, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, FPERS' deposits may not be returned to it. FPERS' investment policy does not require collateralization; however, all deposits at the date of this report are covered by Federal Depository Insurance.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of FPERS' debt securities as of the date of this report:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less		Greater	
		Than 1	1 - 5	6 - 10	Than 10
U.S. Treasury obligations	\$ 19,130,343	\$ 338,123	\$ 11,882,492	\$ 6,909,728	\$ -
U.S. Agency obligations	723,617	-	424,647	298,970	-
Corporate bonds	12,005,390	2,534,158	6,981,024	2,214,272	275,936
Total	<u>\$ 31,859,350</u>	<u>\$ 2,872,281</u>	<u>\$ 19,288,163</u>	<u>\$ 9,422,970</u>	<u>\$ 275,936</u>

In accordance with its investment policy, FPERS limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

FPERS has the following recurring fair value measurements as of year-end. The U.S. Treasury obligations, equity securities, and money market mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

*Credit Risk*

FPERS limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment grade corporate bonds at year-end are rated at or above Baa3 by Moody's.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, FPERS will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, FPERS' investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*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 member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate. Based on those assumptions, FPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on FPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at beginning of the year	<u>\$ 136,771,529</u>	<u>\$ 81,667,488</u>	<u>\$ 55,104,041</u>
Changes for the period			
Service Cost	2,337,486	-	2,337,486
Interest	9,733,994	-	9,733,994
Difference between expected and actual experience	1,065,786	-	1,065,786
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,608,868	(5,608,868)
Employee contributions	-	962,993	(962,993)
Net investment income	-	11,448,837	(11,448,837)
Benefit payments and refunds	(5,899,592)	(5,899,592)	-
Administrative expenses	-	(12,808)	12,808
Net changes	<u>7,237,674</u>	<u>12,108,298</u>	<u>(4,870,624)</u>
Balances at end of the year	<u>\$ 144,009,203</u>	<u>\$ 93,775,786</u>	<u>\$ 50,233,417</u>

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Changes in the Net Pension Liability (Continued)*

The governmental activities portion of the net pension liability is generally liquidated by the General Fund.

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.74% to 2.12% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation using the following actuarial methods and assumptions as of the date of this report. Unless otherwise noted, the same actuarial assumptions are used for Tier 1 and Tier 2.

Actuarial valuation date	December 31, 2020
Actuarial cost method	Entry-age normal
Economic assumptions	
Discount rate used for the Total Pension Liability	7.25%
Expected rate of return on investments	7.25%
High-Quality 20 Year tax exempt GO Bond Rate	2.12%
Projected individual pay increases	3.75% - 36.05%
Projected total payroll increases	3.25%
Consumer price index (Urban)	2.25%
Inflation rate	2.25%
Asset valuation method	Market

Demographic assumptions

Mortality rates

Active Mortality - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active Member deaths are assumed to be in the line of duty.

Retiree Mortality - follows the L&A Assumption Study for Firefighters 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Actuarial Assumptions (Continued)*

Demographic assumptions (Continued)

Mortality rates (Continued)

Disabled Mortality - follows the L&A Assumption Study for Firefighters 2020. The rates are experience weighted with Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.

Spouse Mortality - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for Contingent Survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

Retirement rates – 100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at Age 65

Termination rates – 100% of L&A 2020 Illinois Firefighters Termination Rates

Disability Rates – 100% of L&A 2020 Illinois Firefighters Disability Rates

Marital assumptions

Active members – 80%

Retiree and disabled members – Based on actual spouse data

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25%, as well as, what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 71,512,011	\$ 50,233,417	\$ 32,923,523

VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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13. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year, the Village recognized FPERS pension expense of \$4,249,514 and reported deferred outflows of resources and deferred inflows of resources related to FPERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,725,059	\$ 886,522
Changes in assumptions	1,259,948	7,045
Net difference between projected and actual earnings on pension plan investments	-	5,740,821
<b>Total</b>	<b>\$ 3,985,007</b>	<b>\$ 6,634,388</b>

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

Year Ending December 31	
2021	\$ (933,677)
2022	(39,933)
2023	(1,975,465)
2024	(646,465)
2025	527,991
Thereafter	418,168
<b>Total</b>	<b>\$ (2,649,381)</b>

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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14. PENSION TRUST FUNDS

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,054,210	\$ 1,317,252	\$ 2,371,462
Investments			
U.S. Treasury securities	7,643,661	19,130,343	26,774,004
U.S. agency securities	2,500,120	723,617	3,223,737
Corporate and international bonds	20,062,248	12,005,390	32,067,638
Certificates of deposit	273,110	-	273,110
Money market mutual funds	399,580	55,010	454,590
Equities	68,165,048	60,373,856	128,538,904
Receivables			
Accrued interest	189,009	184,019	373,028
Due from general fund	21,730	22,839	44,569
 Total assets	 100,308,716	 93,812,326	 194,121,042
<b>LIABILITIES</b>			
Unearned revenue	41,584	36,540	78,124
 Total liabilities	 41,584	 36,540	 78,124
<b>NET POSITION</b>			
Restricted for pensions	\$ 100,267,132	\$ 93,775,786	\$ 194,042,918

VILLAGE OF PALATINE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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14. PENSION TRUST FUNDS (Continued)

b. Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,364,713	\$ 5,608,868	\$ 10,973,581
Employee	1,188,697	962,993	2,151,690
 Total contributions	 6,553,410	 6,571,861	 13,125,271
Investment earnings			
Net increase in the fair value of investments	9,348,437	9,921,958	19,270,395
Interest	2,130,576	1,703,708	3,834,284
 Total investment earnings	 11,479,013	 11,625,666	 23,104,679
Less investment expense	(286,776)	(176,829)	(463,605)
 Net investment earnings	 11,192,237	 11,448,837	 22,641,074
 Total additions	 17,745,647	 18,020,698	 35,766,345
<b>DEDUCTIONS</b>			
Administration	13,975	12,808	26,783
Benefits and refunds			
Retirement benefits	5,909,094	5,867,974	11,777,068
Refunds of contributions	367,241	31,618	398,859
 Total deductions	 6,290,310	 5,912,400	 12,202,710
 CHANGE IN NET POSITION	 11,455,337	 12,108,298	 23,563,635
<b>NET POSITION</b>			
January 1	88,811,795	81,667,488	170,479,283
 December 31	 \$ 100,267,132	 \$ 93,775,786	 \$ 194,042,918

## **Required Supplementary Information**



VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 29,076,944	\$ 29,076,944	\$ 27,921,769
Licenses and permits	3,384,000	3,384,000	3,148,869
Intergovernmental	21,349,390	21,931,970	22,111,733
Charges for services	4,533,565	4,533,565	3,645,993
Fines and forfeits	1,942,500	1,942,500	1,196,453
Investment income	145,855	145,855	289,279
Miscellaneous	430,000	431,750	487,681
 Total revenues	 60,862,254	 61,446,584	 58,801,777
<b>EXPENDITURES</b>			
General government	5,945,076	5,440,421	4,915,571
Public safety	48,019,350	47,639,428	46,692,238
Public works	6,858,810	6,487,798	6,219,908
 Total expenditures	 60,823,236	 59,567,647	 57,827,717
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>39,018</b>	<b>1,878,937</b>	<b>974,060</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	930,980	930,980
 Total other financing sources (uses)	 -	 930,980	 930,980
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 39,018</b>	<b>\$ 2,809,917</b>	<b>1,905,040</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>24,316,491</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 26,221,531</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DOWNTOWN TIF FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Incremental property taxes	\$ 6,322,300	\$ 6,322,300	\$ 7,363,169
Investment income	11,360	11,360	39,225
<b>Total revenues</b>	<b>6,333,660</b>	<b>6,333,660</b>	<b>7,402,394</b>
<b>EXPENDITURES</b>			
Economic development			
Supplies and services	10,000	10,000	5,252
Capital outlay			
Buildings and facilities	465,000	387,019	375,744
Rights of way improvements	200,000	205,980	89,726
Street improvements	1,190,000	1,199,954	1,199,154
Water system improvements	175,000	226,274	226,273
Debt service			
Principal retirement	4,157,000	4,155,770	3,125,463
Interest	319,930	319,930	319,928
Fiscal charges	3,000	3,000	2,250
<b>Total expenditures</b>	<b>6,519,930</b>	<b>6,507,927</b>	<b>5,343,790</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (186,270)</b>	<b>\$ (174,267)</b>	<b>2,058,604</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>5,311,268</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 7,369,872</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RAND ROAD CORRIDOR TIF FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Incremental property taxes	\$ 3,142,300	\$ 3,142,300	\$ 3,509,000
Investment income	1,500	1,500	74,034
 Total revenues	 3,143,800	 3,143,800	 3,583,034
 <b>EXPENDITURES</b>			
Economic development			
Supplies and services	10,000	10,000	-
Project expenditures	750,000	750,000	500,000
Surplus distribution	2,250,000	2,250,000	2,250,000
Capital outlay			
Rights of way improvements	75,000	126,317	125,948
Sewer system improvements	-	2,025,000	1,988,351
Debt service			
Principal retirement	1,305,000	1,305,000	1,305,000
Interest	256,265	256,265	256,263
Fiscal charges	1,500	1,500	1,225
 Total expenditures	 4,647,765	 6,724,082	 6,426,787
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ (1,503,965)	 \$ (3,580,282)	 \$ (2,843,753)
 <b>FUND BALANCE, JANUARY 1</b>			 9,762,044
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 6,918,291

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years  
(schedule to be built prospectively)

Calendar Year	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,280,673	\$ 1,326,808	\$ 1,357,502	\$ 1,268,896
Actual Contribution	1,299,693	1,326,807	1,359,414	1,286,486
Contribution Deficiency/(Excess)	(19,020)	1	(1,912)	(17,590)
Covered Valuation Payroll	10,139,928	10,563,758	10,630,398	10,452,192
Actual Contribution as a Percentage of Covered Valuation Payroll	12.82%	12.56%	12.79%	12.31%

Notes to the required supplementary information:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Aggregate entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24-year closed period until remaining period reaches 15 years
Asset valuation method	5 Year smoothed market; 20% corridor
Inflation	3.25%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Unless otherwise noted, the same actuarial assumptions are used for Tier 1 and Tier 2.*

(See independent auditor's report.)

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2018	2019	2020
\$ 1,236,724	\$ 1,072,436	\$ 1,346,507
1,236,724	1,072,435	1,346,507
-	1	-
10,772,855	10,976,825	11,230,534
11.48%	9.77%	11.99%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

Calendar Year	2011	2012	2013	2014
Actuarially Determined Contribution	\$ 2,971,158	\$ 2,775,424	\$ 2,996,776	\$ 2,948,599
Actual Contribution	3,489,556	3,016,992	2,969,877	2,951,135
Contribution Deficiency/(Excess)	(518,398)	(241,568)	26,899	(2,536)
Covered Valuation Payroll	9,332,860	9,920,463	9,749,554	9,823,321
Actual Contribution as a Percentage of Covered Valuation Payroll	37.39%	30.41%	30.46%	30.04%

Notes to the required supplementary information for the 2020 contributions:

Valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 22 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.25%
Individual pay increases	4.00% - 15.60%
Investment rate of return	7.25%
Mortality rates	RP-2014 Adjusted for Plan Status, Collar & Illinois Public Pension Data, as Appropriate
Retirement rates	100% of the L&A Assumption Study Cap Age 65 for Police 2016.
Termination rates	100% of the L&A Assumption Study for Police 2016.
Disability rates	100% of the L&A Assumption Study for Police 2016.

*Unless otherwise noted, the same actuarial assumptions are used for Tier 1 and Tier 2.*

*The 2017 Actuarially Determined Contribution reflects an update to the mortality tables.*

*The 2018 Actuarially Determined Contribution reflects a change in actuarys and a change in the discount rate.*

(See independent auditor's report.)

	2015	2016	2017	2018	2019	2020
\$	3,038,973	\$ 3,441,579	\$ 4,075,790	\$ 4,307,574	\$ 4,397,183	\$ 4,700,943
	3,371,172	3,538,272	4,043,020	4,322,198	4,771,486	5,364,713
	(332,199)	(96,693)	32,770	(14,624)	(374,303)	(663,770)
	10,117,378	10,074,104	10,205,207	10,358,270	10,997,170	10,871,318
	33.32%	35.12%	39.62%	41.73%	43.39%	49.35%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

Calendar Year	2011	2012	2013	2014
Actuarially Determined Contribution	\$ 2,268,637	\$ 2,698,315	\$ 2,978,383	\$ 3,091,300
Actual Contribution	2,645,961	2,876,372	2,958,027	3,098,007
Contribution Deficiency/(Excess)	(377,324)	(178,057)	20,356	(6,707)
Covered Valuation Payroll	7,329,752	7,723,119	7,812,502	8,000,869
Actual Contribution as a Percentage of Covered Valuation Payroll	36.10%	37.24%	37.86%	38.72%

Notes to the required supplementary information for the 2020 contributions:

Valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 22 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.25%
Individual pay increases	4.00% - 36.32%
Investment rate of return	7.25%
Mortality rates	RP-2014 Adjusted for Plan Status, Collar & Illinois Public Pension Data, as Appropriate
Retirement rates	100% of the L&A Assumption Study Cap Age 65 for Firefighters 2016.
Termination rates	100% of the L&A Assumption Study for Firefighters 2016.
Disability rates	100% of the L&A Assumption Study for Firefighters 2016.

*Unless otherwise noted, the same actuarial assumptions are used for Tier 1 and Tier 2.*

*The 2017 Actuarially Determined Contribution reflects an update to the mortality tables.*

*The 2018 Actuarially Determined Contribution reflects a change in actuarys and a change in the discount rate.*

(See independent auditor's report.)

	2015	2016	2017	2018	2019	2020
\$	3,238,069	\$ 3,254,943	\$ 3,911,411	\$ 4,596,932	\$ 4,654,347	\$ 4,935,330
	3,620,989	3,660,137	4,629,680	4,675,335	5,205,407	5,608,868
	(382,920)	(405,194)	(718,269)	(78,403)	(551,060)	(673,538)
	8,408,325	8,746,556	8,905,763	9,137,439	9,877,339	9,508,556
	43.06%	41.85%	51.99%	51.17%	52.70%	58.99%

(See independent auditor's report.)

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VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POST EMPLOYMENT BENEFIT PLAN

Last Ten Fiscal Years  
(schedule to be built prospectively)

Calendar Year	2018	2019	2020
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 719,981	\$ 657,670	\$ 819,775
Interest	438,629	510,011	414,399
Differences between expected and actual experience	-	-	(3,326,163)
Changes of assumptions	(856,449)	2,088,140	890,690
Benefit payments, including refunds of member contributions	(573,712)	(639,070)	(501,543)
Net change in total OPEB liability	(271,551)	2,616,751	(1,702,842)
Total OPEB liability			
Beginning	13,029,621	12,758,070	15,374,821
Ending	\$ 12,758,070	\$ 15,374,821	\$ 13,671,979
Covered payroll	\$ 29,467,061	\$ 30,295,781	\$ 31,204,654
Employer's net OPEB liability as a percentage of covered payroll	43.30%	50.75%	43.81%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years  
(schedule to be built prospectively)

Valuation/Measurement Date	2014	2015	2016	2017
Calendar Year	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 1,215,353	\$ 1,135,095	\$ 1,157,484	\$ 1,134,861
Interest	4,415,607	4,821,993	5,043,039	5,178,562
Differences between expected and actual experience	216,592	(422,884)	(1,422,863)	922,845
Changes of assumptions	2,026,659	172,219	(262,779)	(2,317,207)
Benefit payments, including refunds of member contributions	(2,187,292)	(2,472,221)	(2,700,058)	(3,233,210)
Net change in total pension liability	5,686,919	3,234,202	1,814,823	1,685,851
Total pension liability				
Beginning	<u>59,360,728</u>	<u>65,047,647</u>	<u>68,281,849</u>	<u>70,096,672</u>
Ending	<u>\$ 65,047,647</u>	<u>\$ 68,281,849</u>	<u>\$ 70,096,672</u>	<u>\$ 71,782,523</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 1,299,693	\$ 1,326,807	\$ 1,359,414	\$ 1,286,486
Contributions - member	528,559	486,317	479,022	475,499
Miscellaneous income	221,384	(579,310)	214,489	(1,090,449)
Net investment income	3,425,146	296,437	4,059,760	10,497,805
Benefit payments, including refunds of member contributions	(2,187,292)	(2,472,221)	(2,700,058)	(3,233,210)
Administrative expense	-	-	-	-
Net change in total pension liability	3,287,490	(941,970)	3,412,627	7,936,131
Plan net position				
Beginning	<u>56,329,449</u>	<u>59,616,939</u>	<u>58,674,969</u>	<u>62,087,596</u>
Ending	<u>\$ 59,616,939</u>	<u>\$ 58,674,969</u>	<u>\$ 62,087,596</u>	<u>\$ 70,023,727</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 5,430,708</b>	<b>\$ 9,606,880</b>	<b>\$ 8,009,076</b>	<b>\$ 1,758,796</b>
Plan fiduciary net position as a percentage of the total pension liability	91.65%	85.93%	88.57%	97.55%
Covered payroll	\$ 10,139,928	\$ 10,563,758	\$ 10,630,398	\$ 10,452,192
Employer's net pension liability as a percentage of covered payroll	53.56%	90.94%	75.34%	16.83%

(See independent auditor's report.)

