

# **VILLAGE OF PALATINE, ILLINOIS**



## **ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2021**



**VILLAGE OF PALATINE, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Year Ended  
December 31, 2021**

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, 2021

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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

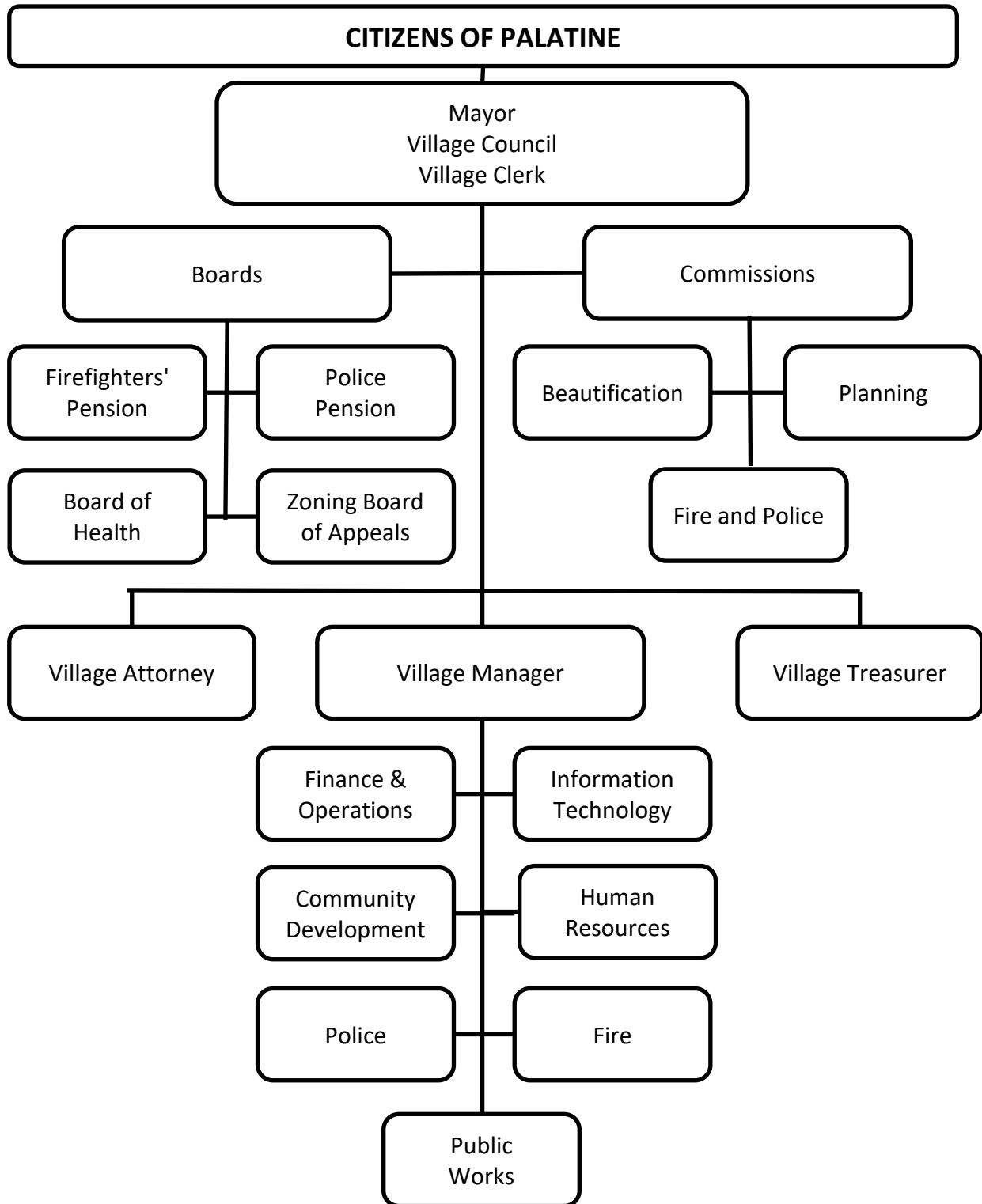
**ADMINISTRATIVE**

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, 2021







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Palatine  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **DEPARTMENT OF FINANCE & OPERATIONS**

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

April 28, 2022

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 annual comprehensive financial report of the Village of Palatine, Illinois for the year ended December 31, 2021.

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 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, 2021, 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 67,908. 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, Coronavirus State and Local Fiscal Recovery Grant Fund, and Capital Equipment Replacement Fund this comparison is presented on pages 80-83 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 99.

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 2021 increased by 34% over 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 2020 census, ranked the Village 197th in the State of Illinois and 21.2% 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 was completed in late 2021, resulting in a new 7/11 gas station and a 3,000 square foot multi-tenant commercial building. The redevelopment of the former Weber-Stephen property near Northwest Highway and Hicks Road (approximately 25 acres) is nearing completion. The project consists of two warehouse/distribution buildings totaling nearly 425,000 square feet.

***Rand and Dundee Corridors*** – The redevelopment of the remainder of the former Knupper Nursery site on Rand Road is underway, which will contain a new Volkswagen dealership (with the building totaling approximately 16,000 square feet). This new Volkswagen dealership is located directly north of the Napleton Automotive Group's new Mazda and Subaru dealerships. Building and façade renovations are currently underway to the southern portion of the Park Place center in conjunction with U-Haul Self Storage's pending occupancy. The Village has also had ongoing discussions with the shopping center owner regarding a potential tenant to occupy the former Whole Foods tenant space. Belle Tire has received zoning approvals to redevelop the property at 2019 N. Rand Road as a new tire/auto service facility. Children's Land has recently completed construction of a new day care facility on Rand Road (near the intersection with Williams Drive).

***Other Areas*** – Following the annexation of the St. Michael's property (approximately 300 acres) in 2020, a proposed warehouse/distribution facility has received preliminary zoning approvals. The project will result in the development of an approximately 25 acres site to allow for a 368,000 square foot building.

### **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 2021, the Village spent over \$6.9 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 2021, over \$3.3 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**

As in previous years, during 2021, the Village provided for 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 annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the 21<sup>st</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 annual comprehensive 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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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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, 2021, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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 Village of Palatine, Illinois as of December 31, 2021, 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.

We did not audit the financial statements of the Northwest Water Commission, which represents 29.85%, 33.23%, and 1.63%, 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.

#### **Change in Accounting Principle**

As described in Note 6 and Note 16 to the financial statements, in 2021, the Village adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Northwest Water Commission were not audited in accordance with *Government Auditing Standards*.



## **Responsibilities of Management 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

## **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 is the responsibility of management and,

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

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Village's 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 28, 2022

## **General Purpose External Financial Statements**





**VILLAGE OF PALATINE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

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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 \$31.4 million (18.2%) during the current year. The governmental net position increased by \$27.8 million (27.1%) and the business-type activities net position increased by \$3.6 million (5.1%).
- The Village's combined Governmental Funds ending fund balance increased \$15.1 million (26.5%).
- At the end of the current year, fund balance for the General Fund increased by \$9.0 million (25.6%) to \$35.2 million or 60.0% of actual calendar year 2021 General Fund expenditures.
- Outstanding general obligation debt decreased from \$47,385,000 to \$40,680,000 during 2021.
- On October 28, 2021, the Village called and redeemed the outstanding \$5,145,000 principal of the \$6,000,000 Special Service Area Number 5 Bond Series of 2008. While this was "non-commitment" debt, this redemption reduced future debt service payments by \$2,190,375 and reduced the property tax burden on all residents within Special Service Area Number 5.
- The Village contributed \$162,691 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.
- The Village implemented GASB Statement Number 87, *Leases*.

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

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

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, consistent with a private-sector business presentation. The Village's government-wide financial statements can be found on pages 4–6 of this report.

The *Statement of Net Position* presents information on all the Village's assets, deferred outflows, liabilities, and deferred inflows, with the difference between total assets plus deferred outflows and liabilities plus deferred inflows reported as the net position. Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving, deteriorating, or remaining constant.

The *Statement of Activities* presents information regarding how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods (for example, uncollected property taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions of the Village that are principally supported by property taxes and other resources (governmental activities) from other functions that are intended to recover all or a significant portion of associated costs through user fees and charges (business-type activities).

The Village's governmental activities reflect 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 Village's 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.

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

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**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*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of resources available for spending, as well as on balances of resources available for spending at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund's Balance Sheet and the governmental fund's Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 18 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, Coronavirus State and Local Fiscal Recovery Grant Fund, and Capital Equipment Acquisition Fund, which are considered 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.

Basic governmental fund financial statements can be found on pages 7-12 of this report.

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

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*Proprietary Funds*

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The Village maintains two different types of proprietary funds: enterprise funds and internal service 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 program.

The Waterworks Fund and Sewerage Fund are considered major funds of the Village and are presented in a separate column in the Fund Financial Statements. The Motor Vehicle Parking System Fund and Refuse Collection Fund are considered non-major enterprise funds and are presented in a separate column in the proprietary 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 non-major enterprise funds and Internal Service Funds is presented elsewhere in the report.

Basic proprietary fund financial statements can be found on pages 13-18 of this 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.

**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 21-79 of this report.

**Required Supplementary Information (RSI)**

This report also presents certain RSI including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Required supplementary information can be found on pages 80-98 of this report.

**Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, and immediately following the Required Supplementary Information section, this report also presents combining and individual fund financial statements for each of the Village's funds, as well as additional information on the Village's long-term debt.

Combining and individual fund statements and schedules can be found on pages 99-155 of this report.

**Statistical Section**

This report also contains a statistical section that provides information about financial trends, the Village's revenue and debt capacity, demographics, services, and activities.

The statistical section can be found on pages 156-178 of this report.

**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.

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

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Position**

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The following table (presented in millions) provides a summary of the components of the Village's Statement of Net Position and depicts that it's combined net position increased by \$31.4 million (18.2%) 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 \$130.3 million, a \$27.8 million (27.1%) increase. The business-type activities net position was \$73.9 million, a \$3.6 million (5.1%) increase from the prior year. This increase is inclusive of a change in accounting principle related to the implementation of GASB Statement No. 87, *Leases*.

	<i>Current Year</i>			<i>Prior Year</i>		
	<i>Govern- mental Activities</i>	<i>Business- type Activities</i>	<i>Total</i>	<i>Govern- mental Activities</i>	<i>Business- type Activities</i>	<i>Total</i>
Current and other assets	\$ 121.6	\$ 36.3	\$ 157.9	\$ 91.9	\$ 34.8	\$ 126.7
Capital assets	205.8	47.4	253.2	207.6	46.1	253.7
<b>Total Assets</b>	<b>327.4</b>	<b>83.7</b>	<b>411.1</b>	<b>299.5</b>	<b>80.9</b>	<b>380.4</b>
Deferred outflows of resources	12.6	1.7	14.3	16.0	1.2	17.2
Noncurrent liabilities	132.8	8.1	140.9	162.0	9.9	171.9
Other liabilities	10.7	2.0	12.7	3.8	1.3	5.1
<b>Total liabilities</b>	<b>143.5</b>	<b>10.1</b>	<b>153.6</b>	<b>165.8</b>	<b>11.2</b>	<b>177.0</b>
Deferred inflows of resources	66.2	1.4	67.6	47.2	0.6	47.8
Net position						
Net investment in capital assets	177.2	41.0	218.2	176.4	37.9	214.3
Restricted	16.9	-	16.9	9.4	-	9.4
Unrestricted	(63.8)	32.9	(30.9)	(83.3)	32.4	(50.9)
<b>Total net position</b>	<b>\$ 130.3</b>	<b>\$ 73.9</b>	<b>\$ 204.2</b>	<b>\$ 102.5</b>	<b>\$ 70.3</b>	<b>\$ 172.8</b>

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

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

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Governmental Activities

Total assets increased by \$26.5 million reflecting increased cash and investments resulting from increased unspent federal grants; increased leases receivable due to the implementation of GASB Statement No. 87, *Leases*; increased receivables from other governments based on increased shared revenues from the State; and decreased depreciable capital assets due to current year depreciation exceeding current year capital additions. Deferred outflows of resources decreased by \$3.4 million related to pensions and OPEB and deferred inflows of resources increased by \$19.0 million related to pensions, OPEB, and leases. Total liabilities decreased by \$23.7 million mainly reflecting a \$6.0 million increase in unearned revenues due to unspent federal grants and \$30.7 decrease in noncurrent liabilities representing regularly scheduled bond principal reductions and a decrease in net pension liabilities.

Business-Type Activities

Total assets increased by \$2.4 million mainly reflecting an increase in current assets from ongoing operations; an increase in leases receivable due to the implementation of GASB Statement No. 87, *Leases*; an increase in the Village's investment in joint venture; and an increase in capital assets resulting from capital additions exceeding depreciation expense. Deferred outflows of resources increased by \$0.5 million related to pensions and OPEB and deferred inflows of resources increased by \$0.8 million related to pensions, OPEB, and leases. Total liabilities decreased by \$1.5 mainly reflecting a \$0.7 million decrease in operational liabilities (accounts payable and accrued payroll) that were liquidated in the following month; and a \$2.2 million decreases from regularly scheduled bond principal reductions during the year and net pension obligation, and an increase in asset retirement liabilities.