2018	2019
2019	2020

\$ 1,024,994	\$ 1,097,251
5,298,581	5,560,012
939,544	822,768
2,205,814	-
<u>(3,294,551)</u>	<u>(3,631,408)</u>
6,174,382	3,848,623
<u>71,782,523</u>	<u>77,956,905</u>
<u>\$ 77,956,905</u>	<u>\$ 81,805,528</u>

\$ 1,236,724	\$ 1,072,435
494,998	493,955
1,611,824	-
(3,659,634)	12,298,754
<u>(3,294,551)</u>	<u>(3,631,408)</u>
<u>-</u>	<u>260,867</u>
<u>(3,610,639)</u>	<u>10,494,603</u>
<u>70,023,727</u>	<u>66,413,088</u>
<u>\$ 66,413,088</u>	<u>\$ 76,907,691</u>
<u>\$ 11,543,817</u>	<u>\$ 4,897,837</u>

85.19%	94.01%
\$ 10,772,855	\$ 10,976,825

107.16%	44.62%
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(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Ten Fiscal Years  
(schedule to be built prospectively)

Calendar Year	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 2,128,244	\$ 2,015,249	\$ 2,107,038	\$ 2,135,476
Interest	6,641,984	7,633,547	8,334,207	8,262,326
Changes to benefit terms	-	-	-	-
Differences between expected and actual experience	2,900,261	550,745	(4,910,367)	1,524,716
Changes of assumptions	5,140,944	7,001,248	(2,119,085)	(4,940)
Benefit payments, including refunds of member contributions	(3,315,139)	(3,866,026)	(4,187,653)	(4,618,864)
Net change in total pension liability	13,496,294	13,334,763	(775,860)	7,298,714
Total pension liability				
Beginning	90,217,352	103,713,646	117,048,409	116,272,549
Ending	<u>\$ 103,713,646</u>	<u>\$ 117,048,409</u>	<u>\$ 116,272,549</u>	<u>\$ 123,571,263</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 2,951,135	\$ 3,371,172	\$ 3,538,272	\$ 4,043,020
Contributions - member	1,356,475	1,034,219	1,055,702	1,048,695
Contributions - other	243	268	1,122	-
Net investment income	4,286,605	(209,305)	4,490,541	9,547,991
Benefit payments, including refunds of member contributions	(3,315,139)	(3,866,026)	(4,187,653)	(4,618,864)
Administrative expense	(34,045)	(35,714)	(49,552)	(23,802)
Net change in total pension liability	5,245,274	294,614	4,848,432	9,997,040
Plan net position				
Beginning	56,991,085	62,236,359	62,530,973	67,379,405
Ending	<u>\$ 62,236,359</u>	<u>\$ 62,530,973</u>	<u>\$ 67,379,405</u>	<u>\$ 77,376,445</u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u><b>\$ 41,477,287</b></u>	<u><b>\$ 54,517,436</b></u>	<u><b>\$ 48,893,144</b></u>	<u><b>\$ 46,194,818</b></u>
Plan fiduciary net position as a percentage of the total pension liability	60.01%	53.42%	57.95%	62.62%
Covered payroll	\$ 10,074,104	\$ 10,205,207	\$ 10,358,270	\$ 10,849,076
Employer's net pension liability as a percentage of covered payroll	411.72%	534.21%	472.02%	425.79%

(See independent auditor's report.)

2018	2019	2020
\$ 2,290,298	\$ 2,233,157	\$ 2,385,236
8,777,152	9,322,558	10,250,927
-	624,567	-
1,720,631	1,682,132	(599,585)
-	4,733,370	-
<u>(5,014,198)</u>	<u>(5,516,268)</u>	<u>(6,276,335)</u>
7,773,883	13,079,516	5,760,243
<u>123,571,263</u>	<u>131,345,146</u>	<u>144,424,662</u>
<u>\$ 131,345,146</u>	<u>\$ 144,424,662</u>	<u>\$ 150,184,905</u>
 \$ 4,322,198	\$ 4,771,486	\$ 5,364,713
1,077,694	1,145,375	1,188,697
90,663	-	-
(5,144,043)	15,742,283	11,192,237
<u>(5,014,198)</u>	<u>(5,516,268)</u>	<u>(6,276,335)</u>
<u>(23,340)</u>	<u>(16,500)</u>	<u>(13,975)</u>
(4,691,026)	16,126,376	11,455,337
<u>77,376,445</u>	<u>72,685,419</u>	<u>88,811,795</u>
<u>\$ 72,685,419</u>	<u>\$ 88,811,795</u>	<u>\$ 100,267,132</u>
<u>\$ 58,659,727</u>	<u>\$ 55,612,867</u>	<u>\$ 49,917,773</u>

55.34% 61.49% 66.76%

\$ 10,871,318 \$ 10,997,170 \$ 11,218,955

539.58% 505.70% 444.94%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years  
(schedule to be built prospectively)

Calendar Year	2014	2015	2016	2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 2,175,704	\$ 1,980,545	\$ 2,045,539	\$ 2,027,295
Interest	6,540,584	7,087,978	7,740,742	8,210,890
Changes to benefit terms	-	-	-	-
Differences between expected and actual experience	(62,429)	4,554	1,035,715	418,362
Changes of assumptions	2,775,760	7,553,761	328,856	-
Benefit payments, including refunds of member contributions	(4,046,416)	(4,215,646)	(4,513,084)	(4,818,995)
Net change in total pension liability	7,383,203	12,411,192	6,637,768	5,837,552
Total pension liability	89,230,996	96,614,199	109,025,391	115,663,159
Beginning	\$ 96,614,199	\$ 109,025,391	\$ 115,663,159	\$ 121,500,711
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 3,098,007	\$ 3,620,989	\$ 3,660,137	\$ 4,629,680
Contributions - member	836,025	857,036	899,896	886,245
Contributions - other	-	51	215	-
Net investment income	2,470,732	(1,071,694)	4,226,592	9,065,572
Benefit payments, including refunds of member contributions	(4,046,416)	(4,215,646)	(4,513,084)	(4,818,995)
Administrative expense	(22,954)	(13,428)	(14,396)	(11,665)
Net change in total pension liability	2,335,394	(822,692)	4,259,360	9,750,837
Plan net position	57,290,017	59,625,411	58,802,719	63,062,079
Beginning	\$ 59,625,411	\$ 58,802,719	\$ 63,062,079	\$ 72,812,916
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 36,988,788</b>	<b>\$ 50,222,672</b>	<b>\$ 52,601,080</b>	<b>\$ 48,687,795</b>
Plan fiduciary net position as a percentage of the total pension liability	61.71%	53.93%	54.52%	59.93%
Covered payroll	\$ 8,744,586	\$ 8,905,763	\$ 9,137,439	\$ 9,245,367
Employer's net pension liability as a percentage of covered payroll	422.99%	563.93%	575.67%	526.62%

(See independent auditor's report.)

2018	2019	2020
\$ 2,174,274	\$ 2,182,763	\$ 2,337,486
8,621,323	9,085,806	9,733,994
-	704,741	-
994,849	745,112	1,065,786
(11,224)	1,518,292	-
<u>(5,171,821)</u>	<u>(5,573,297)</u>	<u>(5,899,592)</u>
6,607,401	8,663,417	7,237,674
<u>121,500,711</u>	<u>128,108,112</u>	<u>136,771,529</u>
<u>\$ 128,108,112</u>	<u>\$ 136,771,529</u>	<u>\$ 144,009,203</u>
\$ 4,675,335	\$ 5,205,407	\$ 5,608,868
905,175	940,243	962,993
74,767	-	-
(4,380,191)	12,209,428	11,448,837
<u>(5,171,822)</u>	<u>(5,573,297)</u>	<u>(5,899,592)</u>
<u>(12,405)</u>	<u>(18,068)</u>	<u>(12,808)</u>
(3,909,141)	12,763,713	12,108,298
<u>72,812,916</u>	<u>68,903,775</u>	<u>81,667,488</u>
<u>\$ 68,903,775</u>	<u>\$ 81,667,488</u>	<u>\$ 93,775,786</u>
<u>\$ 59,204,337</u>	<u>\$ 55,104,041</u>	<u>\$ 50,233,417</u>

53.79% 59.71% 65.12%

\$ 9,508,556 \$ 9,877,339 \$ 10,768,480

622.64% 557.88% 466.49%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years  
(schedule to be built prospectively)

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Annual money-weighted rate of return, net of investment expense.

Calendar Year	Police Pension Fund	Firefighters' Pension Fund
2014	7.45%	4.50%
2015	-0.37%	-1.82%
2016	7.19%	7.30%
2017	14.06%	14.50%
2018	-5.36%	-6.11%
2019	21.24%	17.95%
2020	13.56%	14.16%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

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STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budgetary Information

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service, and pension trust funds. Annual appropriated budgets are not adopted for the custodial funds. All annual appropriations lapse at fiscal year end.

Departments of the Village submit requests for appropriation to the Village's manager so that a budget may be prepared. The budget is prepared by fund, department and organization and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public review sessions in addition to the statutory public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The manager is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that increase the total expenditures of any fund. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

b. Expenditures/expenses did not exceed budget in any funds.

c. Changes In Actuarial Assumptions

OPEB

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.74% to 2.12% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. Additionally, the expected increases in medical costs assumption have been revised to better reflect the future anticipated experience of the system.

IMRF

The tax-exempt municipal bond rate was changed from 3.71% to 2.75% based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

PPERS and FPERS

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.74% to 2.12% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

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## **Combining and Individual Fund Financial Statements and Schedules**

### **Nonmajor Governmental Funds**



## VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental
<b>ASSETS</b>			
Cash and investments	\$ 5,329,961	\$ 10,397,500	\$ 15,727,461
Receivables (net, where applicable, of allowances for uncollectibles)			
Due from other governments	268,994	446,301	715,295
Other	-	75	75
Accrued interest	-	35,120	35,120
<b>TOTAL ASSETS</b>	<b>\$ 5,598,955</b>	<b>\$ 10,878,996</b>	<b>\$ 16,477,951</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 57,624	\$ 42,105	\$ 99,729
Accrued payroll	2,570	-	2,570
Due to other funds	26,833	-	26,833
Unearned revenue	-	11,844	11,844
<b>Total liabilities</b>	<b>87,027</b>	<b>53,949</b>	<b>140,976</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - Park District loan	-	20,000	20,000
<b>Total liabilities and deferred inflows of resources</b>	<b>87,027</b>	<b>73,949</b>	<b>160,976</b>
<b>FUND BALANCES</b>			
Restricted for streets and highways	1,444,338	-	1,444,338
Restricted for public safety	1,044,884	-	1,044,884
Restricted for economic development	3,022,706	-	3,022,706
Unrestricted			
Assigned for capital projects	-	10,805,047	10,805,047
<b>Total fund balances</b>	<b>5,511,928</b>	<b>10,805,047</b>	<b>16,316,975</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,598,955</b>	<b>\$ 10,878,996</b>	<b>\$ 16,477,951</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental
<b>REVENUES</b>			
Taxes	\$ 1,982,069	\$ 1,707,203	\$ 3,689,272
Intergovernmental	5,328,605	52,299	5,380,904
Charges for services	-	480,904	480,904
Fines and forfeits	5,764	-	5,764
Investment income	31,138	75,498	106,636
Miscellaneous	-	9,078	9,078
 Total revenues	 7,347,576	 2,324,982	 9,672,558
<b>EXPENDITURES</b>			
Current			
Public safety	460,372	-	460,372
Economic development	1,427,278	-	1,427,278
Capital outlay	4,478,635	3,073,887	7,552,522
 Total expenditures	 6,366,285	 3,073,887	 9,440,172
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>981,291</b>	<b>(748,905)</b>	<b>232,386</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	-	55,261	55,261
Transfers in	-	1,075,000	1,075,000
Transfers (out)	-	(930,980)	(930,980)
 Total other financing sources (uses)	 -	 199,281	 199,281
<b>NET CHANGE IN FUND BALANCES</b>	<b>981,291</b>	<b>(549,624)</b>	<b>431,667</b>
<b>FUND BALANCE, JANUARY 1</b>	<b>4,530,637</b>	<b>11,354,671</b>	<b>15,885,308</b>
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 5,511,928</b>	<b>\$ 10,805,047</b>	<b>\$ 16,316,975</b>

(See independent auditor's report.)

## **Nonmajor Special Revenue Funds**

**Motor Fuel Tax Fund** - to account for the expenditure of the Village's share of State Motor Fuel Tax Allotments. These expenditures must follow the guidelines issued by the Illinois Department of Transportation.

**Community Development Block Grant Fund** - to account for the expenditure of federal Community Development Block Grant funds. These expenditures must follow the guidelines of the Department of Housing and Urban Development.

**Federal Equitable Sharing Fund** - to account for the expenditure of the Village's share of federal asset seizure funds under programs from the Department of Justice and Department of the Treasury. These expenditures must follow the guidelines issued by these two Departments.

**State Equitable Sharing Fund** - to account for the expenditure of the Village's share of state asset seizure funds. These expenditures must follow the guidelines found in state statute.

**DUI Fines Fund** - to account for the expenditure of DUI funds. These expenditures must follow the guidelines found in state statute.

**Foreign Fire Tax Fund** - to account for the expenditure of Foreign Fire Insurance Taxes received by the State. These expenditures must follow the guidelines found in state statute and are administered locally by the Foreign Fire Tax Board.

**Dundee Road TIF Fund** - to account for the expenditure of tax increment financing funds generated within this TIF District. These expenditures must follow the guidelines found in state statute.

**Rand/Dundee TIF Fund** - to account for the expenditure of tax increment financing funds generated within this TIF District. These expenditures must follow the guidelines found in state statute.

**Rand/Lake Cook TIF Fund** - to account for the expenditure of tax increment financing funds generated within this TIF District. These expenditures must follow the guidelines found in state statute.

**Special Police Grant Fund** - to account for the expenditure of grant funds specifically designated for Police Department related purposes from a variety of granting agencies. These expenditures must follow the guidelines issued by the grantors.

**CRF Grant Fund** - to account for the expenditure of coronavirus relief (CARES Act) grant funds obtained through Cook County. These expenditures must follow the guidelines issued by the grantors.



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VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2020

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	DUI Fines
<b>ASSETS</b>					
Cash and investments	\$ 1,216,755	\$ -	\$ 435,356	\$ 287,390	\$ 98,137
Receivables					
Due from other governments	227,583	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,444,338</b>	<b>\$ -</b>	<b>\$ 435,356</b>	<b>\$ 287,390</b>	<b>\$ 98,137</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 17	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted for streets and highways	1,444,338	-	-	-	-
Restricted for public safety	-	-	435,339	287,390	98,137
Restricted for economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>1,444,338</b>	<b>-</b>	<b>435,339</b>	<b>287,390</b>	<b>98,137</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,444,338</b>	<b>\$ -</b>	<b>\$ 435,356</b>	<b>\$ 287,390</b>	<b>\$ 98,137</b>

(See independent auditor's report.)

Foreign Fire Tax	Dundee Road TIF	Rand/ Dundee TIF	Rand/ Lake Cook TIF	Special Police Grant	CRF Grant	Total
\$ 224,018	\$ 721,040	\$ 74,992	\$ 2,226,674	\$ -	\$ 45,599	\$ 5,329,961
-	-	-	-	29,411	12,000	268,994
<b>\$ 224,018</b>	<b>\$ 721,040</b>	<b>\$ 74,992</b>	<b>\$ 2,226,674</b>	<b>\$ 29,411</b>	<b>\$ 57,599</b>	<b>\$ 5,598,955</b>
\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 57,599	\$ 57,624
-	-	-	-	2,570	-	2,570
-	-	-	-	26,833	-	26,833
-	-	-	-	29,411	57,599	87,027
224,018	-	-	-	-	-	1,444,338
-	721,040	74,992	2,226,674	-	-	1,044,884
224,018	721,040	74,992	2,226,674	-	-	3,022,706
\$ 224,018	\$ 721,040	\$ 74,992	\$ 2,226,674	\$ -	\$ 57,599	\$ 5,598,955

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2020

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	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	DUI Fines
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,119,378	445,723	9,799	3,860	-
Fines and forfeits	-	-	-	-	5,764
Investment income	7,811	-	2,940	1,812	629
Miscellaneous	-	-	-	-	-
 Total revenues	 4,127,189	 445,723	 12,739	 5,672	 6,393
 <b>EXPENDITURES</b>					
Current					
Public safety	-	-	44,435	1,420	4,445
Economic development	-	166,948	-	-	-
Capital outlay	3,876,660	278,775	-	-	-
 Total expenditures	 3,876,660	 445,723	 44,435	 1,420	 4,445
 NET CHANGE IN FUND BALANCES	 250,529	 -	 (31,696)	 4,252	 1,948
 FUND BALANCES, JANUARY 1	 1,193,809	 -	 467,035	 283,138	 96,189
 FUND BALANCES, DECEMBER 31	 \$ 1,444,338	 \$ -	 \$ 435,339	 \$ 287,390	 \$ 98,137

(See independent auditor's report.)