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

**Changes in Net Position**

The Village's combined change in net position of \$31.4 million increased by \$16.6 million from the prior year, net of the \$58,748 change in accounting principle. The Village's total revenues increased by \$4.3 million, while the cost of all programs decreased by \$12.3 million. The following chart shows the revenue and expenses of the Village's activities (presented in millions):

	<i>Current Year</i>			<i>Prior Year</i>		
	<i>Govern- mental Activities</i>	<i>Business- type Activities</i>	<i>Total</i>	<i>Govern- mental Activities</i>	<i>Business- type Activities</i>	<i>Total</i>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 12.7	\$ 21.9	\$ 34.6	\$ 11.0	\$ 21.3	\$ 32.3
Operating grants	5.1	-	5.1	5.1	0.6	5.7
Capital grants and contributions	0.3	-	0.3	0.6	2.3	2.9
General revenues						
Property taxes	34.8	-	34.8	35.5	-	35.5
Other taxes	10.4	-	10.4	8.5	-	8.5
Other revenues	24.7	-	24.7	20.5	0.2	20.7
<b>Total revenues</b>	<b>88.0</b>	<b>21.9</b>	<b>109.9</b>	<b>81.2</b>	<b>24.4</b>	<b>105.6</b>
<b>Expenses</b>						
Governmental activities						
General government	3.4	-	3.4	4.8	-	4.8
Public safety	41.8	-	41.8	47.7	-	47.7
Public works	11.1	-	11.1	14.1	-	14.1
Economic development	3.9	-	3.9	4.2	-	4.2
Interest & fiscal charges	1.1	-	1.1	2.4	-	2.4
Business-type activities						
Waterworks	-	8.0	8.0	-	8.5	8.5
Sewerage	-	3.5	3.5	-	3.4	3.4
Motor vehicle parking	-	1.3	1.3	-	1.4	1.4
Refuse collection	-	4.4	4.4	-	4.3	4.3
<b>Total expenses</b>	<b>61.3</b>	<b>17.2</b>	<b>78.5</b>	<b>73.2</b>	<b>17.6</b>	<b>90.8</b>
<b>Change in net position before transfers</b>	<b>26.7</b>	<b>4.7</b>	<b>31.4</b>	<b>8.0</b>	<b>6.8</b>	<b>14.8</b>
<b>Transfers</b>	<b>1.1</b>	<b>(1.1)</b>	<b>-</b>	<b>1.1</b>	<b>(1.1)</b>	<b>-</b>
<b>Change in net position</b>	<b>27.8</b>	<b>3.6</b>	<b>31.4</b>	<b>9.1</b>	<b>5.7</b>	<b>14.8</b>
<b>Net position, beginning</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>
<b>Net position, ending</b>	<b>\$ 130.3</b>	<b>\$ 73.9</b>	<b>\$ 204.2</b>	<b>\$ 102.5</b>	<b>\$ 70.3</b>	<b>\$ 172.8</b>

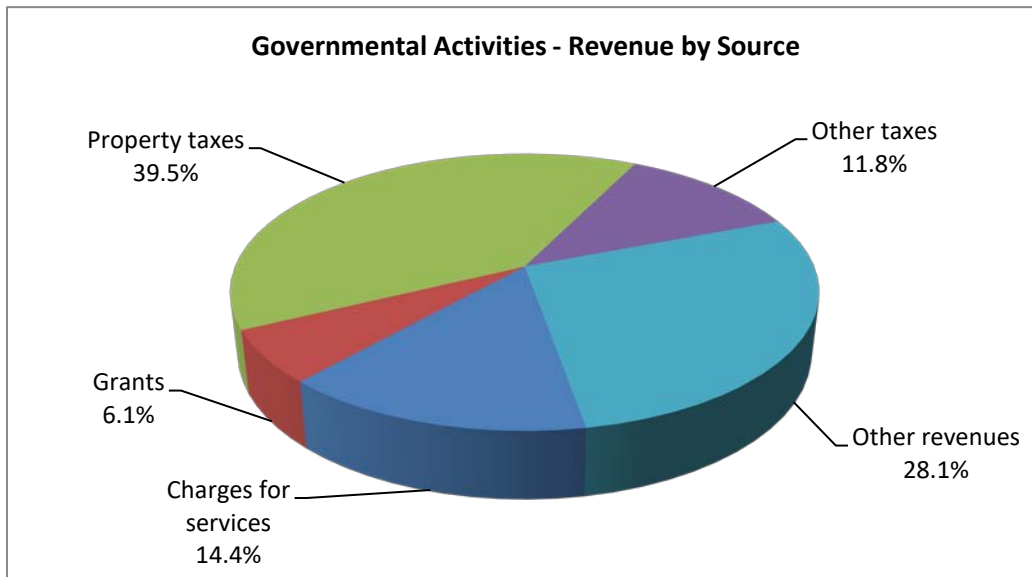


**VILLAGE OF PALATINE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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***Governmental Activities***

**Revenues:**



For the current year, revenues from Governmental Activities totaled \$88.0 million, an increase of \$6.8 million (8.4%) from the prior year. Property taxes continue to be the Village's largest revenue source coming in at \$34.8 million and representing 39.5% of total Governmental Activity revenue. Other revenues, representing support from other governmental agencies (mainly shared revenue from the State of Illinois), provide 28.1% of total governmental revenues.

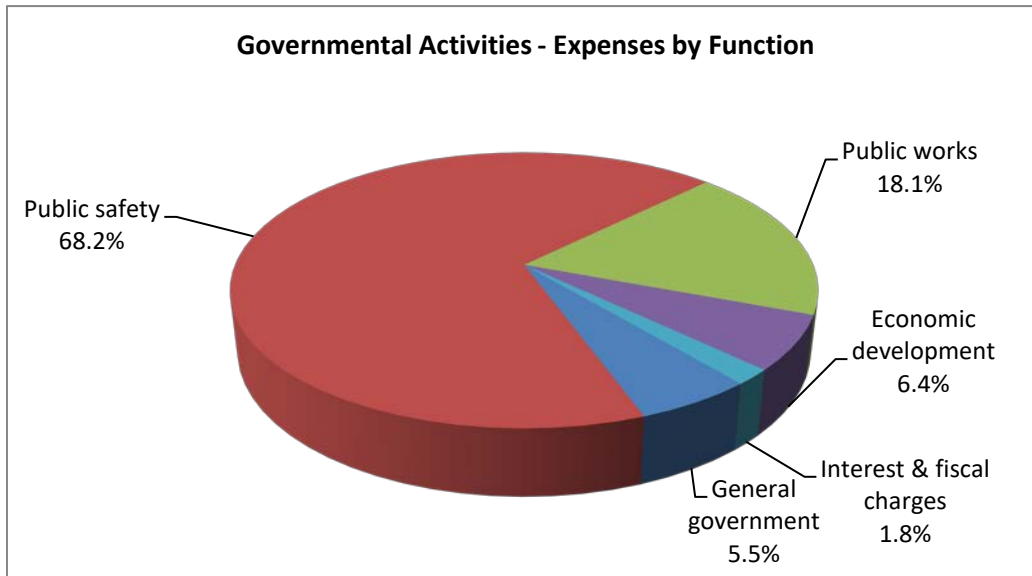
General revenues (property taxes, other taxes, and other revenues) increased by \$5.4 million (8.4%) mainly due to the rebound in the local and State economy from the impact of the loosening of COVID-19 restrictions.

Program revenues (charges for services, operating grants, and capital grants and contributions) reflect a \$1.4 million (8.4%) increase reflecting higher permit activity and an enhanced enforcement program for vehicle stickers.

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

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**Expenses**



For the current year, expenses from Governmental Activities totaled \$61.3 million, which represents a \$11.9 million (16.3%) decrease from the prior year.

General government expenses experienced a \$1.4 million (29.2%) decrease due to personnel related reductions and the IMRF retirement plan experiencing a net pension income.

Public safety expenses show a decrease of \$5.9 million (12.4%) due to reductions related to personnel related reductions and reductions related to pensions and OPEB.

Public works expenses reflect a decrease of \$3.0 million (21.3%) mainly due decreased capital maintenance activities.

Economic development activities show a slight decrease of \$0.3 million (7.1%), which reflects a small decrease in economic development activities within the Village's tax increment financing districts.

Interest and fiscal charges reflect a \$1.3 million (54.2%) decrease related to scheduled debt service requirements.

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

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***Business-Type Activities***

**Revenues**

Total revenue for the business-type activities experienced a \$2.5 million (10.2%) decrease in the current year, which was mainly due to one-time capital contributions from the Village's Tax Increment Financing District Funds in the prior year.

**Expenses**

Business-type activity total expenses decreased by \$0.4 million, which was mainly a result of an decrease of \$0.5 million in water utility costs, reflecting lower water purchases and personnel related reductions.

**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 \$72.1 million, which is a \$15.1 million increase from the prior year balance of \$57.0 million. This increase is mainly attributable increased revenues and the planned reduction of capital outlay expenditures. The total fund balance of \$72.1 million is comprised of the following components:

***Nonspendable Fund Balance*** of \$1.0 million represents the portion of fund balance that is not available to be spent, either short-term or long-term, in form for advances and prepaid items.

***Restricted Fund Balance*** totaling \$24.8 million represents the portion of fund balance that is subject to external enforceable legal restrictions for highways and streets, debt service, public safety, and economic development.

***Assigned Fund Balance*** in the amount of \$12.7 million represents the portion of fund balance denoted for an intended use of resources in the General Fund, or for all remaining fund balance in other funds that cannot be categorized above.

***Unassigned Fund Balance*** of \$33.6 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.

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

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 \$9.0 million from the prior year; the fund balance for the prior year showed an increase of \$1.9 million. Revenues increased by \$8.8 million, and expenditures increased by \$0.8 million, resulting in an increase in results from operations of \$8.0 compared to the prior year, both before other financing uses (transfers). Net financing sources (uses) decreased by \$0.9 million, which had a negative effect on fund balance.

**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>
Revenues	\$ 60.3	\$ 60.6	\$ 67.6	\$ 58.8
Expenditures	60.5	60.5	58.6	57.8
Excess (deficiency) of revenues over expenditures	(0.2)	0.1	9.0	1.0
Other financing sources (uses)	-	(0.1)	-	0.9
<b>Net change in fund balance</b>	<b>\$ (0.2)</b>	<b>\$ -</b>	<b>\$ 9.0</b>	<b>\$ 1.9</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	\$ 21.3	\$ 21.1	\$ 0.2
State sales tax	11.2	8.5	2.7
Home rule sales tax	5.7	4.1	1.6
State income tax	9.1	7.5	1.6

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 \$0.8 million higher than the prior year mainly due to increased personnel costs as a result of regular wage, health insurance, and pension contribution increases.

General Fund actual revenues and actual expenditures were \$7.0 million higher and \$1.9 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.

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

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The Downtown TIF Fund experienced a positive net change in fund balance in the amount of \$3.7 million, which is \$1.6 million more than the prior year mainly due to a decrease capital outlay expenditures. The Capital Equipment Acquisition Fund had a positive net change in fund balance of \$1.1 million or \$1.5 million higher than the prior year due to reduced capital outlay expenditures and a reduction in other financing sources.

***Proprietary Funds***

The Enterprise Funds' (as presented on pages 13-18) total net position increased by \$3.5 million (4.9%). This increase is primarily due to a combined \$5.0 million increase in the Waterworks Fund and Sewerage Fund from continued strong revenues from prior years' rate increases and increased asset capitalizations; and \$0.5 million decrease in the Refuse Collection Fund due to increased tipping fees; and a \$1.0 million decrease in the Motor Vehicle Parking Fund mainly due to 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 \$253.2 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 \$0.4 million net decrease (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 decreased by \$1.8 million and net capital assets for business-type activities increased from last year by \$1.4. The change in net capital assets for governmental activities and business-type activities was due mainly to capital additions being exceeded by net depreciation.

**DEBT OUTSTANDING**

The Village currently has eleven general obligation bond series and one tax increment revenue limited obligation redevelopment notes series outstanding. \$40.68 million of general obligation bonds and \$46 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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\$9.9 million (24.3%) of the \$40.680 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 2022 budget includes no increase in the property tax levy, which is the eighth time in the last ten 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 decrease slightly. State income tax revenue is forecasted to increase based on a rebound in employment levels. 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 (3.9%) increase in base water and sewer rates; a \$1.0 per month increase in refuse collection fees; and no increase in commuter parking lot fees have been included in the 2022 budget.