Foreign Fire Tax	Dundee Road TIF	Rand/ Dundee TIF	Rand/ Lake Cook TIF	Special Police Grant	CRF Grant	Total
\$ -	\$ -	\$ 351,459	\$ 1,630,610	\$ -	\$ -	\$ 1,982,069
100,319	-	-	-	90,765	558,761	5,328,605
-	-	-	-	-	-	5,764
118	4,748	7,101	5,895	-	84	31,138
-	-	-	-	-	-	-
<b>100,437</b>	<b>4,748</b>	<b>358,560</b>	<b>1,636,505</b>	<b>90,765</b>	<b>558,845</b>	<b>7,347,576</b>
<hr/>						
66,660	-	-	-	90,765	252,647	460,372
-	-	1,089,000	171,330	-	-	1,427,278
-	-	-	17,002	-	306,198	4,478,635
<b>66,660</b>	<b>-</b>	<b>1,089,000</b>	<b>188,332</b>	<b>90,765</b>	<b>558,845</b>	<b>6,366,285</b>
33,777	4,748	(730,440)	1,448,173	-	-	981,291
<b>190,241</b>	<b>716,292</b>	<b>805,432</b>	<b>778,501</b>	<b>-</b>	<b>-</b>	<b>4,530,637</b>
<b>\$ 224,018</b>	<b>\$ 721,040</b>	<b>\$ 74,992</b>	<b>\$ 2,226,674</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,511,928</b>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotment	\$ 2,962,000	\$ 2,962,000	\$ 2,613,319
Grants	-	1,506,059	1,506,059
Investment income	750	750	7,811
 Total revenues	 2,962,750	 4,468,809	 4,127,189
 <b>EXPENDITURES</b>			
Capital outlay			
Street improvements	3,174,495	3,900,608	3,876,660
 Total expenditures	 3,174,495	 3,900,608	 3,876,660
 NET CHANGE IN FUND BALANCE	 \$ (211,745)	 \$ 568,201	 250,529
 FUND BALANCE, JANUARY 1			 1,193,809
 FUND BALANCE, DECEMBER 31			 \$ 1,444,338

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental Grants	\$ 476,996	\$ 723,809	\$ 445,723
Total revenues	476,996	723,809	445,723
<b>EXPENDITURES</b>			
Economic development			
Administration	25,000	25,000	-
Administrative fees - General Fund	95,399	95,399	95,399
Social service agencies	71,549	72,004	71,549
Capital outlay			
Rights of way improvements	285,048	531,406	278,775
Total expenditures	476,996	723,809	445,723
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31		\$ -	-

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FEDERAL EQUITABLE SHARING FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Grants	\$ 20,000	\$ 20,000	\$ 9,799
Investment income	-	-	2,940
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>12,739</u>
 <b>EXPENDITURES</b>			
Public safety			
Police			
Supplies and services	20,000	45,000	44,435
Total expenditures	<u>20,000</u>	<u>45,000</u>	<u>44,435</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (25,000)</u>	<u>(31,696)</u>
FUND BALANCE, JANUARY 1			<u>467,035</u>
FUND BALANCE, DECEMBER 31		<u>\$ 435,339</u>	

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STATE EQUITABLE SHARING FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Grants	\$ 5,000	\$ 5,000	\$ 3,860
Investment income	- -	- -	1,812
	<hr/>	<hr/>	<hr/>
Total revenues	5,000	5,000	5,672
 <b>EXPENDITURES</b>			
Public safety			
Police			
Supplies and services	5,000	5,000	1,420
	<hr/>	<hr/>	<hr/>
Total expenditures	5,000	5,000	1,420
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ - -	\$ - -	4,252
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			283,138
	<hr/>	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31	\$ - -	\$ - -	\$ 287,390
	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DUI FINES FUND

For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Fines and forfeits			
DUI fines	\$ 20,000	\$ 20,000	\$ 5,764
Investment income	-	-	629
 Total revenues	 20,000	 20,000	 6,393
 <b>EXPENDITURES</b>			
Public safety			
Police			
Personnel	-	-	145
Supplies and services	16,000	16,000	4,300
 Total expenditures	 16,000	 16,000	 4,445
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ 4,000	 \$ 4,000	 1,948
 <b>FUND BALANCE, JANUARY 1</b>			 96,189
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 98,137

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOREIGN FIRE TAX FUND

For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Foreign fire tax	\$ 70,000	\$ 70,000	\$ 100,319
Investment income	-	-	118
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>100,437</u>
 <b>EXPENDITURES</b>			
Public safety			
Fire			
Supplies and services	70,000	70,000	66,660
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>66,660</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>33,777</u>
FUND BALANCE, JANUARY 1			<u>190,241</u>
FUND BALANCE, DECEMBER 31	<u>\$</u>	<u>224,018</u>	

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DUNDEE ROAD TIF FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Investment income	\$ -	\$ -	\$ 4,748
Total revenues	- -	- -	4,748
<b>EXPENDITURES</b>			
Total expenditures	- -	- -	- -
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 4,748
FUND BALANCE, JANUARY 1			\$ 716,292
FUND BALANCE, DECEMBER 31			<u>\$ 721,040</u>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RAND/DUNDEE TIF FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Incremental property taxes	\$ 321,600	\$ 321,600	\$ 351,459
Investment income	750	750	7,101
 Total revenues	 322,350	 322,350	 358,560
 <b>EXPENDITURES</b>			
Economic development			
Surplus distribution	1,062,228	1,164,228	1,089,000
 Total expenditures	 1,062,228	 1,164,228	 1,089,000
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ (739,878)	 \$ (841,878)	 (730,440)
 <b>FUND BALANCE, JANUARY 1</b>			 805,432
 <b>FUND BALANCE, DECEMBER 31</b>		 \$ 74,992	

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RAND/LAKE COOK TIF FUND

For the Year Ended December 31, 2020

---

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Incremental property taxes	\$ 425,000	\$ 425,000	\$ 1,630,610
Investment income	500	500	5,895
 Total revenues	 425,500	 425,500	 1,636,505
 <b>EXPENDITURES</b>			
Economic development			
Project expenditures	146,500	175,000	171,330
Capital outlay			
Rights of way improvements	175,000	190,849	17,002
 Total expenditures	 321,500	 365,849	 188,332
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ 104,000</u>	 <u>\$ 59,651</u>	 1,448,173
 <b>FUND BALANCE, JANUARY 1</b>			 <u>778,501</u>
 <b>FUND BALANCE, DECEMBER 31</b>			 <u>\$ 2,226,674</u>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL POLICE GRANT FUND

For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental Grants	\$ -	\$ 95,044	\$ 90,765
Total revenues	- -	95,044	90,765
<b>EXPENDITURES</b>			
Public safety Police Personnel	- -	95,044	90,765
Total expenditures	- -	95,044	90,765
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>- -</u>
<b>FUND BALANCE, JANUARY 1</b>			- -
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ -</u>	<u>- -</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CRF GRANT FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental			
Grants	\$ -	\$ 558,763	\$ 558,761
Investment income	-	83	84
Total revenues	-	558,846	558,845
<b>EXPENDITURES</b>			
Public safety			
Police			
Personnel	-	114,375	114,375
Fire			
Personnel	-	114,374	114,375
Supplies and services	-	23,898	23,897
Capital outlay			
Technology	-	104,650	104,649
Buildings and facilities	-	201,549	201,549
Total expenditures	-	558,846	558,845
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	-
<b>FUND BALANCE, JANUARY 1</b>			-
<b>FUND BALANCE, DECEMBER 31</b>		\$ -	-

(See independent auditor's report.)

## **Nonmajor Capital Projects Funds**

**Capital Equipment Acquisition Fund** - to account for the acquisition of new and replacement capital equipment for all departments of the Village.

**Capital Improvement Fund** - to account for the acquisition and construction of capital facilities and capital improvements other than those financed by other funds.



VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

December 31, 2020

	Capital Equipment Acquisition	Capital Improvement	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,315,062	\$ 4,082,438	\$ 10,397,500
Receivables			
Due from other governments	120,050	326,251	446,301
Other	75	-	75
Accrued interest	23,765	11,355	35,120
<b>TOTAL ASSETS</b>	<b>\$ 6,458,952</b>	<b>\$ 4,420,044</b>	<b>\$ 10,878,996</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 39,720	\$ 2,385	\$ 42,105
Unearned revenue	11,844	-	11,844
<b>Total liabilities</b>	<b>51,564</b>	<b>2,385</b>	<b>53,949</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue -			
Park District loan	20,000	-	20,000
<b>Total liabilities and deferred inflows of resources</b>	<b>71,564</b>	<b>2,385</b>	<b>73,949</b>
<b>FUND BALANCES</b>			
Unrestricted			
Assigned for capital projects	6,387,388	4,417,659	10,805,047
<b>Total fund balances</b>	<b>6,387,388</b>	<b>4,417,659</b>	<b>10,805,047</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,458,952</b>	<b>\$ 4,420,044</b>	<b>\$ 10,878,996</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 2020

	Capital Equipment Acquisition	Capital Improvement	Total
<b>REVENUES</b>			
Taxes	\$ 703,127	\$ 1,004,076	\$ 1,707,203
Intergovernmental	-	52,299	52,299
Charges for services	376,333	104,571	480,904
Investment income	42,077	33,421	75,498
Miscellaneous	-	9,078	9,078
 Total revenues	 1,121,537	 1,203,445	 2,324,982
<b>EXPENDITURES</b>			
Capital outlay	2,057,189	1,016,698	3,073,887
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(935,652)</b>	<b>186,747</b>	<b>(748,905)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	55,261	-	55,261
Transfers in	600,000	475,000	1,075,000
Transfers (out)	(111,510)	(819,470)	(930,980)
 Total other financing sources (uses)	 543,751	 (344,470)	 199,281
<b>NET CHANGE IN FUND BALANCE</b>	<b>(391,901)</b>	<b>(157,723)</b>	<b>(549,624)</b>
<b>FUND BALANCE, JANUARY 1</b>	<b>6,779,289</b>	<b>4,575,382</b>	<b>11,354,671</b>
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 6,387,388</b>	<b>\$ 4,417,659</b>	<b>\$ 10,805,047</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL EQUIPMENT ACQUISITION FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Telecommunication	\$ 619,380	\$ 619,380	\$ 438,127
Electric utility use tax	265,000	265,000	265,000
Charges for services			
Rental income	199,965	199,965	376,333
Investment income	7,500	7,500	42,077
 Total revenues	 1,091,845	 1,091,845	 1,121,537
 <b>EXPENDITURES</b>	 	 	 
Capital outlay			
Technology	135,900	222,537	164,802
Vehicles and equipment	1,632,035	1,920,700	1,892,387
 Total expenditures	 1,767,935	 2,143,237	 2,057,189
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 (676,090)	 (1,051,392)	 (935,652)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	50,000	50,000	55,261
Transfers in	600,000	600,000	600,000
Transfers (out)	-	(111,510)	(111,510)
 Total other financing sources (uses)	 650,000	 538,490	 543,751
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ (26,090)	 \$ (512,902)	 \$ (391,901)
 <b>FUND BALANCE, JANUARY 1</b>			 6,779,289
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 6,387,388

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Telecommunication	\$ 712,620	\$ 712,620	\$ 504,076
Electric utility use tax	500,000	500,000	500,000
Intergovernmental			
Park district reimbursement	50,000	50,000	-
Grants	115,000	2,299	52,299
Charges for services			
Improvement cost sharing programs	-	-	104,571
Investment income	7,500	7,500	33,421
Miscellaneous			
Reimbursements	-	-	9,078
 Total revenues	 1,385,120	 1,272,419	 1,203,445
 <b>EXPENDITURES</b>			
Capital outlay			
Buildings and facilities	148,500	65,332	44,633
Rights of way improvements	365,000	386,565	327,311
Street improvements	1,615,990	738,341	644,754
 Total expenditures	 2,129,490	 1,190,238	 1,016,698
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 (744,370)	 82,181	 186,747
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	475,000	475,000	475,000
Transfers (out)	-	(819,470)	(819,470)
 Total other financing sources (uses)	 475,000	 (344,470)	 (344,470)
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ (269,370)	 \$ (262,289)	 (157,723)
 <b>FUND BALANCE, JANUARY 1</b>			 4,575,382
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 4,417,659

(See independent auditor's report.)

## **Internal Service Funds**

**Fleet Services Fund** - to account for the provision of fleet maintenance services to the various departments of the Village and certain external governmental agencies. Financing is provided through a vehicle maintenance fee charged to all user departments and external agencies.

**Health Insurance Fund** - to account for the run-out of the Village's self-administered health insurance program. Financing was provided through employee and employer contributions.

**Casualty and Liability Insurance Fund** - to account for the Village's self-administered casualty and liability insurance program. Financing is provided through an insurance fee charged to various departments.



VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

December 31, 2020

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 999,417	\$ 779,299	\$ 5,840,429	\$ 7,619,145
Receivables				
Other	22,999	992	-	23,991
Accrued interest	-	12,795	17,825	30,620
Inventories	199,830	-	-	199,830
<b>Total current assets</b>	<b>1,222,246</b>	<b>793,086</b>	<b>5,858,254</b>	<b>7,873,586</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items	156,230	-	-	156,230
OPEB items	7,510	-	-	7,510
<b>Total deferred outflows of resources</b>	<b>163,740</b>	<b>-</b>	<b>-</b>	<b>163,740</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable	111,480	-	-	111,480
Accrued payroll	9,274	-	-	9,274
Claims payable	-	-	232,830	232,830
Compensated absences payable	8,055	-	-	8,055
<b>Total OPEB liability</b>	<b>1,504</b>	<b>-</b>	<b>-</b>	<b>1,504</b>
<b>Total current liabilities</b>	<b>130,313</b>	<b>-</b>	<b>232,830</b>	<b>363,143</b>
<b>LONG-TERM LIABILITIES</b>				
Claims payable	-	-	1,039,295	1,039,295
Compensated absences payable	32,210	-	-	32,210
Net pension liability	213,778	-	-	213,778
<b>Total OPEB liability</b>	<b>39,512</b>	<b>-</b>	<b>-</b>	<b>39,512</b>
<b>Total long-term liabilities</b>	<b>285,500</b>	<b>-</b>	<b>1,039,295</b>	<b>1,324,795</b>
<b>Total liabilities</b>	<b>415,813</b>	<b>-</b>	<b>1,272,125</b>	<b>1,687,938</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items	187,705	-	-	187,705
OPEB items	10,881	-	-	10,881
<b>Total deferred inflows of resources</b>	<b>198,586</b>	<b>-</b>	<b>-</b>	<b>198,586</b>
<b>NET POSITION</b>				
Unrestricted	771,587	793,086	4,586,129	6,150,802
<b>TOTAL NET POSITION</b>	<b>\$ 771,587</b>	<b>\$ 793,086</b>	<b>\$ 4,586,129</b>	<b>\$ 6,150,802</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2020

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
OPERATING REVENUES				
Charges for services	\$ 1,810,750	\$ -	\$ 1,513,300	\$ 3,324,050
Miscellaneous	143,130	-	106,131	249,261
Total operating revenues	1,953,880	-	1,619,431	3,573,311
OPERATING EXPENSES				
Costs of sales and services	1,929,618	781,374	1,361,014	4,072,006
Total operating expenses	1,929,618	781,374	1,361,014	4,072,006
OPERATING INCOME (LOSS)	24,262	(781,374)	258,417	(498,695)
NONOPERATING REVENUES (EXPENSES)				
Investment income	6,136	1,017	36,003	43,156
Total nonoperating revenues (expenses)	6,136	1,017	36,003	43,156
CHANGE IN NET POSITION	30,398	(780,357)	294,420	(455,539)
NET POSITION, JANUARY 1	741,189	1,573,443	4,291,709	6,606,341
NET POSITION, DECEMBER 31	\$ 771,587	\$ 793,086	\$ 4,586,129	\$ 6,150,802

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2020

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 308,521	\$ -	\$ 106,131	\$ 414,652
Receipts from interfund services transactions	1,660,080	-	1,513,300	3,173,380
Payments to suppliers	(970,268)	(1,583,948)	(1,884,839)	(4,439,055)
Payments to employees	(962,584)	-	-	(962,584)
Net cash from operating activities	35,749	(1,583,948)	(265,408)	(1,813,607)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
None	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	6,136	12,867	65,188	84,191
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,885	(1,571,081)	(200,220)	(1,729,416)
CASH AND CASH EQUIVALENTS, JANUARY 1	957,532	2,350,380	6,040,649	9,348,561
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 999,417	\$ 779,299	\$ 5,840,429	\$ 7,619,145
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 24,262	\$ (781,374)	\$ 258,417	\$ (498,695)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
(Increase) decrease in				
Other receivables	14,721	(992)	-	13,729
Inventories	5,945	-	-	5,945
Deferred outflows related to pensions	292,565	-	-	292,565
Deferred outflows related to OPEB	(1,832)	-	-	(1,832)
Increase (decrease) in				
Accounts payable	(1,554)	(3,000)	-	(4,554)
Accrued payroll	(19,996)	-	-	(19,996)
Claims payable	-	(798,582)	(523,825)	(1,322,407)
Compensated absences payable	(9,900)	-	-	(9,900)
Net pension liability	(398,759)	-	-	(398,759)
Net OPEB liability	(5,108)	-	-	(5,108)
Deferred inflows related to pensions	126,612	-	-	126,612
Deferred inflows related to OPEB	8,793	-	-	8,793
NET CASH FROM OPERATING ACTIVITIES	\$ 35,749	\$ (1,583,948)	\$ (265,408)	\$ (1,813,607)

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION - BUDGET AND ACTUAL  
 FLEET SERVICES FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Vehicle maintenance	\$ 1,837,580	\$ 1,837,580	\$ 1,810,750
Miscellaneous			
Recoveries and refunds	15,000	15,000	142,469
Other	-	-	661
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,852,580	1,852,580	1,953,880
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Public works			
Personnel	925,890	940,890	954,959
Supplies and services	1,011,540	989,190	974,659
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,937,430	1,930,080	1,929,618
<b>OPERATING INCOME (LOSS)</b>	(84,850)	(77,500)	24,262
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	5,000	5,000	6,136
<b>CHANGE IN NET POSITION</b>	<hr/>	<hr/>	<hr/>
	\$ (79,850)	\$ (72,500)	30,398
<b>NET POSITION, JANUARY 1</b>			741,189
<b>NET POSITION, DECEMBER 31</b>			\$ 771,587

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
HEALTH INSURANCE FUND

For the Year Ended December 31, 2020

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	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Total operating revenues	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Administration	-	714,480	714,393
Insurance claims	-	67,000	66,981
Total operating expenses	-	781,480	781,374
<b>OPERATING INCOME (LOSS)</b>	-	(781,480)	(781,374)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	-	-	1,017
<b>CHANGE IN NET POSITION</b>	\$ -	\$ <u>(781,480)</u>	\$ <u>(780,357)</u>
<b>NET POSITION, JANUARY 1</b>			<u>1,573,443</u>
<b>NET POSITION, DECEMBER 31</b>	\$ -	\$ <u>793,086</u>	

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION - BUDGET AND ACTUAL  
 CASUALTY AND LIABILITY INSURANCE FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Insurance fees and premiums	\$ 1,513,300	\$ 1,513,300	\$ 1,513,300
Miscellaneous			
Reimbursements	-	-	106,131
 Total operating revenues	 1,513,300	 1,513,300	 1,619,431
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Administration	915,300	928,837	920,898
Insurance claims	932,500	897,812	440,116
 Total operating expenses	 1,847,800	 1,826,649	 1,361,014
<b>OPERATING INCOME (LOSS)</b>	<b>(334,500)</b>	<b>(313,349)</b>	<b>258,417</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	15,000	15,000	36,003
<b>CHANGE IN NET POSITION</b>	<b>\$ (319,500)</b>	<b>\$ (298,349)</b>	<b>294,420</b>
<b>NET POSITION, JANUARY 1</b>			<b>4,291,709</b>
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 4,586,129</b>

(See independent auditor's report.)

## **Fiduciary Funds**

### **Pension Trust Funds**

**Police Pension Fund** - to account for the accumulation of resources for pension benefits for qualified sworn police personnel. Financing is provided by employee contributions and an actuarially determined employer contribution.

**Firefighters' Pension Fund** - to account for the accumulation of resources for pension benefits for qualified sworn fire personnel. Financing is provided by employee contributions and an actuarially determined employer contribution.



## VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF NET POSITION  
PENSION TRUST FUNDS

December 31, 2020

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,054,210	\$ 1,317,252	\$ 2,371,462
Investments			
U.S. Treasury securities	7,643,661	19,130,343	26,774,004
U.S. agency securities	2,500,120	723,617	3,223,737
Corporate and international bonds	20,062,248	12,005,390	32,067,638
Certificates of deposit	273,110	-	273,110
Money market mutual funds	399,580	55,010	454,590
Equities	68,165,048	60,373,856	128,538,904
Receivables			
Accrued interest	189,009	184,019	373,028
Due from general fund	21,730	22,839	44,569
 Total assets	 100,308,716	 93,812,326	 194,121,042
<b>LIABILITIES</b>			
Unearned revenue	41,584	36,540	78,124
 Total liabilities	 41,584	 36,540	 78,124
<b>NET POSITION</b>			
Restricted for pensions	\$ 100,267,132	\$ 93,775,786	\$ 194,042,918

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET POSITION  
PENSION TRUST FUNDS

For the Year Ended December 31, 2020

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,364,713	\$ 5,608,868	\$ 10,973,581
Employee	1,188,697	962,993	2,151,690
Total contributions	6,553,410	6,571,861	13,125,271
Investment earnings			
Net increase in the fair value of investments	9,348,437	9,921,958	19,270,395
Interest	2,130,576	1,703,708	3,834,284
Total investment earnings	11,479,013	11,625,666	23,104,679
Less investment expense	(286,776)	(176,829)	(463,605)
Net investment earnings	11,192,237	11,448,837	22,641,074
Total additions	17,745,647	18,020,698	35,766,345
<b>DEDUCTIONS</b>			
Administration	13,975	12,808	26,783
Benefits and refunds			
Retirement benefits	5,909,094	5,867,974	11,777,068
Refunds of contributions	367,241	31,618	398,859
Total deductions	6,290,310	5,912,400	12,202,710
CHANGE IN NET POSITION	11,455,337	12,108,298	23,563,635
<b>NET POSITION</b>			
January 1	88,811,795	81,667,488	170,479,283
December 31	\$ 100,267,132	\$ 93,775,786	\$ 194,042,918

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,565,200	\$ 5,630,680	\$ 5,364,713
Employee	1,148,525	1,148,525	1,188,697
Total contributions	<u>6,713,725</u>	<u>6,779,205</u>	<u>6,553,410</u>
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	9,348,437
Interest	750,000	750,000	2,130,576
Total investment earnings	<u>1,000,000</u>	<u>1,000,000</u>	<u>11,479,013</u>
Less investment expense	<u>(300,000)</u>	<u>(300,000)</u>	<u>(286,776)</u>
Net investment earnings	<u>700,000</u>	<u>700,000</u>	<u>11,192,237</u>
Total additions	<u>7,413,725</u>	<u>7,479,205</u>	<u>17,745,647</u>
<b>DEDUCTIONS</b>			
Administration	51,000	51,000	13,975
Benefits and refunds			
Retirement benefits	6,315,000	6,315,000	5,909,094
Refunds of contributions	100,000	100,000	367,241
Total deductions	<u>6,466,000</u>	<u>6,466,000</u>	<u>6,290,310</u>
CHANGE IN NET POSITION	<u>\$ 947,725</u>	<u>\$ 1,013,205</u>	<u>11,455,337</u>
<b>NET POSITION</b>			
January 1			<u>88,811,795</u>
December 31			<u><u>\$ 100,267,132</u></u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION -  
BUDGET AND ACTUAL  
FIREFIGHTERS' PENSION FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,800,200	\$ 5,869,545	\$ 5,608,868
Employee	906,670	906,670	962,993
Total contributions	<u>6,706,870</u>	<u>6,776,215</u>	<u>6,571,861</u>
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	9,921,958
Interest	750,000	750,000	1,703,708
Total investment earnings	<u>1,000,000</u>	<u>1,000,000</u>	<u>11,625,666</u>
Less investment expense	<u>(250,000)</u>	<u>(250,000)</u>	<u>(176,829)</u>
Net investment earnings	<u>750,000</u>	<u>750,000</u>	<u>11,448,837</u>
Total additions	<u>7,456,870</u>	<u>7,526,215</u>	<u>18,020,698</u>
<b>DEDUCTIONS</b>			
Administration	38,500	38,500	12,808
Benefits and refunds			
Retirement benefits	6,195,000	6,195,000	5,867,974
Refunds of contributions	100,000	100,000	31,618
Total deductions	<u>6,333,500</u>	<u>6,333,500</u>	<u>5,912,400</u>
CHANGE IN NET POSITION	<u>\$ 1,123,370</u>	<u>\$ 1,192,715</u>	<u>12,108,298</u>
<b>NET POSITION</b>			
January 1			<u>81,667,488</u>
December 31			<u><u>\$ 93,775,786</u></u>

(See independent auditor's report.)

## **Supplementary Information**



VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property tax			
Police protection	\$ 3,755,072	\$ 3,755,072	\$ 3,679,918
Fire protection	3,755,072	3,755,072	3,681,117
FICA	2,105,800	2,105,800	2,065,708
IMRF	1,100,000	1,100,000	1,078,888
Police pension	5,276,000	5,276,000	5,194,834
Fire pension	5,511,000	5,511,000	5,434,466
Home rule sales tax	4,324,800	4,324,800	4,105,026
Food and beverage tax	1,322,100	1,322,100	1,176,351
Motel occupancy tax	65,000	65,000	58,666
Electric utility use tax	1,862,100	1,862,100	1,446,795
 Total taxes	 29,076,944	 29,076,944	 27,921,769
<b>LICENSES AND PERMITS</b>			
Professional and occupational	225,000	225,000	217,717
Liquor licenses	315,000	315,000	137,377
Rental dwelling licenses	440,000	440,000	473,989
Building permits and fees	850,000	850,000	1,081,189
Vehicle licenses	1,300,000	1,300,000	1,043,041
Other licenses and permits	254,000	254,000	195,556
 Total licenses and permits	 3,384,000	 3,384,000	 3,148,869
<b>INTERGOVERNMENTAL</b>			
State sales tax	9,009,600	9,009,600	8,531,614
State income tax	7,272,000	7,272,000	7,450,016
Local use tax	2,246,200	2,246,200	2,803,121
Township road and bridge tax	708,900	708,900	711,198
Fire protection district reimbursement	695,050	695,050	695,054
Police consultant - schools	889,860	889,860	890,220
TIF Rebate	-	553,990	407,159
State highway maintenance	180,380	180,380	179,685
Personal property replacement tax	115,000	115,000	121,539
Grants	30,000	58,590	76,209
Other intergovernmental	202,400	202,400	245,918
 Total intergovernmental	 21,349,390	 21,931,970	 22,111,733

(This schedule is continued on the following page.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>CHARGES FOR SERVICES</b>			
Cable TV franchise fees	\$ 1,155,400	\$ 1,155,400	\$ 1,034,028
Plan review fees	375,000	375,000	361,719
Inspection fees	395,500	395,500	248,453
Special police service	143,700	143,700	75,570
Special fire service	199,240	199,240	46,346
Ambulance fees	1,725,000	1,725,000	1,647,468
Vehicle impound fees	175,000	175,000	54,500
Streetfest revenue	185,000	185,000	-
Rental income	119,725	119,725	119,240
Other charges for services	60,000	60,000	58,669
<b>Total charges for services</b>	<b>4,533,565</b>	<b>4,533,565</b>	<b>3,645,993</b>
<b>FINES AND FORFEITS</b>			
Circuit court fines	350,000	350,000	177,714
Traffic fines	1,465,000	1,465,000	908,255
Adjudication and other fines	127,500	127,500	110,484
<b>Total fines and forfeits</b>	<b>1,942,500</b>	<b>1,942,500</b>	<b>1,196,453</b>
<b>INVESTMENT INCOME</b>			
	<b>145,855</b>	<b>145,855</b>	<b>289,279</b>
<b>MISCELLANEOUS</b>			
Recoveries and refunds	50,000	50,000	94,982
Reimbursements	370,000	370,000	389,063
Donations	-	1,750	1,950
Other	10,000	10,000	1,686
<b>Total miscellaneous</b>	<b>430,000</b>	<b>431,750</b>	<b>487,681</b>
<b>TOTAL REVENUES</b>	<b>\$ 60,862,254</b>	<b>\$ 61,446,584</b>	<b>\$ 58,801,777</b>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
Mayor and council			
Personnel	\$ 232,340	\$ 232,340	\$ 250,078
Supplies and services	43,565	46,165	30,863
Boards and commissions			
Supplies and services	50,200	44,200	27,100
Village clerk			
Personnel	156,010	143,215	138,958
Supplies and services	16,450	14,700	7,491
Village manager			
Personnel	758,585	791,110	769,044
Supplies and services	317,070	289,570	85,935
Finance and operations			
Personnel	689,685	700,945	677,934
Supplies and services	360,420	331,120	241,369
Legal			
Personnel	66,330	66,330	64,052
Supplies and services	418,100	418,100	344,294
Human resources			
Personnel	882,055	425,755	424,756
Supplies and services	77,695	73,850	64,925
Planning and zoning			
Personnel	504,500	507,545	495,911
Supplies and services	20,115	9,435	6,726
Information technology			
Personnel	1,002,485	1,014,560	997,992
Supplies and services	371,570	353,580	310,242
Liability insurance			
Supplies and services	1,397,300	1,397,300	1,397,300
Less administrative fees			
CDBG Fund	(95,399)	(95,399)	(95,399)
Waterworks fund	(546,000)	(546,000)	(546,000)
Sewerage fund	(473,000)	(473,000)	(473,000)
Refuse fund	(150,000)	(150,000)	(150,000)
Motor Vehicle Parking System fund	(155,000)	(155,000)	(155,000)
<b>Total general government</b>	<b>5,945,076</b>	<b>5,440,421</b>	<b>4,915,571</b>

(This schedule is continued on the following page.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY</b>			
Community services			
Personnel	\$ 2,489,375	\$ 2,330,930	\$ 2,329,405
Supplies and services	260,290	190,978	127,198
Police			
Personnel	23,031,835	22,900,980	22,381,152
Supplies and services	1,533,080	1,382,818	1,282,591
Fire			
Personnel	19,914,050	20,078,197	19,880,474
Supplies and services	790,720	755,525	691,418
<b>Total public safety</b>	<b>48,019,350</b>	<b>47,639,428</b>	<b>46,692,238</b>
<b>PUBLIC WORKS</b>			
Public works			
Personnel	4,422,550	4,249,145	4,091,936
Supplies and services	2,436,260	2,238,653	2,127,972
<b>Total public works</b>	<b>6,858,810</b>	<b>6,487,798</b>	<b>6,219,908</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 60,823,236</b>	<b>\$ 59,567,647</b>	<b>\$ 57,827,717</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL OBLIGATION BOND FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Property tax	\$ 1,493,890	\$ 1,493,890	\$ 1,493,726
Intergovernmental			
Build america bond interest rebate	349,680	349,680	352,541
Investment income	2,500	2,500	3,611
	<hr/>	<hr/>	<hr/>
Total revenues	1,846,070	1,846,070	1,849,878
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	440,000	440,000	440,000
Interest	1,403,570	1,403,570	1,403,570
Fiscal charges	2,250	582,684	575,715
	<hr/>	<hr/>	<hr/>
Total expenditures	1,845,820	2,426,254	2,419,285
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>	<hr/>
	250	(580,184)	(569,407)
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued, at par	-	18,335,000	18,335,000
Bond premium	-	1,045,434	1,045,434
Payment to refunded bond escrow agent	-	(18,800,000)	(18,800,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	580,434	580,434
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>	<hr/>
	\$ 250	\$ 250	11,027
<b>FUND BALANCE, JANUARY 1</b>			<hr/>
			124,657
<b>FUND BALANCE, DECEMBER 31</b>			<hr/>
			\$ 135,684

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
WATERWORKS FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services	\$ 11,660,000	\$ 11,671,440	\$ 11,394,877
Miscellaneous	35,000	35,000	36,322
<b>Total operating revenues</b>	<b>11,695,000</b>	<b>11,706,440</b>	<b>11,431,199</b>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Costs of sales and services	7,890,765	7,404,167	7,108,258
Administrative fees - General Fund	546,000	546,000	546,000
<b>Total operating expenses excluding depreciation</b>	<b>8,436,765</b>	<b>7,950,167</b>	<b>7,654,258</b>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	<b>3,258,235</b>	<b>3,756,273</b>	<b>3,776,941</b>
<b>DEPRECIATION</b>	<b>-</b>	<b>-</b>	<b>799,800</b>
<b>OPERATING INCOME</b>	<b>3,258,235</b>	<b>3,756,273</b>	<b>2,977,141</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	15,000	15,000	86,791
Grants	-	582,000	582,062
Interest and fiscal charges	(163,520)	(163,520)	(78,250)
Loss on disposal of capital assets	-	-	(6,670)
Joint venture	-	-	647,660
<b>Total nonoperating revenues (expenses)</b>	<b>(148,520)</b>	<b>433,480</b>	<b>1,231,593</b>
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>3,109,715</b>	<b>4,189,753</b>	<b>4,208,734</b>
Contributions	-	-	224,485
Transfers (out)	(300,000)	(300,000)	(300,000)
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,809,715</b>	<b>\$ 3,889,753</b>	<b>4,133,219</b>
<b>NET POSITION, JANUARY 1</b>			<b>35,070,675</b>
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 39,203,894</b>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL  
WATERWORKS FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Water use fees			
Resident	\$ 9,214,000	\$ 9,214,000	\$ 9,011,957
Nonresident	1,697,000	1,708,440	1,609,683
Water penalties			
Resident	65,000	65,000	80,768
Nonresident	10,000	10,000	10,789
User charge			
Resident	561,000	561,000	568,862
Nonresident	33,000	33,000	33,890
System development surcharge	15,000	15,000	-
Water extension fee	20,000	20,000	59,698
Water connection fees	10,000	10,000	-
Water meter sales	15,000	15,000	16,019
Water turn-on/service fees	20,000	20,000	3,211
Total charges for services	11,660,000	11,671,440	11,394,877
Miscellaneous - reimbursements	35,000	35,000	36,322
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 11,695,000</b>	<b>\$ 11,706,440</b>	<b>\$ 11,431,199</b>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATERWORKS FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Finance and operations			
Personnel	\$ 563,440	\$ 560,210	\$ 550,571
Supplies and services	275,720	275,720	254,006
Liability insurance			
Supplies and services	58,000	58,000	58,000
Public works			
Personnel	1,398,200	1,380,580	1,314,358
Supplies and services	907,980	923,037	746,013
Water purchase			
Northwest Water Commission	3,017,460	3,017,460	2,996,157
Capital projects			
Technology	48,000	-	-
Buildings and facilities	345,000	66,003	66,003
Water system	3,612,350	3,458,542	3,458,535
Less: Nonoperating			
Capital assets capitalized	(2,335,385)	(2,335,385)	(2,335,385)
Total costs of sales and services	7,890,765	7,404,167	7,108,258
Administrative fees - General Fund	546,000	546,000	546,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 8,436,765</b>	<b>\$ 7,950,167</b>	<b>\$ 7,654,258</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
SEWERAGE FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,436,320	\$ 4,436,320	\$ 4,574,298
Miscellaneous	250	250	3,052
 Total operating revenues	 4,436,570	 4,436,570	 4,577,350
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Costs of sales and services	1,637,745	1,645,994	1,568,846
Administrative fees - General Fund	473,000	473,000	473,000
 Total operating expenses excluding depreciation	 2,110,745	 2,118,994	 2,041,846
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	2,325,825	2,317,576	2,535,504
<b>DEPRECIATION</b>	-	-	1,208,750
<b>OPERATING INCOME</b>	<b>2,325,825</b>	<b>2,317,576</b>	<b>1,326,754</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	5,000	5,000	44,993
Interest and fiscal charges	(187,945)	(187,945)	(164,808)
 Total nonoperating revenues (expenses)	 (182,945)	 (182,945)	 (119,815)
<b>NET INCOME BEFORE TRANSFERS</b>	<b>2,142,880</b>	<b>2,134,631</b>	<b>1,206,939</b>
Contributions	-	102,480	2,062,919
Transfers (out)	(300,000)	(300,000)	(300,000)
 CHANGE IN NET POSITION	 <u>\$ 1,842,880</u>	 <u>\$ 1,937,111</u>	 2,969,858
 NET POSITION, JANUARY 1			 <u>20,098,028</u>
 NET POSITION, DECEMBER 31			 <u>\$ 23,067,886</u>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL  
SEWERAGE FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Sewer use fees			
Resident	\$ 2,733,820	\$ 2,733,820	\$ 2,876,436
Nonresident	542,700	542,700	510,462
Sewer penalties			
Resident	25,000	25,000	32,572
Nonresident	2,000	2,000	3,239
Sewer connection fees	6,000	6,000	4,958
Surcharges			
Fair Meadows	1,800	1,800	2,203
Flood control	1,125,000	1,125,000	1,133,628
50/50 sewer extension	-	-	10,800
Total charges for services	4,436,320	4,436,320	4,574,298
Miscellaneous - reimbursements	250	250	3,052
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,436,570</b>	<b>\$ 4,436,570</b>	<b>\$ 4,577,350</b>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
SEWERAGE FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Liability insurance			
Supplies and services	\$ 58,000	\$ 58,000	\$ 58,000
Public works			
Personnel	838,145	838,145	826,617
Supplies and services	214,945	201,267	187,583
Capital projects			
Flood control	570,000	621,551	574,387
Less: Nonoperating			
Capital assets capitalized	(222,970)	(222,970)	(222,970)
Buildings and facilities	45,000	-	-
Sanitary sewer	150,000	165,376	160,604
Less: Nonoperating			
Capital assets capitalized	(15,375)	(15,375)	(15,375)
Total costs of sales and services	1,637,745	1,645,994	1,568,846
Administrative fees - General Fund	473,000	473,000	473,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,110,745</b>	<b>\$ 2,118,994</b>	<b>\$ 2,041,846</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
MOTOR VEHICLE PARKING SYSTEM FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Parking fees	\$ 698,000	\$ 698,000	\$ 273,043
 Total operating revenues	 698,000	 698,000	 273,043
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>			
Costs of sales and services	462,015	591,803	417,041
Administrative fees - General Fund	155,000	155,000	155,000
 Total operating expenses excluding depreciation	 617,015	 746,803	 572,041
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>	80,985	(48,803)	(298,998)
<b>DEPRECIATION</b>	-	-	784,080
<b>OPERATING INCOME (LOSS)</b>	80,985	(48,803)	(1,083,078)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,000	1,000	19,017
Insurance recovery	-	-	49,385
 Total nonoperating revenues (expenses)	 1,000	 1,000	 68,402
<b>CHANGE IN NET POSITION</b>	<u>\$ 81,985</u>	<u>\$ (47,803)</u>	<u>(1,014,676)</u>
<b>NET POSITION, JANUARY 1</b>			<u>8,650,717</u>
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 7,636,041</u>