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, except for known contractual increases. 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 2021 and beyond. Management believes that the strong financial position of the Village headed into this event lessened the direct impact in 2021 and will continue to limit its impact for 2022 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, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 78,734,363	\$ 19,220,142	\$ 97,954,505
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	23,019,206	-	23,019,206
Accounts	-	1,938,761	1,938,761
Other	1,004,217	45,715	1,049,932
Due from other governments	5,875,239	96,053	5,971,292
Accrued interest	15,105	7,289	22,394
Leases	6,937,726	190,274	7,128,000
Prepaid items	72,800	-	72,800
Inventories	205,180	-	205,180
Land held for resale	4,082,000	-	4,082,000
Net pension asset	1,639,810	333,284	1,973,094
Capital assets not being depreciated	151,371,945	4,858,690	156,230,635
Capital assets being depreciated (net of accumulated depreciation)	54,404,925	42,522,069	96,926,994
Investment in joint venture	-	14,435,230	14,435,230
Total assets	327,362,516	83,647,507	411,010,023
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on refunding	88,275	81,455	169,730
Asset retirement obligation items	-	1,178,350	1,178,350
Pension items	10,344,996	382,477	10,727,473
OPEB items	2,178,664	44,917	2,223,581
Total deferred outflows of resources	12,611,935	1,687,199	14,299,134
<b>LIABILITIES</b>			
Accounts payable	2,724,477	1,554,378	4,278,855
Accrued payroll	887,412	34,827	922,239
Accrued interest payable	86,585	19,060	105,645
Deposits payable	869,397	303,044	1,172,441
Claims payable	117,320	-	117,320
Unearned revenues	6,009,665	136,850	6,146,515
Noncurrent liabilities			
Due within one year	5,976,759	1,754,085	7,730,844
Due in more than one year	126,832,666	6,301,463	133,134,129
Total liabilities	143,504,281	10,103,707	153,607,988
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenue	22,996,834	-	22,996,834
Pension items	33,189,928	1,108,388	34,298,316
OPEB items	3,222,774	66,442	3,289,216
Lease items	6,750,900	189,213	6,940,113
Total deferred inflows of resources	66,160,436	1,364,043	67,524,479
<b>NET POSITION</b>			
Net investment in capital assets	177,240,431	40,996,804	218,237,235
Restricted for			
Streets and highways	2,855,292	-	2,855,292
Debt service	44,159	-	44,159
Public safety	1,057,222	-	1,057,222
Economic development	12,911,943	-	12,911,943
Unrestricted	(63,799,313)	32,870,152	(30,929,161)
TOTAL NET POSITION	\$ 130,309,734	\$ 73,866,956	\$ 204,176,690

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Grants and Contributions	
			Operating	Capital
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 3,358,688	\$ 1,341,725	\$ -	\$ -
Public safety	41,750,555	8,785,816	250,997	-
Public works	11,110,100	2,599,663	2,793,631	1,832,572
Economic development	3,873,006	-	526,008	-
Interest and fiscal charges	1,074,402	-	-	-
Total governmental activities	61,166,751	12,727,204	3,570,636	1,832,572
Business-Type Activities				
Waterworks	8,038,256	12,633,962	-	-
Sewerage	3,511,129	4,672,335	-	21,484
Motor vehicle parking system	1,259,959	176,337	-	-
Refuse collection	4,449,434	4,438,090	-	-
Total business-type activities	17,258,778	21,920,724	-	21,484
TOTAL PRIMARY GOVERNMENT	\$ 78,425,529	\$ 34,647,928	\$ 3,570,636	\$ 1,854,056

See accompanying notes to financial statements.

Net (Expense) Revenue and Change in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (2,016,963)	\$ -	\$ (2,016,963)	
(32,713,742)	-	(32,713,742)	
(3,884,234)	-	(3,884,234)	
(3,346,998)	-	(3,346,998)	
(1,074,402)	-	(1,074,402)	
(43,036,339)	-	(43,036,339)	
-	4,595,706	4,595,706	
-	1,182,690	1,182,690	
-	(1,083,622)	(1,083,622)	
-	(11,344)	(11,344)	
-	4,683,430	4,683,430	
(43,036,339)	4,683,430	(38,352,909)	
General Revenues			
Taxes			
Property	34,830,135	-	34,830,135
Home rule sales	5,720,013	-	5,720,013
Telecommunications	798,031	-	798,031
Electric utility use	2,225,398	-	2,225,398
Other	1,524,289	-	1,524,289
State shared sales taxes (unrestricted)	13,993,460	-	13,993,460
State shared income tax (unrestricted)	9,050,756	-	9,050,756
Other intergovernmental revenues (unrestricted)	829,566	-	829,566
Investment income (loss)	280,078	(30,704)	249,374
Miscellaneous	497,096	-	497,096
Transfers	1,122,600	(1,122,600)	-
Total	70,871,422	(1,153,304)	69,718,118
CHANGE IN NET POSITION	27,835,083	3,530,126	31,365,209
NET POSITION, JANUARY 1, AS RESTATED	102,474,651	70,336,830	172,811,481
NET POSITION, DECEMBER 31	\$ 130,309,734	\$ 73,866,956	\$ 204,176,690

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2021

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 31,204,940	\$ 7,944,428	\$ 6,007,439	\$ 7,295,820	\$ 18,841,894	\$ 71,294,521
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	21,712,678	22,372	-	-	1,284,156	23,019,206
Other	959,236	-	-	-	-	959,236
Due from other governments	5,383,945	-	-	116,443	374,851	5,875,239
Accrued interest	8,361	-	-	1,537	2,647	12,545
Leases	251,214	-	-	6,686,512	-	6,937,726
Due from other funds	19,832	-	-	-	-	19,832
Prepaid items	72,800	-	-	-	-	72,800
Land held for resale	-	4,082,000	-	-	-	4,082,000
Advance to other funds	994,340	-	-	-	-	994,340
TOTAL ASSETS	\$ 60,607,346	\$ 12,048,800	\$ 6,007,439	\$ 14,100,312	\$ 20,503,548	\$ 113,267,445

See accompanying notes to financial statements.

	General	Downtown TIF	State and Local Fiscal Recovery Grant	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES</b>						
Accounts payable	\$ 1,085,450	\$ 33,378	\$ -	\$ 24,068	\$ 824,277	\$ 1,967,173
Accrued payroll	871,298	-	-	-	4,199	875,497
Due to other funds	-	-	-	-	19,832	19,832
Deposits payable	869,397	-	-	-	-	869,397
Unearned revenues	-	-	6,006,265	-	3,400	6,009,665
Advance from other funds	-	994,340	-	-	-	994,340
Total liabilities	2,826,145	1,027,718	6,006,265	24,068	851,708	10,735,904
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property tax revenue	21,712,678	-	-	-	1,284,156	22,996,834
Unavailable revenue - Park District loan	629,258	-	-	10,000	-	639,258
Lease items	230,041	-	-	6,520,859	-	6,750,900
Total deferred inflows of resources	22,571,977	-	-	6,530,859	1,284,156	30,386,992
Total liabilities and deferred inflows of resources	25,398,122	1,027,718	6,006,265	6,554,927	2,135,864	41,122,896
<b>FUND BALANCES</b>						
Nonspendable in form						
Prepaid items	72,800	-	-	-	-	72,800
Advances	994,340	-	-	-	-	994,340
Restricted for streets and highways	-	-	-	-	2,855,292	2,855,292
Restricted for debt service	-	-	-	-	130,744	130,744
Restricted for public safety	-	-	-	-	1,057,222	1,057,222
Restricted for economic development	-	11,021,082	1,174	-	9,735,369	20,757,625
Unrestricted						
Assigned for capital projects	-	-	-	7,545,385	4,589,057	12,134,442
Assigned for future appropriation	572,744	-	-	-	-	572,744
Unassigned	33,569,340	-	-	-	-	33,569,340
Total fund balances	35,209,224	11,021,082	1,174	7,545,385	18,367,684	72,144,549
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 60,607,346</b>	<b>\$ 12,048,800</b>	<b>\$ 6,007,439</b>	<b>\$ 14,100,312</b>	<b>\$ 20,503,548</b>	<b>\$ 113,267,445</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, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 72,144,549
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	639,258
Capital and intangible assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	205,776,870
Long-term liabilities, including bonds and leases payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(34,685,682)
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	10,040
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	(1,794,754)
Charges on refundings are reported as a deferred outflow of resources on the statement of net position	88,275
Accrued interest on long-term debt is reported as a liability on the statement of net position	(86,585)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	(1,577,905)
Less compensated absences payable reported in internal service funds	35,100
The net position of internal service funds is included in the governmental activities in the statement of net position	5,576,990
The following items related to OPEB are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows	2,178,664
Less deferred outflows reported in internal service funds	(6,893)
Deferred inflows	(3,222,774)
Less deferred inflows reported in internal service funds	10,197
Net OPEB liability	(14,114,847)
Less net OPEB liability reported in internal service funds	44,658
The following items related to pensions are not current financial resources and, therefore, are not reported in the governmental funds	
Deferred outflows	10,344,996
Less deferred outflows reported in internal service funds	(71,127)
Deferred inflows	(33,189,928)
Less deferred inflows reported in internal service funds	407,917
Net pension asset	1,639,810
Less net pension asset reported in internal service funds	(198,478)
Net pension liability	(79,638,617)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 130,309,734</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, 2021

	General	Downtown TIF	Coronavirus State and Local Fiscal Recovery Grant	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 30,897,540	\$ 7,320,328	\$ -	\$ 444,761	\$ 6,435,237	\$ 45,097,866
Licenses and permits	4,011,603	-	-	-	-	4,011,603
Intergovernmental	26,501,973	-	-	-	5,501,192	32,003,165
Charges for services	4,132,742	-	-	408,115	64,917	4,605,774
Fines and forfeits	1,498,459	-	-	-	3,755	1,502,214
Investment income	96,279	3,287	1,174	153,971	25,367	280,078
Miscellaneous	493,257	-	-	-	3,839	497,096
Total revenues	67,631,853	7,323,615	1,174	1,006,847	12,034,307	87,997,796
EXPENDITURES						
Current						
General government	4,395,811	-	-	-	-	4,395,811
Public safety	47,914,355	-	-	-	265,012	48,179,367
Public works	6,291,028	-	-	-	-	6,291,028
Economic development	-	1,758	-	-	3,871,248	3,873,006
Capital outlay	-	205,170	-	734,887	4,069,224	5,009,281
Debt service						
Principal retirement	-	3,243,229	-	-	1,810,000	5,053,229
Interest	-	220,748	-	-	1,031,269	1,252,017
Fiscal charges	-	1,500	-	-	2,650	4,150
Total expenditures	58,601,194	3,672,405	-	734,887	11,049,403	74,057,889

See accompanying notes to financial statements.



	General	Downtown TIF	State and Local Fiscal Recovery Grant	Capital Equipment Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
EXCESS OF REVENUES OVER EXPENDITURES	\$ 9,030,659	\$ 3,651,210	\$ 1,174	\$ 271,960	\$ 984,904	\$ 13,939,907
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	178,437	-	178,437
Transfers in	75,782	-	-	707,600	475,000	1,258,382
Transfers (out)	(60,000)	-	-	-	(75,782)	(135,782)
Total other financing sources (uses)	15,782	-	-	886,037	399,218	1,301,037
NET CHANGE IN FUND BALANCES	9,046,441	3,651,210	1,174	1,157,997	1,384,122	15,240,944
FUND BALANCES, JANUARY 1, AS RESTATED	26,162,783	7,369,872	-	6,387,388	16,983,562	56,903,605
FUND BALANCES, DECEMBER 31	\$ 35,209,224	\$ 11,021,082	\$ 1,174	\$ 7,545,385	\$ 18,367,684	\$ 72,144,549

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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 15,240,944
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	1,044,530
Revenues in the statement of activities that are not available in governmental funds are not reported as a revenue in governmental funds until received	(128,562)
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 on capital assets and amortization on intangible capital assets	(2,858,910)
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	5,053,229
The amortization of discount on long-term debt is reported as an expense on the statement of activities	(5,260)
The amortization of premium on long-term debt is reported as a reduction of expense on the statement of activities	216,906
The amortization of the loss on refunding on long-term debt is reported as an expense on the statement of activities	(39,616)
The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities	9,735
The change in compensated absences payable is shown as an expense on the statement of activities	(23,390)
The change in net position of certain activities of internal service funds is reported in governmental funds on the statement of activities	(573,812)
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	(274,597)
Deferred inflows related to OPEB	331,785
Total OPEB liability	(709,931)
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	(2,996,774)
Deferred inflows related to pensions	(12,323,093)
Net pension liability/asset	25,871,899
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 27,835,083</u>