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
MOTOR VEHICLE PARKING SYSTEM FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING EXPENSES</b>			
Costs of sales and services			
Finance and operations			
Supplies and services	\$ 80,100	\$ 80,100	\$ 47,155
Public works			
Personnel	5,390	5,390	118
Supplies and services	336,525	331,665	237,089
Capital projects			
Buildings and facilities	40,000	174,648	132,679
Total costs of sales and services	462,015	591,803	417,041
Administrative fees - General Fund	155,000	155,000	155,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 617,015</b>	<b>\$ 746,803</b>	<b>\$ 572,041</b>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION - BUDGET AND ACTUAL  
 REFUSE COLLECTION FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
Refuse billing	\$ 4,448,845	\$ 4,448,845	\$ 4,379,117
	<u>4,448,845</u>	<u>4,448,845</u>	<u>4,379,117</u>
<b>OPERATING EXPENSES</b>			
Refuse collection	3,810,245	4,120,245	4,118,888
Administrative fees - General Fund	150,000	150,000	150,000
	<u>3,960,245</u>	<u>4,270,245</u>	<u>4,268,888</u>
<b>OPERATING INCOME</b>	488,600	178,600	110,229
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	7,500	7,500	15,360
	<u>7,500</u>	<u>7,500</u>	<u>15,360</u>
<b>NET INCOME BEFORE TRANSFERS</b>	496,100	186,100	125,589
Transfers (out)	(475,000)	(475,000)	(475,000)
	<u>(475,000)</u>	<u>(475,000)</u>	<u>(475,000)</u>
<b>CHANGE IN NET POSITION</b>	\$ 21,100	\$ (288,900)	(349,411)
<b>NET POSITION, JANUARY 1</b>			<u>778,420</u>
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 429,009</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2010A  
 December 31, 2020

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Date of Issue June 16, 2010  
 Date of Maturity December 1, 2022  
 Amount Issued \$7,315,000  
 Denomination of Bond \$5,000  
 Interest Rate 2.0% - 4.0%  
 Interest Dates June 1 and December 1  
 Principal Maturity Date December 1  
 Paying Agent Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 675,000	\$ 55,200	\$ 730,200	2021	\$ 27,600	2021	\$ 27,600
2021	705,000	28,200	733,200	2022	14,100	2022	14,100
	<u>\$ 1,380,000</u>	<u>\$ 83,400</u>	<u>\$ 1,463,400</u>		<u>\$ 41,700</u>		<u>\$ 41,700</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION BOND TAXABLE SERIES OF 2012  
 December 31, 2020

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Date of Issue	December 20, 2012
Date of Maturity	December 1, 2022
Amount Issued	\$5,025,000
Denomination of Bond	\$5,000
Interest Rate	4.55% - 5.2%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 595,000	\$ 27,250	\$ 622,250	2021	\$ 13,625	2021	\$ 13,625
2021	615,000	14,606	629,606	2022	7,303	2022	7,303
	<u>\$ 1,210,000</u>	<u>\$ 41,856</u>	<u>\$ 1,251,856</u>		<u>\$ 20,928</u>		<u>\$ 20,928</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014A  
 December 31, 2020

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Date of Issue	December 9, 2014
Date of Maturity	December 1, 2028
Amount Issued	\$7,345,000
Denomination of Bond	\$5,000
Interest Rate	2.0% - 3.0%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 265,000	\$ 59,412	\$ 324,412	2021	\$ 29,706	2021	\$ 29,706
2021	270,000	54,112	324,112	2022	27,056	2022	27,056
2022	280,000	48,442	328,442	2023	24,221	2023	24,221
2023	290,000	42,142	332,142	2024	21,071	2024	21,071
2024	300,000	35,182	335,182	2025	17,591	2025	17,591
2025	310,000	27,682	337,682	2026	13,841	2026	13,841
2026	325,000	19,312	344,312	2027	9,656	2027	9,656
2027	335,000	10,050	345,050	2028	5,025	2028	5,025
	<u>\$ 2,375,000</u>	<u>\$ 296,334</u>	<u>\$ 2,671,334</u>		<u>\$ 148,167</u>		<u>\$ 148,167</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2014B  
 December 31, 2020

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Date of Issue	December 9, 2014
Date of Maturity	December 1, 2025
Amount Issued	\$7,265,000
Denomination of Bond	\$5,000
Interest Rate	2.0% - 3.3%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 680,000	\$ 113,420	\$ 793,420	2021	\$ 56,710	2021	\$ 56,710
2021	705,000	93,020	798,020	2022	46,510	2022	46,510
2022	735,000	71,870	806,870	2023	35,935	2023	35,935
2023	760,000	49,820	809,820	2024	24,910	2024	24,910
2024	790,000	26,070	816,070	2025	13,035	2025	13,035
	<u>\$ 3,670,000</u>	<u>\$ 354,200</u>	<u>\$ 4,024,200</u>		<u>\$ 177,100</u>		<u>\$ 177,100</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION BOND SERIES OF 2015  
 December 31, 2020

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Date of Issue	December 2, 2015
Date of Maturity	December 1, 2025
Amount Issued	\$7,165,000
Denomination of Bond	\$5,000
Interest Rate	2.0% - 3.0%
Interest Dates	June 1 and December 1
Principal Maturity Date	June 1 and December 1
Paying Agent	Wells Fargo

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 725,000	\$ 175,550	\$ 900,550	2021	\$ 91,375	2021	\$ 84,175
2021	750,000	146,350	896,350	2022	76,875	2022	69,475
2022	785,000	114,000	899,000	2023	61,875	2023	52,125
2023	820,000	74,375	894,375	2024	42,250	2024	32,125
2024	870,000	32,750	902,750	2025	21,750	2025	11,000
	<u>\$ 3,950,000</u>	<u>\$ 543,025</u>	<u>\$ 4,493,025</u>		<u>\$ 294,125</u>		<u>\$ 248,900</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017A  
 December 31, 2020

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Date of Issue June 19, 2017  
 Date of Maturity December 1, 2022  
 Amount Issued \$7,705,000  
 Denomination of Bond \$5,000  
 Interest Rate 1.5% - 4.0%  
 Interest Dates June 1 and December 1  
 Principal Maturity Date December 1  
 Paying Agent Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 1,995,000	\$ 69,998	\$ 2,064,998	2021	\$ 34,999	2021	\$ 34,999
2021	2,060,000	37,080	2,097,080	2022	18,540	2022	18,540
	<u>\$ 4,055,000</u>	<u>\$ 107,078</u>	<u>\$ 4,162,078</u>		<u>\$ 53,539</u>		<u>\$ 53,539</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B  
 December 31, 2020

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Date of Issue	June 19, 2017
Date of Maturity	December 1, 2025
Amount Issued	\$1,465,000
Denomination of Bond	\$5,000
Interest Rate	3.0%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ -	\$ 43,950	\$ 43,950	2021	\$ 21,975	2021	\$ 21,975
2021	-	43,950	43,950	2022	21,975	2022	21,975
2022	490,000	43,950	533,950	2023	21,975	2023	21,975
2023	490,000	29,250	519,250	2024	14,625	2024	14,625
2024	485,000	14,550	499,550	2025	7,275	2025	7,275
	<u>\$ 1,465,000</u>	<u>\$ 175,650</u>	<u>\$ 1,640,650</u>		<u>\$ 87,825</u>		<u>\$ 87,825</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017C  
December 31, 2020

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Date of Issue June 19, 2017  
Date of Maturity December 1, 2022  
Amount Issued \$3,125,000  
Denomination of Bond \$5,000  
Interest Rate 1.3 % - 2.2%  
Interest Dates June 1 and December 1  
Principal Maturity Date December 1  
Paying Agent Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 640,000	\$ 27,100	\$ 667,100	2021	\$ 13,550	2021	\$ 13,550
2021	650,000	14,300	664,300	2022	7,150	2022	7,150
	<u>\$ 1,290,000</u>	<u>\$ 41,400</u>	<u>\$ 1,331,400</u>		<u>\$ 20,700</u>		<u>\$ 20,700</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017D  
 December 31, 2020

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Date of Issue June 19, 2017  
 Date of Maturity December 1, 2026  
 Amount Issued \$6,060,000  
 Denomination of Bond \$5,000  
 Interest Rate 2.0% - 3.0%  
 Interest Dates June 1 and December 1  
 Principal Maturity Date December 1  
 Paying Agent Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 660,000	\$ 110,192	\$ 770,192	2021	\$ 55,096	2021	\$ 55,096
2021	675,000	95,672	770,672	2022	47,836	2022	47,836
2022	690,000	79,810	769,810	2023	39,905	2023	39,905
2023	710,000	62,560	772,560	2024	31,280	2024	31,280
2024	725,000	44,100	769,100	2025	22,050	2025	22,050
2025	745,000	22,350	767,350	2026	11,175	2026	11,175
	<u>\$ 4,205,000</u>	<u>\$ 414,684</u>	<u>\$ 4,619,684</u>		<u>\$ 207,342</u>		<u>\$ 207,342</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2018  
 December 31, 2020

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Date of Issue	September 5, 2018
Date of Maturity	December 1, 2029
Amount Issued	\$6,235,000
Denomination of Bond	\$5,000
Interest Rate	5.0%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy				Interest Due On			
Year	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 470,000	\$ 272,500	\$ 742,500	2021	\$ 136,250	2021	\$ 136,250
2021	500,000	249,000	749,000	2022	124,500	2022	124,500
2022	530,000	224,000	754,000	2023	112,000	2023	112,000
2023	560,000	197,500	757,500	2024	98,750	2024	98,750
2024	600,000	169,500	769,500	2025	84,750	2025	84,750
2025	640,000	139,500	779,500	2026	69,750	2026	69,750
2026	670,000	107,500	777,500	2027	53,750	2027	53,750
2027	725,000	74,000	799,000	2028	37,000	2028	37,000
2028	<u>755,000</u>	<u>37,750</u>	<u>792,750</u>	2029	<u>18,875</u>	2029	<u>18,875</u>
	<u><u>\$ 5,450,000</u></u>	<u><u>\$ 1,471,250</u></u>	<u><u>\$ 6,921,250</u></u>		<u><u>\$ 735,625</u></u>		<u><u>\$ 735,625</u></u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
 GENERAL OBLIGATION REFUNDING BOND SERIES OF 2020  
 December 31, 2020

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Date of Issue	December 1, 2020
Date of Maturity	December 1, 2034
Amount Issued	\$18,335,000
Denomination of Bond	\$5,000
Interest Rate	2.0% - 5.0%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Paying Agent	Amalgamated Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ -	\$ 491,206	\$ 491,206	2021	\$ 245,603	2021	\$ 245,603
2021	-	491,206	491,206	2022	245,603	2022	245,603
2022	-	491,206	491,206	2023	245,603	2023	245,603
2023	705,000	491,206	1,196,206	2024	245,603	2024	245,603
2024	725,000	455,956	1,180,956	2025	227,978	2025	227,978
2025	1,275,000	419,706	1,694,706	2026	209,853	2026	209,853
2026	1,345,000	355,956	1,700,956	2027	177,978	2027	177,978
2027	1,375,000	288,706	1,663,706	2028	144,353	2028	144,353
2028	1,415,000	261,206	1,676,206	2029	130,603	2029	130,603
2029	2,190,000	232,906	2,422,906	2030	116,453	2030	116,453
2030	2,245,000	189,106	2,434,106	2031	94,553	2031	94,553
2031	2,300,000	144,206	2,444,206	2032	72,103	2032	72,103
2032	2,355,000	98,206	2,453,206	2033	49,103	2033	49,103
2033	2,405,000	51,106	2,456,106	2034	25,553	2034	25,553
	<u>\$ 18,335,000</u>	<u>\$ 4,461,884</u>	<u>\$ 22,796,884</u>		<u>\$ 2,230,942</u>		<u>\$ 2,230,942</u>

(See independent auditor's report.)

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## **STATISTICAL SECTION**



## Statistical Section

This part of the Village's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	151 - 160
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	161 - 165
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue debt in the future.	166 - 169
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	170 - 171
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	172 - 173

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF PALATINE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 129,862,356	\$ 134,215,974	\$ 140,609,666	\$ 144,374,387
Restricted	10,854,118	3,233,577	3,600,787	2,236,148
Unrestricted	26,919,088	34,104,500	30,819,755	35,764,493
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 167,635,562</b>	<b>\$ 171,554,051</b>	<b>\$ 175,030,208</b>	<b>\$ 182,375,028</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 35,235,617	\$ 43,155,964	\$ 38,430,520	\$ 38,870,993
Unrestricted	17,683,868	12,113,363	20,628,900	20,657,402
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 52,919,485</b>	<b>\$ 55,269,327</b>	<b>\$ 59,059,420</b>	<b>\$ 59,528,395</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 177,371,938	\$ 179,040,186	\$ 183,245,380	\$ 183,245,380
Restricted	3,233,577	3,600,787	2,236,148	2,236,148
Unrestricted	46,217,863	51,448,655	56,421,895	56,421,895
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 226,823,378</b>	<b>\$ 234,089,628</b>	<b>\$ 241,903,423</b>	<b>\$ 241,903,423</b>

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2015*	2016	2017	2018**	2019	2020
\$ 157,741,380	\$ 164,820,305	\$ 166,189,158	\$ 168,673,918	\$ 173,519,488	\$ 176,417,781
1,838,578	1,750,986	1,748,002	3,925,818	6,659,575	9,405,544
(51,107,972)	(61,926,571)	(66,937,376)	(80,303,379)	(86,814,683)	(83,289,926)
<u>\$ 108,471,986</u>	<u>\$ 104,644,720</u>	<u>\$ 100,999,784</u>	<u>\$ 92,296,357</u>	<u>\$ 93,364,380</u>	<u>\$ 102,533,399</u>
\$ 32,408,120	\$ 32,913,880	\$ 32,491,180	\$ 32,259,964	\$ 34,213,539	\$ 37,903,674
24,957,201	22,065,439	25,552,745	28,010,112	30,384,301	32,433,156
<u>\$ 57,365,321</u>	<u>\$ 54,979,319</u>	<u>\$ 58,043,925</u>	<u>\$ 60,270,076</u>	<u>\$ 64,597,840</u>	<u>\$ 70,336,830</u>
\$ 190,149,500	\$ 197,734,185	\$ 198,680,338	\$ 200,933,882	\$ 207,733,027	\$ 214,321,455
1,838,578	1,750,986	1,748,002	3,925,818	6,659,575	9,405,544
(26,150,771)	(39,861,132)	(41,384,631)	(52,293,267)	(56,430,382)	(50,856,770)
<u>\$ 165,837,307</u>	<u>\$ 159,624,039</u>	<u>\$ 159,043,709</u>	<u>\$ 152,566,433</u>	<u>\$ 157,962,220</u>	<u>\$ 172,870,229</u>

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 8,092,022	\$ 5,687,081	\$ 3,618,746
Public safety	37,174,518	39,154,692	39,226,832
Public works	11,346,788	10,978,933	14,290,195
Economic development	7,618,221	7,785,928	5,914,067
Interest and fiscal charges	4,965,687	4,782,927	4,334,822
Total governmental activities expenses	69,197,236	68,389,561	67,384,662
Business-type activities			
Waterworks	7,199,466	6,851,401	7,511,430
Sewerage	3,063,914	3,688,412	3,335,908
Parking system	1,344,734	1,355,716	1,269,605
Refuse collection	4,388,685	4,430,979	4,426,461
Total business-type activities expenses	15,996,799	16,326,508	16,543,404
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 85,194,035</b>	<b>\$ 84,716,069</b>	<b>\$ 83,928,066</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 3,988,510	\$ 3,178,125	\$ 2,792,931
Public safety	4,167,979	4,107,608	4,128,702
Other activities	1,001,900	2,150,261	2,107,948
Operating grants	3,166,903	3,133,237	3,645,430
Capital grants and contributions	1,726,883	605,818	315,830
Total governmental activities program revenues	14,052,175	13,175,049	12,990,841
Business-type activities			
Charges for services			
Waterworks	9,084,694	9,818,910	9,767,730
Sewerage	3,250,125	3,411,343	3,422,980
Parking system	679,455	678,488	683,780
Refuse collection	4,649,761	4,518,425	4,511,043
Operating grants	12,320	-	-
Capital grants and contributions	90,997	448,825	2,177,900
Total business-type activities program revenues	17,767,352	18,875,991	20,563,433
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 31,819,527</b>	<b>\$ 32,051,040</b>	<b>\$ 33,554,274</b>
<b>NET REVENUE (EXPENSE)</b>			
Governmental activities	\$ (55,214,512)	\$ (54,393,821)	\$ (52,723,173)
Business-type activities	2,549,483	4,020,029	2,084,377
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (52,665,029)</b>	<b>\$ (50,373,792)</b>	<b>\$ (50,638,796)</b>