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2021

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CURRENT ASSETS</b>					
Cash and investments	\$ 10,671,070	\$ 6,298,846	\$ 2,250,226	\$ 19,220,142	\$ 7,439,842
Receivables (net, where applicable, of allowances for uncollectibles)					
Accounts	1,380,522	558,239	-	1,938,761	-
Other	33,160	5,210	7,345	45,715	44,981
Due from other governments	-	96,053	-	96,053	-
Accrued interest	4,750	2,232	307	7,289	2,560
Leases	-	-	190,274	190,274	-
Inventories	-	-	-	-	205,180
<b>Total current assets</b>	<b>12,089,502</b>	<b>6,960,580</b>	<b>2,448,152</b>	<b>21,498,234</b>	<b>7,692,563</b>
<b>NONCURRENT ASSETS</b>					
Net pension asset	154,538	178,746	-	333,284	198,478
Capital assets					
Land	740,200	-	4,118,490	4,858,690	-
Buildings and improvements	7,429,825	597,545	15,681,480	23,708,850	-
Systems and improvements	31,140,549	63,530,650	-	94,671,199	-
Machinery and equipment	2,575,285	263,395	-	2,838,680	-
Accumulated depreciation	(20,207,895)	(43,692,395)	(14,796,370)	(78,696,660)	-
<b>Total capital assets</b>	<b>21,677,964</b>	<b>20,699,195</b>	<b>5,003,600</b>	<b>47,380,759</b>	<b>-</b>
Other assets					
Investment in joint venture					
Northwest Water Commission	14,435,230	-	-	14,435,230	-
<b>Total noncurrent assets</b>	<b>36,267,732</b>	<b>20,877,941</b>	<b>5,003,600</b>	<b>62,149,273</b>	<b>198,478</b>
<b>Total assets</b>	<b>48,357,234</b>	<b>27,838,521</b>	<b>7,451,752</b>	<b>83,647,507</b>	<b>7,891,041</b>

See accompanying notes to financial statements.

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	\$ 155	\$ 81,300	\$ -	\$ 81,455	\$ -
Asset retirement obligation items	1,178,350	-	-	1,178,350	-
Pension items	321,897	60,580	-	382,477	71,127
OPEB items	34,466	10,451	-	44,917	6,893
Total deferred outflows of resources	1,534,868	152,331	-	1,687,199	78,020
CURRENT LIABILITIES					
Accounts payable	918,225	28,169	607,984	1,554,378	757,304
Accrued payroll	25,823	9,004	-	34,827	11,915
Accrued interest payable	9,760	9,300	-	19,060	-
Deposits payable	285,038	-	18,006	303,044	-
Claims payable	-	-	-	-	117,320
Unearned revenues	-	-	136,850	136,850	-
Compensated absences payable	14,035	5,645	-	19,680	7,020
Total OPEB liability	7,217	2,188	-	9,405	1,443
General obligation bonds payable	600,000	1,125,000	-	1,725,000	-
Total current liabilities	1,860,098	1,179,306	762,840	3,802,244	895,002
LONG-TERM LIABILITIES					
Claims payable	-	-	-	-	1,007,660
Compensated absences payable	56,135	22,575	-	78,710	28,080
Asset retirement obligation	1,200,750	-	-	1,200,750	-
Net pension liability	-	-	-	-	-
Total OPEB liability	216,074	65,519	-	281,593	43,215
General obligation bonds payable	2,301,690	2,438,720	-	4,740,410	-
Total long-term liabilities	3,774,649	2,526,814	-	6,301,463	1,078,955
Total liabilities	5,634,747	3,706,120	762,840	10,103,707	1,973,957
DEFERRED INFLOWS OF RESOURCES					
Lease items	-	-	189,213	189,213	-
Pension items	770,768	337,620	-	1,108,388	407,917
OPEB items	50,983	15,459	-	66,442	10,197
Total deferred inflows of resources	821,751	353,079	189,213	1,364,043	418,114
NET POSITION					
Net investment in capital assets	18,776,429	17,216,775	5,003,600	40,996,804	-
Unrestricted	24,659,175	6,714,878	1,496,099	32,870,152	5,576,990
TOTAL NET POSITION	\$ 43,435,604	\$ 23,931,653	\$ 6,499,699	\$ 73,866,956	\$ 5,576,990

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, 2021

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES					
Charges for services	\$ 12,383,839	\$ 4,672,335	\$ 4,614,427	\$ 21,670,601	\$ 3,267,019
Miscellaneous	47,543	-	-	47,543	101,642
Total operating revenues	12,431,382	4,672,335	4,614,427	21,718,144	3,368,661
OPERATING EXPENSES EXCLUDING DEPRECIATION					
Costs of sales and services	7,041,871	2,149,106	4,925,313	14,116,290	3,957,312
Total operating expenses excluding depreciation	7,041,871	2,149,106	4,925,313	14,116,290	3,957,312
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	5,389,511	2,523,229	(310,886)	7,601,854	(588,651)
DEPRECIATION	884,865	1,233,310	784,080	2,902,255	-
OPERATING INCOME (LOSS)	4,504,646	1,289,919	(1,094,966)	4,699,599	(588,651)

See accompanying notes to financial statements.

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
NONOPERATING REVENUES (EXPENSES)					
Investment income	\$ 25,952	\$ 11,243	\$ 4,615	\$ 41,810	\$ 14,839
Unrealized gain (loss) on investments	(47,348)	(25,166)	-	(72,514)	-
Interest expense	(55,700)	(128,713)	-	(184,413)	-
Loss on disposal of capital assets	(55,820)	-	-	(55,820)	-
Joint venture	202,580	-	-	202,580	-
Total nonoperating revenues (expenses)	69,664	(142,636)	4,615	(68,357)	14,839
NET INCOME (LOSS) BEFORE TRANSFERS	4,574,310	1,147,283	(1,090,351)	4,631,242	(573,812)
Capital contributions	-	21,484	-	21,484	-
Transfers (out)	(342,600)	(305,000)	(475,000)	(1,122,600)	-
CHANGE IN NET POSITION	4,231,710	863,767	(1,565,351)	3,530,126	(573,812)
NET POSITION, JANUARY 1	39,203,894	23,067,886	8,065,050	70,336,830	6,150,802
NET POSITION, DECEMBER 31	\$ 43,435,604	\$ 23,931,653	\$ 6,499,699	\$ 73,866,956	\$ 5,576,990

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 12,411,021	\$ 4,687,897	\$ 4,575,387	\$ 21,674,305	\$ 245,414
Receipts from interfund services transactions	-	-	-	-	3,101,265
Payments to suppliers	(4,124,805)	(904,723)	(4,509,513)	(9,539,041)	(2,721,091)
Payments to employees	(1,874,390)	(804,137)	(47)	(2,678,574)	(847,790)
Payments for interfund services transactions	(574,000)	(540,000)	(321,000)	(1,435,000)	-
Net cash from operating activities	5,837,826	2,439,037	(255,173)	8,021,690	(222,202)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers (out)	(342,600)	(305,000)	(475,000)	(1,122,600)	-
Net cash from noncapital financing activities	(342,600)	(326,484)	(475,000)	(1,144,084)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital assets purchased	(4,283,335)	-	-	(4,283,335)	-
Principal payments on long-term debt	(580,000)	(1,085,000)	-	(1,665,000)	-
Interest and fiscal charges paid on long-term debt	(141,040)	(151,373)	-	(292,413)	-
Net cash from capital and related financing activities	(5,004,375)	(1,236,373)	-	(6,240,748)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale and maturity of investment securities	1,484,297	494,766	-	1,979,063	-
Purchase of investment securities	(7,487,614)	(3,993,405)	-	(11,481,019)	-
Interest received	34,951	13,596	9,113	57,660	42,899
Net cash from investing activities	(5,968,366)	(3,485,043)	9,113	(9,444,296)	42,899
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,477,515)	(2,608,863)	(721,060)	(8,807,438)	(179,303)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	8,708,318	4,917,986	2,971,286	16,597,590	7,619,145
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 3,230,803	\$ 2,309,123	\$ 2,250,226	\$ 7,790,152	\$ 7,439,842

See accompanying notes to financial statements.