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2014*	2015	2016	2017	2018**	2019	2020
\$ 6,085,713	\$ 5,181,480	\$ 7,411,863	\$ 4,992,470	\$ 4,792,852	\$ 4,927,957	\$ 4,750,856
40,893,455	39,766,935	53,993,443	58,319,928	53,387,729	53,810,869	47,724,257
12,001,792	10,574,340	11,764,624	10,938,679	10,658,853	12,901,798	14,110,117
3,400,486	5,187,476	4,080,021	1,464,895	6,692,302	8,404,890	4,182,530
4,214,079	3,685,197	3,466,073	3,490,399	2,800,515	2,139,900	2,331,499
<b>66,595,525</b>	<b>64,395,428</b>	<b>80,716,024</b>	<b>79,206,371</b>	<b>78,332,251</b>	<b>82,185,414</b>	<b>73,099,259</b>
8,235,391	10,988,330	12,485,417	9,115,608	9,071,013	7,867,493	8,538,978
3,041,236	3,641,693	4,580,455	3,373,247	3,815,318	3,406,455	3,415,404
1,323,599	1,226,379	1,526,641	1,256,792	1,277,515	1,549,161	1,356,121
4,553,742	4,553,546	4,394,918	4,408,987	4,524,457	4,641,663	4,268,888
<b>17,153,968</b>	<b>20,409,948</b>	<b>22,987,431</b>	<b>18,154,634</b>	<b>18,688,303</b>	<b>17,464,772</b>	<b>17,579,391</b>
<b>\$ 83,749,493</b>	<b>\$ 84,805,376</b>	<b>\$ 103,703,455</b>	<b>\$ 97,361,005</b>	<b>\$ 97,020,554</b>	<b>\$ 99,650,186</b>	<b>\$ 90,678,650</b>
\$ 4,002,813	\$ 4,338,815	\$ 4,443,342	\$ 4,348,698	\$ 4,333,166	\$ 3,176,329	\$ 2,272,664
4,183,645	4,290,067	4,608,293	4,954,398	5,586,131	7,187,378	6,277,299
2,099,120	2,079,704	2,273,555	2,454,501	2,408,431	2,484,425	2,453,582
3,555,697	2,766,089	3,277,846	2,795,038	2,870,901	3,113,193	5,124,361
31,077	-	1,200,000	-	-	1,033,112	584,973
<b>13,872,352</b>	<b>13,474,675</b>	<b>15,803,036</b>	<b>14,552,635</b>	<b>15,198,629</b>	<b>16,994,437</b>	<b>16,712,879</b>
10,277,604	10,572,378	11,504,526	11,756,016	11,134,742	11,743,045	12,078,859
3,718,386	3,539,701	3,821,872	3,987,480	4,348,556	4,363,320	4,577,350
711,723	701,265	631,587	709,390	729,953	711,700	273,043
4,530,632	4,537,427	4,518,775	4,537,890	4,515,375	4,574,031	4,379,117
-	-	-	791,930	525,390	-	582,062
-	-	-	-	-	704,840	2,287,404
<b>19,238,345</b>	<b>19,350,771</b>	<b>20,476,760</b>	<b>21,782,706</b>	<b>21,254,016</b>	<b>22,096,936</b>	<b>24,177,835</b>
<b>\$ 33,110,697</b>	<b>\$ 32,825,446</b>	<b>\$ 36,279,796</b>	<b>\$ 36,335,341</b>	<b>\$ 36,452,645</b>	<b>\$ 39,091,373</b>	<b>\$ 40,890,714</b>
\$ (52,723,173)	\$ (50,920,753)	\$ (64,912,988)	\$ (64,653,736)	\$ (63,133,622)	\$ (65,190,977)	\$ (56,386,380)
2,084,377	(1,059,177)	(2,510,671)	2,836,142	2,040,323	4,632,164	6,598,444
<b>\$ (50,638,796)</b>	<b>\$ (51,979,930)</b>	<b>\$ (67,423,659)</b>	<b>\$ (61,817,594)</b>	<b>\$ (61,093,299)</b>	<b>\$ (60,558,813)</b>	<b>\$ (49,787,936)</b>

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
<b>Governmental activities</b>			
Taxes			
Property	\$ 33,563,321	\$ 32,904,361	\$ 31,515,066
Home rule sales tax	4,232,849	4,199,803	4,305,118
Telecommunications	2,462,499	2,550,703	2,239,240
Electric utility use	1,428,854	1,751,844	1,722,005
Other	1,248,610	1,267,148	1,242,698
State shared sales taxes	8,628,389	8,931,459	9,343,337
State shared income tax	5,341,577	6,023,925	6,532,135
Other intergovernmental revenues	884,021	679,004	226,477
Investment income	285,881	321,140	300,305
Miscellaneous	285,260	164,057	193,597
Transfers	253,000	339,557	250,000
Total governmental activities	<u>58,614,261</u>	<u>59,133,001</u>	<u>57,869,978</u>
Business-type activities			
Investment income	13,714	25,416	20,064
Miscellaneous	-	-	-
Transfers	(253,000)	(339,557)	(250,000)
Total business-type activities	<u>(239,286)</u>	<u>(314,141)</u>	<u>(229,936)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 58,374,975</u></b>	<b><u>\$ 58,818,860</u></b>	<b><u>\$ 57,640,042</u></b>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 3,987,940	\$ 2,655,466	\$ 5,674,172
Business-type activities	1,456,412	2,319,547	2,404,627
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b><u>\$ 5,444,352</u></b>	<b><u>\$ 4,975,013</u></b>	<b><u>\$ 8,078,799</u></b>

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

	2014	2015*	2016	2017	2018**	2019	2020
\$ 31,303,000	\$ 31,387,642	\$ 31,113,482	\$ 32,991,371	\$ 34,799,347	\$ 35,631,269	\$ 35,482,895	
4,471,298	4,360,722	4,217,287	4,111,583	4,446,002	4,252,692	4,105,026	
1,906,545	1,891,654	1,869,966	1,490,678	1,348,572	1,214,776	942,200	
1,690,985	1,641,246	2,054,689	2,263,482	2,360,118	2,225,106	2,211,795	
1,309,644	1,400,596	1,407,848	1,456,653	1,461,691	1,518,712	1,235,020	
10,061,160	9,892,846	9,558,566	9,634,893	10,163,314	10,461,255	11,334,735	
6,563,909	7,294,684	6,673,615	6,296,903	6,565,435	7,297,142	7,450,016	
515,114	293,748	244,029	251,911	406,251	889,609	709,168	
309,200	305,362	391,626	698,159	1,129,713	1,500,877	512,785	
297,638	156,573	458,387	1,134,667	526,783	568,062	496,759	
1,639,500	360,000	368,000	678,500	689,000	699,500	1,075,000	
60,067,993	58,985,073	58,357,495	61,008,800	63,896,226	66,259,000	65,555,399	
24,098	16,402	41,124	115,034	256,541	376,534	166,161	
-	-	-	-	309,188	18,566	49,385	
(1,639,500)	(360,000)	(368,000)	(678,500)	(689,000)	(699,500)	(1,075,000)	
(1,615,402)	(343,598)	(326,876)	(563,466)	(123,271)	(304,400)	(859,454)	
\$ 58,452,591	\$ 58,641,475	\$ 58,030,619	\$ 60,445,334	\$ 63,772,955	\$ 65,954,600	\$ 64,695,945	
\$ 7,344,820	\$ 8,064,320	\$ (6,555,493)	\$ (3,644,936)	\$ 762,604	\$ 1,068,023	\$ 9,169,019	
468,975	(1,402,775)	(2,837,547)	3,064,606	2,442,442	4,327,764	5,738,990	
\$ 7,813,795	\$ 6,661,545	\$ (9,393,040)	\$ (580,330)	\$ 3,205,046	\$ 5,395,787	\$ 14,908,009	

VILLAGE OF PALATINE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
<b>GENERAL FUND</b>				
Nonspendable	\$ 6,267,920	\$ 5,772,920	\$ 5,277,920	\$ 4,782,920
Unassigned	<u>12,657,972</u>	<u>15,064,951</u>	<u>16,880,750</u>	<u>18,124,529</u>
<b>TOTAL GENERAL FUND</b>	<b><u>\$ 18,925,892</u></b>	<b><u>\$ 20,837,871</u></b>	<b><u>\$ 22,158,670</u></b>	<b><u>\$ 22,907,449</u></b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Restricted	\$ 36,631,487	\$ 32,349,656	\$ 23,876,160	\$ 17,945,345
Assigned	<u>10,844,611</u>	<u>11,900,695</u>	<u>16,305,655</u>	<u>21,284,780</u>
Unassigned	<u>-</u>	<u>(871,431)</u>	<u>(2,484,768)</u>	<u>(43,615)</u>
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b><u>\$ 47,476,098</u></b>	<b><u>\$ 43,378,920</u></b>	<b><u>\$ 37,697,047</u></b>	<b><u>\$ 39,186,510</u></b>

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 5,022,070	\$ 5,261,220	\$ 4,470,370	\$ 3,738,890	\$ 2,889,849	\$ 2,023,377
<u>17,012,432</u>	<u>18,224,006</u>	<u>18,909,919</u>	<u>21,145,386</u>	<u>21,426,642</u>	<u>24,198,154</u>
<u>\$ 22,034,502</u>	<u>\$ 23,485,226</u>	<u>\$ 23,380,289</u>	<u>\$ 24,884,276</u>	<u>\$ 24,316,491</u>	<u>\$ 26,221,531</u>
\$ 14,882,305	\$ 14,057,043	\$ 19,059,512	\$ 19,554,231	\$ 19,728,606	\$ 19,935,775
13,536,719	7,451,239	9,116,907	10,817,419	11,354,671	10,805,047
(43,615)	(35,515)	-	-	-	-
<u>\$ 28,375,409</u>	<u>\$ 21,472,767</u>	<u>\$ 28,176,419</u>	<u>\$ 30,371,650</u>	<u>\$ 31,083,277</u>	<u>\$ 30,740,822</u>

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
<b>REVENUES</b>				
Taxes	\$ 42,936,134	\$ 42,673,859	\$ 41,024,128	\$ 40,681,472
Licenses and permits	2,695,124	2,612,185	2,822,149	3,081,336
Intergovernmental	21,894,742	21,449,463	22,102,467	22,735,622
Charges for services	3,364,812	3,351,983	3,683,470	3,801,523
Fines and forfeitures	944,747	1,395,806	1,376,629	1,394,054
Investment income	285,881	321,140	300,305	309,200
Miscellaneous	291,996	164,057	193,596	297,638
<b>Total revenues</b>	<b>72,413,436</b>	<b>71,968,493</b>	<b>71,502,744</b>	<b>72,300,845</b>
<b>EXPENDITURES</b>				
General government	6,296,980	5,448,017	5,532,910	5,690,050
Public safety	36,499,775	36,627,642	37,149,960	38,212,533
Public works	5,870,884	5,857,645	6,228,622	6,769,212
Economic development	5,776,274	7,999,863	5,914,067	3,400,486
Capital outlay	24,177,056	7,816,121	10,091,641	8,176,672
Debt service				
Principal retirement	5,708,490	6,403,904	6,346,812	6,089,339
Interest	5,082,194	4,768,086	4,385,759	4,172,391
Fiscal charges	160,195	91,906	8,303	122,338
<b>Total expenditures</b>	<b>89,571,848</b>	<b>75,013,184</b>	<b>75,658,074</b>	<b>72,633,021</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<b>(17,158,412)</b>	<b>(3,044,691)</b>	<b>(4,155,330)</b>	<b>(332,176)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	7,000,000	-	-	-
Refunding bonds issued, at par	850,000	5,025,000	-	10,985,000
Bond premium	216,155	-	-	212,225
Payment to refunded bond escrow agent	(865,438)	(4,939,073)	-	(11,076,385)
Proceeds from sale of capital assets	3,172,436	325,429	115,692	211,418
Transfers in	253,000	3,609,447	5,249,753	12,364,540
Transfers (out)	-	(3,269,890)	(4,999,753)	(10,736,130)
<b>Total other financing sources (uses)</b>	<b>10,626,153</b>	<b>750,913</b>	<b>365,692</b>	<b>1,960,668</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (6,532,259)</b>	<b>\$ (2,293,778)</b>	<b>\$ (3,789,638)</b>	<b>\$ 1,628,492</b>
Debt service as a percentage of noncapital expenditures	14.02%	16.49%	18.33%	14.78%

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ 40,681,860	\$ 40,663,272	\$ 42,313,767	\$ 44,415,730	\$ 44,748,875	\$ 43,976,936
3,153,792	3,284,115	3,272,240	3,226,870	3,609,532	3,148,869
22,291,479	21,845,363	21,401,178	22,394,130	25,493,475	27,845,178
4,116,301	4,367,516	4,419,448	4,871,126	5,053,079	4,126,897
1,394,381	1,582,252	1,753,256	1,953,421	1,694,156	1,202,217
305,362	391,626	698,159	1,129,713	1,500,877	512,785
156,573	458,387	1,134,667	526,783	568,062	496,759
<b>72,099,748</b>	<b>72,592,531</b>	<b>74,992,715</b>	<b>78,517,773</b>	<b>82,668,056</b>	<b>81,309,641</b>
 5,853,988	 6,064,441	 5,359,971	 5,129,280	 5,190,804	 4,915,571
40,197,022	40,907,770	42,657,188	43,654,462	45,586,440	47,152,610
6,419,162	6,227,585	5,982,359	6,065,407	6,212,413	6,219,908
5,187,476	4,080,021	1,464,895	6,692,302	8,404,890	4,182,530
15,883,621	11,571,849	5,010,113	4,954,603	7,004,730	11,557,718
 6,988,013	 6,138,391	 14,589,233	 13,715,000	 8,575,419	 4,870,463
3,729,681	3,498,783	3,381,270	2,677,751	2,348,070	1,979,761
11,611	6,900	219,828	139,164	5,925	579,190
<b>84,270,574</b>	<b>78,495,740</b>	<b>78,664,857</b>	<b>83,027,969</b>	<b>83,328,691</b>	<b>81,457,751</b>
 <b>(12,170,826)</b>	 <b>(5,903,209)</b>	 <b>(3,672,142)</b>	 <b>(4,510,196)</b>	 <b>(660,635)</b>	 <b>(148,110)</b>
 -	 -	 -	 -	 -	 -
-	-	18,355,000	6,235,000	-	18,335,000
-	-	265,712	903,240	-	1,045,434
-	-	(9,086,571)	-	-	(18,800,000)
51,778	83,291	58,216	87,712	104,977	55,261
3,451,125	466,031	716,596	9,219,552	3,556,360	2,005,980
(3,016,125)	(98,031)	(38,096)	(8,471,784)	(2,856,860)	(930,980)
<b>486,778</b>	<b>451,291</b>	<b>10,270,857</b>	<b>7,973,720</b>	<b>804,477</b>	<b>1,710,695</b>
 <b>\$ (11,684,048)</b>	 <b>\$ (5,451,918)</b>	 <b>\$ 6,598,715</b>	 <b>\$ 3,463,524</b>	 <b>\$ 143,842</b>	 <b>\$ 1,562,585</b>
 13.42%	 12.77%	 27.06%	 21.41%	 13.33%	 8.82%

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VILLAGE OF PALATINE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial, Farm and Railroad Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2010	\$ 1,696,347,388	\$ 324,004,088	\$ 161,853,695	NA	\$ 2,182,205,171	\$ 1.022	\$ 6,546,615,513
2011	1,563,334,770	278,224,339	145,507,673	NA	1,987,066,782	1.121	5,961,200,346
2012	1,448,021,095	266,901,767	134,160,019	NA	1,849,082,881	1.200	5,547,248,643
2013	1,218,389,388	248,664,150	122,708,665	NA	1,589,762,203	1.390	4,769,286,609
2014	1,286,288,306	261,895,895	58,787,142	NA	1,606,971,343	1.368	4,820,914,029
2015	1,251,420,992	255,861,463	56,605,366	NA	1,563,887,821	1.406	4,691,663,463
2016	1,499,369,745	253,938,396	60,969,048	NA	1,814,277,189	1.212	5,442,831,567
2017	1,503,316,838	261,662,095	62,863,747	NA	1,827,842,680	1.249	5,483,528,040
2018	1,463,225,616	254,339,800	61,515,897	NA	1,779,081,313	1.296	5,337,243,939
2019	1,616,703,874	344,315,040	72,514,158	NA	2,033,533,072	1.114	6,100,599,216

NA = Not Available

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2010	2011	2012	2013
<b>TAX RATES</b>				
Village of Palatine				
Social Security	\$ 0.097	\$ 0.109	\$ 0.122	\$ 0.148
IMRF	0.060	0.060	0.065	0.081
Police Protection	0.241	0.233	0.267	0.305
Fire Protection	0.239	0.233	0.267	0.305
Fire Pension	0.110	0.148	0.163	0.196
Police Pension	0.149	0.154	0.163	0.187
Debt Service	0.126	0.184	0.153	0.168
Total Village of Palatine	1.022	1.121	1.200	1.390
School Districts				
Palatine CCSD No. 15	2.603	2.943	3.269	3.849
Junior College No. 512	0.295	0.334	0.373	0.444
Township HSD No. 211	2.204	2.482	2.772	3.197
Park District	0.468	0.517	0.574	0.680
Library District	0.198	0.222	0.248	0.293
County				
County of Cook	0.423	0.462	0.594	0.560
Forest Preserve	0.051	0.058	0.062	0.069
Township				
Palatine Township	0.039	0.044	0.049	0.058
General Assistance	0.010	0.012	0.014	0.017
Road and Bridge	0.070	0.079	0.082	0.092
Other Districts				
Northwest Mosquito	0.009	0.010	0.011	0.013
Sanitary District	0.274	0.320	0.370	0.417
Elections (ELCO)	-	0.025	-	0.031
<b>TOTAL TAX RATES</b>	<b>\$ 7.666</b>	<b>\$ 8.629</b>	<b>\$ 9.618</b>	<b>\$ 11.110</b>
<b>SHARE OF TOTAL TAX LEVIED BY THE VILLAGE</b>				
	13.33%	12.99%	12.48%	12.51%

Data Source

Office of the County Clerk

	2014	2015	2016	2017	2018	2019
\$	0.119	\$ 0.125	\$ 0.111	\$ 0.136	\$ 0.117	\$ 0.104
	0.080	0.085	0.075	0.060	0.054	0.055
	0.306	0.295	0.215	0.206	0.228	0.186
	0.306	0.295	0.215	0.206	0.228	0.186
	0.204	0.210	0.218	0.254	0.269	0.274
	0.191	0.222	0.227	0.238	0.254	0.262
	0.162	0.174	0.151	0.149	0.146	0.077
	1.368	1.406	1.212	1.249	1.296	1.144
	3.868	4.035	3.543	3.618	3.807	3.486
	0.451	0.466	0.416	0.425	0.443	0.403
	3.213	3.309	2.871	2.922	3.044	2.749
	0.696	0.725	0.648	0.657	0.693	0.633
	0.295	0.308	0.268	0.276	0.291	0.344
	0.568	0.552	0.533	0.496	0.489	0.454
	0.069	0.069	0.063	0.062	0.060	0.059
	0.059	0.063	0.054	0.055	0.059	0.055
	0.017	0.018	0.012	0.010	0.007	0.007
	0.090	0.092	0.079	0.078	0.080	0.072
	0.013	0.011	0.010	0.010	0.011	0.010
	0.430	0.426	0.406	0.402	0.396	0.389
	-	0.034	-	0.031	-	0.030
\$	11.137	\$ 11.514	\$ 10.115	\$ 10.291	\$ 10.676	\$ 9.835
	12.28%	12.21%	11.98%	12.14%	12.14%	11.63%

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Levy Years Ago

Taxpayer	Tax Year 2019			Tax Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Weber Stephen Products	\$ 23,824,284	1	1.10%	NA	NA	NA
United Parcel Service	22,888,165	2	1.06%	NA	NA	NA
Bourbon Square Apartments	20,349,175	3	0.94%	\$ 17,603,690	5	0.81%
Deer Grove Center	15,624,243	4	0.72%	NA	NA	NA
Arlington Toyota	13,609,762	5	0.63%	18,717,296	4	0.86%
Palatine Owner LLC	12,602,462	6	0.58%	NA	NA	NA
Wal Mart	11,412,081	7	0.53%	NA	NA	NA
Palatine Fresh Market	10,535,829	8	0.49%	NA	NA	NA
Target	9,080,608	9	0.42%	NA	NA	NA
NARE Management LLC	7,976,566	10	0.37%	9,667,764	10	0.44%
Individual Taxpayer	NA	NA	NA	23,123,155	1	1.06%
PFC Marquette Company	NA	NA	NA	21,501,253	2	0.99%
Mid America Park Place	NA	NA	NA	19,461,312	3	0.89%
Village Park Palatine 300	NA	NA	NA	15,710,700	6	0.72%
Regency Retail LLC	NA	NA	NA	13,778,542	7	0.63%
Hamilton Partners	NA	NA	NA	11,289,966	8	0.52%
Square D Company	NA	NA	NA	11,093,033	9	0.51%
	<u>\$ 147,903,175</u>		<u>6.84%</u>	<u>\$ 161,946,711</u>		<u>7.43%</u>

Note:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source  
Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

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Levy Year	Tax Levied	Collected Within the Fiscal Year of the Levy		Percentage of Levy	Collections (Refunds) in Subsequent Years	Total Collections to Date		Percentage of Levy
		Amount	Percentage of Levy			Amount	Percentage of Levy	
2010	\$ 22,302,137	\$ 21,350,808	95.73%	\$ 875,320	\$ 22,226,128	99.66%		
2011	22,275,019	21,834,784	98.02%	218,323	22,053,107	99.00%		
2012	22,188,995	21,661,897	97.62%	319,637	21,981,534	99.07%		
2013	22,097,695	21,729,359	98.33%	(101,922)	21,627,437	97.87%		
2014	21,983,368	21,698,390	98.70%	51,667	21,750,057	98.94%		
2015	21,988,263	21,688,247	98.64%	(51,303)	21,636,944	98.40%		
2016	21,989,040	21,682,685	98.61%	75,683	21,758,368	98.95%		
2017	22,829,755	22,611,087	99.04%	267,154	22,878,241	100.21%		
2018	23,056,901	22,678,380	98.36%	839,741	23,518,121	102.00%		
2019	23,172,496	22,778,525	98.30%	-	22,778,525	98.30%		

Data Source

Office of the County Treasurer

VILLAGE OF PALATINE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

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Fiscal Year Ended	Governmental Activities		Business- Type Activities		Percent		
	General Obligation Bonds	Tax Increment Notes	General Obligation Bonds	Total Primary Government	of Personal Income*	Per Capita*	
2011	\$ 98,342,273	\$ 122,402	\$ 18,892,992	\$ 117,357,667	4.79%	\$ 1,722	
2012	91,969,327	116,859	17,526,482	109,612,668	4.45%	1,599	
2013	85,483,105	111,664	16,479,732	102,074,501	3.85%	1,382	
2014	80,207,505	105,565	14,464,348	94,777,418	3.85%	1,382	
2015	72,530,000	97,417	17,310,000	89,937,417	4.42%	1,300	
2016	66,400,000	89,026	13,910,000	80,399,026	3.31%	1,162	
2017	61,050,000	79,793	12,315,000	73,444,793	2.97%	1,068	
2018	53,570,000	79,793	10,835,000	64,484,793	2.60%	938	
2019	46,114,717	69,374	9,979,510	54,379,374	2.20%	791	
2020	41,676,359	58,911	8,254,960	49,990,230	2.02%	727	

\* See the schedule of Demographic and Economic Information for personal income and population data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Data Source

Audited Financial Statements

VILLAGE OF PALATINE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds		Less: Net Position Restricted for Debt Service	Total Primary Government	Percent of Estimated Actual Taxable Value of Property*		Per Capita*
	Governmental Activities	Business- Type Activities			Primary Government	Value of Property*	
2011	\$ 98,342,273	\$ 18,892,992	\$ 2,584,143	\$ 114,651,122	1.56%	\$ 1,662	
2012	91,969,327	17,526,482	2,122,279	107,373,530	1.74%	1,664	
2013	85,483,105	16,479,732	1,865,098	100,097,739	1.80%	1,566	
2014	80,207,505	14,464,348	-	94,671,853	1.71%	1,381	
2015	72,530,000	17,310,000	-	89,840,000	1.65%	1,335	
2016	66,400,000	13,910,000	-	80,310,000	1.32%	1,298	
2017	61,050,000	12,315,000	-	73,365,000	1.35%	1,067	
2018	53,570,000	10,835,000	-	64,405,000	1.17%	937	
2019	46,114,717	9,979,510	-	56,094,227	1.02%	790	
2020	41,676,359	8,254,960	-	49,931,319	0.82%	726	

\* See the schedule of Demographic and Economic Information for personal income and population data.

Note: Details of the Village's outstanding debt can be found in the notes to financial statements.

Data Source

Audited Financial Statements

VILLAGE OF PALATINE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2020

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Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Palatine (1)	Village of Palatine Share of Debt
Village of Palatine	<u>\$ 41,735,270</u>	100.00%	<u>\$ 41,735,270</u>
<b>School Districts</b>			
Community Unit District 15	33,126,708	50.80%	16,828,368
Township High School District 214	33,010,000	0.01%	3,301
Community College District 512	<u>103,580,000</u>	9.22%	<u>9,550,076</u>
Total school districts	<u>169,716,708</u>		<u>26,381,745</u>
<b>Other than schools</b>			
Cook County	2,950,121,750	1.19%	35,106,449
Cook County Forest Preserve District	142,360,000	1.19%	1,694,084
Metropolitan Water Reclamation District	2,810,177,000	1.21%	34,003,142
<b>Park Districts</b>			
Arlington Heights Park District	12,680,000	0.05%	6,340
Palatine Park District	20,230,000	75.79%	15,332,317
Salt Creek Park District	<u>1,280,000</u>	49.40%	<u>632,320</u>
Total other than schools	<u>5,936,848,750</u>		<u>86,774,652</u>
<b>Total Overlapping Governmental Activities Debt</b>			
Governmental Activities Debt	<u>6,106,565,458</u>		<u>113,156,397</u>
<b>Total Direct and Overlapping Governmental Activities Debt</b>			
Governmental Activities Debt	<u>\$ 6,148,300,728</u>		<u>\$ 154,891,667</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit. The 2019 EAV is the most current available.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2020

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The Village is a home rule municipality.

Article VII, Section 6(k) of the Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property . . . (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: . . . indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum . . . shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.

VILLAGE OF PALATINE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	68,557	\$ 2,463,595,795	\$ 35,935	7.9%
2012	68,557	2,463,595,795	35,935	8.2%
2013	68,557	2,463,595,795	35,935	6.9%
2014	68,557	2,463,595,795	35,935	5.1%
2015	69,188	2,421,307,161	34,996	5.0%
2016	69,188	2,431,032,638	35,137	4.3%
2017	68,766	2,476,263,660	36,010	3.6%
2018	68,766	2,476,263,660	36,010	3.3%
2019	68,766	2,476,263,660	36,010	2.4%
2020	68,766	2,476,263,660	36,010	8.0%

Data Source

US Census Bureau

Illinois Department of Employment Security

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2020			2011		
	Rank	Approx. No. of Employees	Percentage of Total Village Population	Rank	Approx. No. of Employees	Percentage of Total Village Population
Community Consolidated School District 15	1	2,444	3.55%	1	2,200	3.34%
Township High School District 211	2	2,055	2.99%	2	2,200	3.34%
United States Postal Service	3	1,900	2.76%	NA	NA	NA
Community College District 512	4	840	1.22%	3	700	1.06%
Little City Foundation	5	735	1.07%	4	500	0.76%
Weber-Stephen Products	6	400	0.58%	8	200	0.30%
Village of Palatine	7	346	0.50%	5	351	0.53%
Intec Group, Inc.	8	175	0.25%	9	150	0.23%
Arlington Plating	8	175	0.25%	9	150	0.23%
United Parcel Service	10	155	0.23%	NA	NA	NA
Schneider Electric - Square D	NA	NA	NA	6	350	0.53%
DiMucci Construction	NA	NA	NA	6	350	0.53%

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL GOVERNMENT</b>										
Village Clerk	2.0	2.0	2.0	2.0	2.0	1.5	1.5	2.0	2.0	1.5
Village Manager	6.0	6.0	6.0	6.0	6.0	4.5	5.0	4.0	4.0	3.5
Finance and Operations	13.0	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0	10.0
Legal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	4.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0
Information systems	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.5	7.5	7.5
Planning and Zoning	4.5	4.5	4.5	4.5	4.5	4.5	3.5	3.5	3.5	3.5
<b>PUBLIC SAFETY</b>										
Community services	14.5	15.5	15.0	15.0	16.0	16.0	20.5	20.5	20.5	18.5
Police										
Sworn personnel	110.0	109.0	109.0	108.0	109.0	109.0	109.0	109.0	109.0	109.0
Civilians	31.5	31.5	31.5	31.0	31.5	27.5	31.0	29.5	29.5	28.0
Fire										
Sworn personnel	92.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
Civilians	9.5	9.5	9.5	9.5	9.5	9.5	8.5	8.5	8.5	8.5
<b>PUBLIC WORKS</b>										
Public Works	64.5	63.5	63.5	63.5	63.5	63.0	62.0	62.0	64.0	62.5

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

OPERATING INDICATORS										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	1,657	1,506	1,475	1,527	1,660	1,832	2,155	2,233	2,146	1,931
Parking violations	6,264	4,364	4,754	4,756	5,664	5,645	6,638	7,017	7,490	5,485
Traffic violations	10,680	9,928	9,933	9,960	11,229	10,663	10,056	11,251	10,258	7,370
Fire										
Emergency responses	7,510	7,680	7,770	8,009	7,661	7,853	7,709	8,080	7,879	7,416
<b>PUBLIC WORKS</b>										
Water										
Number of connections	19,473	19,481	19,584	19,181	19,181	19,181	19,181	19,181	19,181	19,181
Avg daily consumption	6.47M	6.93M	6.57M	6.30M	6.49M	6.22M	5.75M	5.93M	5.71M	5.94M
CAPITAL ASSET STATISTICS										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	28	28	28	28	28	28	28	28	28	28
Fire										
Fire stations	5	5	5	5	5	5	5	5	5	5
Fire engines	7	7	7	7	7	7	7	7	7	7
<b>PUBLIC WORKS</b>										
Streets and highways										
Streets (miles)	160	160	160	160	160	160	160	160	160	160
Number of bridges	6	6	6	6	6	6	6	6	6	6
Waterworks										
Water mains (miles)	156	156	156	245	245	246	246	247	247	247
Fire hydrants	2,060	2,060	2,060	2,513	2,513	2,523	2,523	2,523	2,523	2,523
Sewerage										
Sanitary sewers (miles)	145	145	145	168	168	169	169	169	171	171
Storm sewers (miles)	225	225	225	260	260	263	263	264	264	264

Data Source

Village Records

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**Additional Disclosures Required  
by SEC Rule 15c2-12**



VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
STATEMENT OF INDEBTEDNESS  
December 31, 2020

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	As Percent of		Per Capita	
	Estimated		( 2010 Special	
	Assessed Amount	True Value	Census Pop. 68,557)	
<b>Taxable real property, 2018</b>				
Assessed valuation	\$ 2,033,533,072	100.00%	33.33%	\$ 29,662
Estimated true value	6,100,599,216	300.00%	100.00%	88,986
 Total general obligation bonded debt (1):	 47,385,000	 2.33%	 0.78%	 691
Less: Self-Supporting	(22,135,000)	-1.09%	-0.36%	(323)
 Net general obligation bonded debt	 25,250,000	 1.24%	 0.41%	 368
 Overlapping bonded debt payable from property taxes (2):	 26,381,745	 1.30%	 0.43%	 385
Schools	86,774,652	4.27%	1.42%	1,266
Other than schools	113,156,397	5.56%	1.85%	1,651
 Total overlapping bonded debt	 \$ 138,406,397	 6.81%	 2.27%	 \$ 2,019

**Notes:**

**(1)** The Village is a home-rule unit under the 1970 Illinois Constitution and as such has no debt limit nor is it required to seek referendum approval for the issuance of general obligation debt. See "Retirement Schedule of Outstanding Village General Obligation Debt" for a listing of the Village's non-general obligation debt and currently outstanding general obligation debt. Of the Village's general obligation debt \$28,155,000 or 51.8% is considered self-supporting.

**(2)** Overlapping bonded debt as of June 2020.

[Data Source](#)

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
 RETIREMENT SCHEDULE OF OUTSTANDING VILLAGE GENERAL OBLIGATION DEBT  
 December 31, 2020

Due 12/1	Series		Series		Series		Series	
	2010	2012	2014 (2 Issues)	2015	2017 (4 Issues)			
2021	\$ 675,000	\$ 595,000	\$ 945,000	\$ 725,000	\$ 3,295,000			
2022	705,000	615,000	975,000	750,000	3,385,000			
2023	-	-	1,015,000	785,000	1,180,000			
2024	-	-	1,050,000	820,000	1,200,000			
2025	-	-	1,090,000	870,000	1,210,000			
2026	-	-	310,000	-	745,000			
2027	-	-	325,000	-	-			
2028	-	-	335,000	-	-			
2029	-	-	-	-	-			
2030	-	-	-	-	-			
2031	-	-	-	-	-			
2032	-	-	-	-	-			
2033	-	-	-	-	-			
2034	-	-	-	-	-			
	<b>\$ 1,380,000</b>	<b>\$ 1,210,000</b>	<b>\$ 6,045,000</b>	<b>\$ 3,950,000</b>	<b>\$ 11,015,000</b>			

**Notes:**

**(1)** The Village is a home rule unit under the 1970 Illinois Constitution and as such has no debt limit, nor is it required to seek referendum approval for the issuance of general obligation debt. This table excludes \$5,260,000 outstanding principal on Special Service Area Bonds, which are secured by a separate levy on property within the Special Service Area; \$58,911 outstanding principal on Tax Increment Financing bonds and notes secured only by the incremental revenues generated by the district; and various industrial revenue bonds which are fully secured by payments from the benefitting entities.

**(2)** The Village has chosen to fund certain projects with general obligation bonds and abate the taxes thereon from other sources. Of the Village's \$47,385,000 outstanding principal at December 31, 2020, the Village estimates that \$22,135,000 (46.7%) is self-supporting from non-property tax sources.

Data Source

Village Records

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Series 2018	Series 2020	Total Maturities <sup>(1) (2)</sup>	
		Amount	%
\$ 470,000	\$ -	\$ 6,705,000	14.2%
500,000	-	6,930,000	14.6%
530,000	-	3,510,000	7.4%
560,000	705,000	4,335,000	9.1%
600,000	725,000	4,495,000	9.5%
640,000	1,275,000	2,970,000	6.3%
670,000	1,345,000	2,340,000	4.9%
725,000	1,375,000	2,435,000	5.1%
755,000	1,415,000	2,170,000	4.6%
-	2,190,000	2,190,000	4.6%
-	2,245,000	2,245,000	4.7%
-	2,300,000	2,300,000	4.9%
-	2,355,000	2,355,000	5.0%
-	2,405,000	2,405,000	5.1%
<b>\$ 5,450,000</b>	<b>\$ 18,335,000</b>	<b>\$ 47,385,000</b>	<b>100.0%</b>

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
BONDED DEBT RATIOS AND PER CAPITA DEBT - LAST TEN GENERAL OBLIGATION BOND SALES  
December 31, 2020

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Village Issue	Sale Date	Amount	Ratio to Estimated Actual Value				Per Capita		
			Direct Debt		Overlapping Debt		Direct and Overlapping Debt		
			Including Supporting	Self-Supporting (1)	Including Supporting	Self-Supporting (1)	Including Supporting	Self-Supporting (1)	
			Excluding	Excluding	Excluding	Excluding	Excluding	Excluding	Population Estimate
September 15, 2009 (2)	\$ 16,600,000	1.65%	0.31%	3.52%	2.18%	\$ 3,496	\$ 2,166	65,920	
May 26, 2010 (2)	19,870,000	1.45%	0.27%	3.18%	2.00%	3,360	2,117	65,920	
August 9, 2010 (2)	19,745,000	1.69%	0.52%	3.41%	2.24%	3,619	2,375	65,920	
June 20, 2011 (3)	7,850,000	1.64%	0.61%	3.47%	2.44%	3,844	2,701	65,920	
December 3, 2012 (2)	5,025,000	1.89%	0.71%	4.17%	2.99%	4,243	2,597	68,557	
December 9, 2014 (2,3)	14,610,000	2.19%	0.73%	4.69%	3.23%	3,263	2,250	68,557	
December 2, 2015	7,165,000	1.98%	0.78%	4.52%	3.32%	3,184	2,337	68,557	
July 11, 2017 (3)	18,355,000	1.48%	0.84%	3.51%	2.67%	2,117	1,171	68,557	
September 5, 2018 (3)	6,235,000	1.32%	0.59%	3.35%	2.62%	2,674	2,095	68,557	
October 19, 2020 (3)	18,335,000	0.88%	0.42%	2.73%	2.28%	2,435	2,025	68,557	

**Notes:**

(1) Excludes the Village's general obligation debt which is payable from non-property tax revenues.

(2) All or a portion of bond proceeds used for advance refunding purposes.

(3) All or a portion of bond proceeds used for current refunding purposes.

Data Source

Official Statements

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES  
December 31, 2020

Governmental Unit	Percent of Village's Real Property in Taxing Body	Gross Debt (1)	Percent of Debt Applicable to the Village of Palatine (2)	Village of Palatine Share of Debt
<b>School Districts</b>				
Palatine Community District No. 15	100.0%	\$ 33,126,708	50.80%	\$ 16,828,368
Township High School District No. 214	0.1%	33,010,000	0.01%	3,301
Community College District No. 512	100.0%	<u>103,580,000</u>	9.22%	<u>9,550,076</u>
<b>Total school districts</b>		<u><u>169,716,708</u></u>		<u><u>26,381,745</u></u>
<b>Other than schools</b>				
Cook County	100.0%	2,950,121,750	1.19%	35,106,449
Cook County Forest Preserve District	100.0%	142,360,000	1.19%	1,694,084
Metropolitan Water Reclamation District	100.0%	2,810,177,000	1.21%	34,003,142
<b>Park Districts</b>				
Arlington Heights Park District	0.1%	12,680,000	0.05%	6,340
Palatine Park District	94.2%	20,230,000	75.79%	15,332,317
Salt Creek Park District	5.7%	<u>1,280,000</u>	49.40%	<u>632,320</u>
<b>Total other than schools</b>		<u><u>5,936,848,750</u></u>		<u><u>86,774,652</u></u>
<b>Total Overlapping Governmental Activities Debt</b>		<b><u><u>\$ 6,106,565,458</u></u></b>		<b><u><u>\$ 113,156,397</u></u></b>

**Notes:**

(1) As of June 2020.

(2) Overlapping debt percentages based on 2019 EAV, the most current available.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
EQUALIZED ASSESSED VALUATION FOR TAXING PURPOSES  
December 31, 2020

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Levy Year	Net for General Taxing Purposes	Plus Incremental Valuation	Total For All Taxing Purposes (1)	Increase Over Prior Year
2010 (2)	\$ 2,182,205,171	\$ 171,135,223	\$ 2,353,340,394	0.0%
2011	1,987,066,782	155,066,131	2,142,132,913	-9.0%
2012	1,849,082,881	213,010,709	2,062,093,590	-3.7%
2013 (2)	1,589,762,203	104,823,912	1,694,586,115	-17.8%
2014	1,606,971,343	84,767,445	1,691,738,788	-0.2%
2015	1,563,887,821	197,915,722	1,761,803,543	4.1%
2016 (2)	1,814,277,189	82,951,271	1,897,228,460	7.7%
2017	1,827,842,680	108,242,637	1,936,085,317	2.0%
2018	1,779,081,313	111,848,301	1,890,929,614	-2.3%
2019	2,033,533,072	170,232,002	2,203,765,074	16.5%

**Notes:**

(1) Property in Cook County is separated into two primary classifications for assessment purposes (10% for residential and 25% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established-tax rates are applied to the equalized valuation. This table excludes exemptions.

(2) Under the current triennial reassessment system, the Village is reassessed every third year.

The Village's tax rate is calculated based on the Village's net equalized assessed valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the County Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
TAX RATES PER \$100 EQUALIZED ASSESSED VALUATION  
December 31, 2020

Tax Levy Year	2015	2016	2017	2018	2019
<b>TAX RATES</b>					
Village of Palatine (1)					
Social Security	\$ 0.125	\$ 0.111	\$ 0.136	\$ 0.117	\$ 0.104
IMRF	0.085	0.075	0.060	0.054	0.055
Corporate (Police Protection)	0.295	0.215	0.206	0.228	0.186
Fire Protection	0.295	0.215	0.206	0.228	0.186
Fire Pension	0.210	0.218	0.254	0.269	0.274
Police Pension	0.222	0.227	0.238	0.254	0.262
Debt Service	0.174	0.151	0.149	0.146	0.077
Total Village of Palatine	1.406	1.212	1.249	1.296	1.144
School Districts					
Palatine CCSD No. 15	4.035	3.543	3.618	3.807	3.486
Junior College No. 512	0.466	0.416	0.425	0.443	0.403
Township HSD No. 211	3.309	2.871	2.922	3.044	2.749
Park District	0.725	0.648	0.657	0.693	0.633
Library District	0.308	0.268	0.276	0.291	0.344
County					
County of Cook	0.552	0.533	0.496	0.489	0.454
Forest Preserve	0.069	0.063	0.062	0.060	0.059
Township					
Palatine Township	0.063	0.054	0.055	0.059	0.055
General Assistance	0.018	0.012	0.010	0.007	0.007
Road and Bridge	0.092	0.079	0.078	0.080	0.072
Other Districts					
Northwest Mosquito	0.011	0.010	0.010	0.011	0.010
Sanitary District	0.426	0.406	0.402	0.396	0.389
Elections (ELCO)	0.034	-	0.031	-	0.030
<b>TOTAL TAX RATE (2)</b>	<b>\$ 11.514</b>	<b>\$ 10.115</b>	<b>\$ 10.291</b>	<b>\$ 10.676</b>	<b>\$ 9.835</b>
SHARE OF TOTAL TAX LEVIED BY THE VILLAGE					
	12.21%	11.98%	12.14%	12.14%	11.63%

**Notes:**

(1) As a home rule unit under the 1970 Illinois Constitution, the Village has no statutory tax rate or levy limitations. Totals may not add due to rounding.

(2) Total rate shown is for the largest tax code which accounted for 78% of the Village's equalized assessed valuation.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
TAX EXTENSIONS AND COLLECTIONS  
December 31, 2020

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Levy Year	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 22,302,137	\$ 21,350,808	95.73%	\$ 875,320	\$ 22,226,128	99.66%
2011	22,275,019	21,834,784	98.02%	218,323	22,053,107	99.00%
2012	22,188,995	21,661,897	97.62%	319,637	21,981,534	99.07%
2013	22,097,695	21,729,359	98.33%	(101,922)	21,627,437	97.87%
2014	21,983,368	21,698,390	98.70%	51,667	21,750,057	98.94%
2015	21,988,263	21,688,247	98.64%	(51,303)	21,636,944	98.40%
2016	21,989,040	21,682,685	98.61%	75,683	21,758,368	98.95%
2017	22,829,755	22,611,087	99.04%	267,154	22,878,241	100.21%
2018	23,056,901	22,678,380	98.36%	839,741	23,518,121	102.00%
2019	23,172,496	22,778,525	98.30%	-	22,778,525	98.30%

**Note:**

Cook County property taxes are payable in two installments: the first on March 1, and the second on the latter of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill and is 55% of the prior year's bill. The second installment is based on the current levy, assessment and equalization and reflects any changes from the prior year in those factors.

Data Source

Office of the County Treasurer

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION  
December 31, 2020

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Property Classification (1)	2015	2016	2017	2018	2019
Residential	\$ 1,251,420,992	\$ 1,499,369,745	\$ 1,503,316,838	\$ 1,463,225,616	\$ 1,616,703,874
Commercial	255,861,463	253,938,396	261,662,095	254,339,800	344,315,040
Industrial/Railroad/Farm	56,605,366	60,969,048	62,863,747	61,515,897	72,514,158
Net for General Taxing Purposes	1,563,887,821	1,814,277,189	1,827,842,680	1,779,081,313	2,033,533,072
Incremental Valuation (2)	<u>197,915,722</u>	<u>82,951,271</u>	<u>108,242,637</u>	<u>111,848,301</u>	<u>170,232,002</u>
Total for all Taxing Purposes	<u>\$ 1,761,803,543</u>	<u>\$ 1,897,228,460</u>	<u>\$ 1,936,085,317</u>	<u>\$ 1,890,929,614</u>	<u>\$ 2,203,765,074</u>
Percentage Increase	-14.3%	7.8%	-8.8%	6.5%	13.8%

**Notes:**

**(1)** Property in Cook County is separated into two primary classifications for assessment purposes (10% for residential and 25% for commercial property). After the assessor establishes the fair market value of a parcel of land, the value is multiplied by one of the classification percentages to arrive at the assessed valuation for that parcel. The Illinois Department of Revenue furnishes each county with an adjustment factor (the equalization factor) to equalize the level of assessment between counties. After the equalization factor is applied, the valuation of the property for taxing purposes has been established-tax rates are applied to the equalized valuation.

**(2)** The Village's tax rate is calculated based on the Village's net equalized assessed valuation (shown in this table as "Net for General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "Total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the County Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
TEN LARGEST TAXPAYERS  
December 31, 2020

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Taxpayer			Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Weber Stephen Products	Manufacturing		\$ 23,824,284	1	1.10%
United Parcel Service	Delivery		22,888,165	2	1.06%
Bourbon Square Apartments	Apartments		20,349,175	3	0.94%
Deer Grove Center	Commercial Real Estate		15,624,243	4	0.72%
Arlington Toyota	Automobile Dealership		13,609,762	5	0.63%
Palatine Owner LLC	Apartments		12,602,462	6	0.58%
Wal Mart	Retail Store		11,412,081	7	0.53%
Palatine Fresh Market	Retail Store		10,535,829	8	0.49%
Target	Retail Store		9,080,608	9	0.42%
NARE Management LLC	Commercial Real Estate		7,976,566	10	0.37%
			\$ 147,903,175		6.84%

**Note:**

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2019 is the most current available.

[Data Source](#)

Office of the County Treasurer

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
GENERAL FUND  
December 31, 2020

***Summary Statement of Revenue, Expenditures and Changes in Fund Balance (1)***

***(Fiscal Year Ending December 31, 2015 - 2019)***

	2016	2017	2018	2019	2020	CY 2021 Budget (2)
<b>REVENUES</b>						
Taxes	\$ 26,055,992	\$ 25,423,866	\$ 26,718,556	\$ 26,719,977	\$ 27,921,769	\$ 29,393,068
Licenses and permits	3,284,115	3,272,240	3,226,870	3,609,532	3,148,869	3,564,000
Intergovernmental	18,532,713	18,461,630	19,534,046	21,290,467	22,111,733	20,667,625
Charges for services	4,092,172	4,108,578	4,515,911	4,647,540	3,645,993	4,445,700
Fines and forfeits	1,552,117	1,726,483	1,936,416	1,681,635	1,196,453	1,691,300
Investment income	300,885	426,061	567,404	697,884	289,279	101,400
Miscellaneous	427,647	164,619	451,983	456,818	487,681	484,400
Sale of capital assets	1,142	-	-	-	-	-
Transfers	-	38,096	-	-	930,980	-
<b>Total revenues</b>	<b>54,246,783</b>	<b>53,621,573</b>	<b>56,951,186</b>	<b>59,103,853</b>	<b>59,732,757</b>	<b>60,347,493</b>
<b>EXPENDITURES</b>						
General government	6,064,441	5,359,971	5,129,280	5,190,804	4,915,571	5,977,918
Public safety	40,504,033	42,384,180	43,471,946	45,411,561	46,692,238	47,850,079
Public works	6,227,585	5,982,359	6,065,407	6,212,413	6,219,908	6,695,065
Transfers	-	-	780,566	2,856,860	-	-
<b>Total expenditures</b>	<b>52,796,059</b>	<b>53,726,510</b>	<b>55,447,199</b>	<b>59,671,638</b>	<b>57,827,717</b>	<b>60,523,062</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>						
OVER EXPENDITURES	1,450,724	(104,937)	1,503,987	(567,785)	1,905,040	\$ (175,569)
<b>FUND BALANCE, JANUARY 1</b>	<b>22,034,502</b>	<b>23,485,226</b>	<b>23,380,289</b>	<b>24,884,276</b>	<b>24,316,491</b>	
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 23,485,226</b>	<b>\$ 23,380,289</b>	<b>\$ 24,884,276</b>	<b>\$ 24,316,491</b>	<b>\$ 26,221,531</b>	

**Notes:**

(1) See Note 1 to the "Combined Statement-All Funds" table for auditor's basis of accounting, etc.

(2) Budgets are adopted on a basis consistent with generally accepted accounting principles. The Village Manager prepares a proposed budget which is presented to the Village Council for review and adoption after public hearings. The Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund must be approved by the Village Council. The Manager regularly conducts quarterly reviews and initiates supplemental appropriations as necessary. The adopted Village Budget is based on the use of the budgetary tool known as "Target Budgeting". The target budget is a tool to involve department heads, municipal administrators, finance officers and policy officials in a joint effort to maximize the use of funds. This method of budgeting is a modification of zero based budgeting. It accepts the premise that the Village provides certain basic services and attempts to "target" funds for these basic service levels. Beyond the basic service levels, discretionary expenditures are identified, and then evaluated, prioritized and matched against available revenues. A shifting pattern of services can therefore be created without inadvertent disruption of basic services.

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
GENERAL FUND  
December 31, 2020

*Balance Sheet (1)*

*(December 31, 2016 - 2020)*

	2016	2017	2018	2019	2020
<b>ASSETS</b>					
Cash and investments	\$ 15,342,309	\$ 17,286,112	\$ 19,083,224	\$ 19,975,689	\$ 22,422,763
<b>Receivables</b>					
Property taxes	19,053,174	19,941,934	20,254,536	21,502,944	21,747,049
Other	808,115	773,590	841,524	881,082	976,551
Due from other governments	5,304,769	4,451,760	4,719,989	4,896,865	4,317,221
Accrued interest	7,990	37,330	98,235	122,305	47,525
Due from other funds	232,959	27,861	18,799	19,565	26,833
Prepaid expenses	-	-	75,000	72,764	36,689
Advance to other funds	5,261,220	4,470,370	3,663,890	2,817,085	1,927,940
<b>TOTAL ASSETS</b>	<b>\$ 46,010,536</b>	<b>\$ 46,988,957</b>	<b>\$ 48,755,197</b>	<b>\$ 50,288,299</b>	<b>\$ 51,502,571</b>
A not = L + FB					
<b>LIABILITIES</b>					
Accounts payable	\$ 422,969	\$ 602,576	\$ 498,390	\$ 651,498	\$ 1,205,985
All other liabilities	1,849,167	2,018,324	2,139,693	2,953,183	1,608,057
<b>TOTAL LIABILITIES</b>	<b>2,272,136</b>	<b>2,620,900</b>	<b>2,638,083</b>	<b>3,604,681</b>	<b>2,814,042</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	19,053,174	19,897,548	20,254,536	21,502,944	21,719,178
Unavailable revenue	1,200,000	1,090,220	978,302	864,183	747,820
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>20,253,174</b>	<b>20,987,768</b>	<b>21,232,838</b>	<b>22,367,127</b>	<b>22,466,998</b>
<b>FUND BALANCES</b>					
Nonspendable	5,261,220	4,470,370	3,738,890	2,889,849	1,986,688
Unassigned	18,224,006	18,909,919	21,145,386	21,426,642	24,198,154
<b>TOTAL FUND BALANCES</b>	<b>23,485,226</b>	<b>23,380,289</b>	<b>24,884,276</b>	<b>24,316,491</b>	<b>26,184,842</b>
BS Not = IS					
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
	<b>\$ 46,010,536</b>	<b>\$ 46,988,957</b>	<b>\$ 48,755,197</b>	<b>\$ 50,288,299</b>	<b>\$ 51,465,882</b>
Not = BS-GOV					

**Note:**

(1) See Note 1 to the "Combined Statement-All Funds" table for auditor's basis of accounting, etc.

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
COMBINED STATEMENT - ALL FUNDS (1)  
December 31, 2020

<i>Fund Balances/Net Position</i>						
	2016	2017	2018	2019	2020	
<b>Governmental Fund Types</b>						
General	\$ 23,485,226	\$ 23,380,289	\$ 24,884,276	\$ 24,316,491	\$ 26,221,531	
Special Revenue	13,829,100	18,853,143	19,325,611	19,603,949	19,800,091	
Debt Service	192,428	206,369	228,620	124,657	135,684	
Capital Projects	7,451,239	9,116,907	10,817,419	11,354,671	10,805,047	
	<u>44,957,993</u>	<u>51,556,708</u>	<u>55,255,926</u>	<u>55,399,768</u>	<u>56,962,353</u>	
<b>Proprietary Fund Types</b>						
Enterprise Funds	54,979,319	58,043,925	60,270,076	64,597,840	70,336,830	
Internal Service Funds	6,844,394	6,994,899	6,682,329	6,606,341	6,150,802	
	<u>61,823,713</u>	<u>65,038,824</u>	<u>66,952,405</u>	<u>71,204,181</u>	<u>76,487,632</u>	
<b>Fiduciary Fund Types (2):</b>						
Pension Trust	130,441,483	150,189,361	141,589,194	170,479,283	194,042,918	
<b>Total All Funds (Memo Only)</b>	<b><u>\$ 237,223,189</u></b>	<b><u>\$ 266,784,893</u></b>	<b><u>\$ 263,797,525</u></b>	<b><u>\$ 297,083,232</u></b>	<b><u>\$ 327,492,903</u></b>	

<i>Cash and Investments</i>						
	2016	2017	2018	2019	2020	
<b>Fund</b>						
General	\$ 15,342,309	\$ 17,286,112	\$ 19,083,224	\$ 19,975,689	\$ 22,422,763	
Special Revenue	8,685,090	12,557,189	16,648,905	17,924,211	17,711,350	
Debt Service	192,428	200,314	228,620	124,657	168,790	
Capital Projects	7,522,738	9,012,473	10,741,026	10,974,219	10,397,500	
Enterprise Funds	10,910,092	13,277,740	15,771,557	17,909,059	18,576,653	
Internal Service Funds	8,731,379	9,177,862	8,930,375	9,348,561	7,619,145	
Pension Trust	130,119,926	149,711,055	141,231,470	169,673,169	193,703,445	
<b>Total All Funds (Memo Only)</b>	<b><u>\$ 181,503,962</u></b>	<b><u>\$ 211,222,745</u></b>	<b><u>\$ 212,635,177</u></b>	<b><u>\$ 245,929,565</u></b>	<b><u>\$ 270,599,646</u></b>	

**Notes:**

(1) These condensed financial statements for the years ending December 31, 2016 - 2020, have been prepared from the full Comprehensive Annual Financial Reports (CAFR) of the Village of Palatine and do not purport to be complete audits. The full financial statements, together with the report of the Village's independent accountants, are included herewith. The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental funds are accounted for using the modified accrual basis of accounting, with revenues being recorded when they become measurable and available as net current assets and expenditures recognized when the related fund liability is incurred. The accrual basis of accounting is used for proprietary and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The Village's CAFR for the fiscal year ended December 31, 2020, included an unmodified "Report of Independent Auditors". Similar unmodified opinions were included in the Village's CAFRs for the fiscal years ended December 31, 2016 - 2019. The "Report of Independent Auditors" included in the latest audit states, in part: "In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Palatine, Illinois, as of December 31, 2020, and the results of operations and cash flows of its proprietary and similar trust fund types for the year then ended in conformity with generally accepted accounting principles."

(2) Excludes the Village's Custodial Funds.

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12  
 CAPITAL ASSETS  
 December 31, 2020

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	Governmental Activities	Business-Type Activities
Land	\$ 11,565,020	\$ 4,858,690
Land - Rights of way	139,806,925	-
Machinery and equipment	12,529,195	2,838,680
Buildings and improvements	52,208,475	23,018,430
Streets	32,673,895	-
Bridges	1,596,735	-
Sanitary sewer system	-	28,956,625
Storm sewer system	-	34,574,025
Water system	-	27,728,894
	<hr/> 250,380,245	<hr/> 121,975,344
Less: Accumulated depreciation	<hr/> 42,788,995	<hr/> 75,919,845
Net investment in capital assets	<hr/> \$ 207,591,250	<hr/> \$ 46,055,499

Data Source

Village Records