	Business-Type Activities				Governmental Activities
	Waterworks	Sewerage	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 4,504,646	\$ 1,289,919	\$ (1,094,966)	\$ 4,699,599	\$ (588,651)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	884,865	1,233,310	784,080	2,902,255	-
(Increase) decrease in					
Accounts receivables	(14,800)	13,333	-	(1,467)	-
Other receivables	(17,895)	2,229	(840)	(16,506)	(20,990)
Leases	-	-	(190,274)	(190,274)	-
Inventories	-	-	-	-	(5,350)
Net pension asset	(154,538)	(178,746)	-	(333,284)	(198,478)
Deferred outflows - asset retirement obligation items	(688,350)	-	-	(688,350)	-
Deferred outflows - pension items	121,324	64,068	-	185,392	85,103
Deferred outflows - OPEB items	3,586	1,065	-	4,651	617
Increase (decrease) in					
Accounts payable	671,067	(8,946)	94,753	756,874	645,824
Accrued payroll	1,120	995	-	2,115	2,641
Deposits payable	12,334	-	(36,949)	(24,615)	-
Claims payable	-	-	-	-	(147,145)
Unearned revenue	-	-	(190)	(190)	-
Compensated absences payable	(70)	(490)	-	(560)	(5,165)
Asset retirement obligation	700,750	-	-	700,750	-
Net pension liability	(601,264)	(164,801)	-	(766,065)	(213,778)
Net OPEB liability	15,477	4,816	-	20,293	3,642
Deferred inflows related to leases	-	-	189,213	189,213	-
Deferred inflows related to pensions	403,722	183,510	-	587,232	220,212
Deferred inflows related to OPEB	(4,148)	(1,225)	-	(5,373)	(684)
NET CASH FROM OPERATING ACTIVITIES	\$ 5,837,826	\$ 2,439,037	\$ (255,173)	\$ 8,021,690	\$ (222,202)
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 3,230,803	\$ 2,330,607	\$ 2,250,226	\$ 7,811,636	\$ 7,439,842
Investments	7,440,267	3,968,239	-	11,408,506	-
	\$ 10,671,070	\$ 6,298,846	\$ 2,250,226	\$ 19,220,142	\$ 7,439,842
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES					
Unrealized gain (loss) on investments	\$ (47,348)	\$ (25,166)	\$ -	\$ (72,514)	\$ -
Loss on disposal of capital assets	(55,820)	-	-	(55,820)	-
Change in investment in joint venture	202,580	-	-	202,580	-
TOTAL NONCASH INVESTING AND FINANCING ACTIVITIES	\$ 99,412	\$ (3,682)	\$ -	\$ 95,730	\$ -

See accompanying notes to financial statements.

VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS

December 31, 2021

	Pension Trust	Custodial
ASSETS		
Cash and cash equivalents	\$ 2,791,118	\$ -
Investments		
U.S. Treasury securities	26,537,553	-
U.S. agency securities	7,549,454	-
Corporate and international bonds	32,859,960	-
Certificates of deposit	294,888	-
Money market mutual funds	1,183,886	-
Equities	147,977,018	-
Receivables		
Accrued interest	377,474	-
Other	14,861	-
Total assets	219,586,212	-
LIABILITIES		
None	-	-
NET POSITION		
Restricted for pensions	219,586,212	-
Restricted for debt service	-	-
Total net position	\$ 219,586,212	\$ -

See accompanying notes to financial statements.

## VILLAGE OF PALATINE, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

For the Year Ended December 31, 2021

	Pension Trust	Custodial
ADDITIONS		
Contributions		
Employer	\$ 11,283,657	\$ -
Employee	2,184,624	-
Property owner	-	4,472,847
Other	235,616	-
Total contributions	13,703,897	4,472,847
Investment earnings		
Net increase in the fair value of investments	19,014,464	-
Interest	6,307,838	164
Total investment earnings	25,322,302	164
Less investment expense	(569,319)	-
Net investment earnings	24,752,983	164
Total additions	38,456,880	4,473,011
DEDUCTIONS		
Administration	31,435	-
Benefits and refunds	12,882,151	-
Debt service		
Principal retirement	-	5,260,000
Interest and fiscal charges	-	552,041
Total deductions	12,913,586	5,812,041
CHANGE IN NET POSITION	25,543,294	(1,339,030)
NET POSITION		
January 1	194,042,918	1,339,030
December 31	\$ 219,586,212	\$ -

See accompanying notes to financial statements.

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VILLAGE OF PALATINE, ILLINOIS  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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VILLAGE OF PALATINE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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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.

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.



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.

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.

Coronavirus State and Local Fiscal Recovery Grant Fund accounts for the resources provided by the federal government in connection with the American Rescue Plan Act. These expenditures must follow the guidelines promulgated by the U.S. Department of the Treasury.

Capital Equipment Acquisition Fund accounts for the acquisition of new and replacement capital equipment for all departments of the Village.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the Village reports the following proprietary funds:

Internal Service Funds account for the Village's self-insurance program 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm water) 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:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balance/Net Position (Continued)

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.

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.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 any Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

Village Deposits and Investments (Continued)

The Village maintains a cash and investment pool that is available for use by all funds, except the foreign fire tax fund and pension trust funds. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the foreign fire tax fund and 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. As of the date of this report, deposits in the Foreign Fire Tax Fund totaling \$16,845 were uncollateralized.

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 the following external investment pools.

*Illinois Public Treasurers' Investment Pool* (rated AAAm 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.

## 2. DEPOSITS AND INVESTMENTS (Continued)

### Deposits with Financial Institutions (Continued)

*Illinois Public Reserves Investment Management Trust Investment Shares Series* (rated AAAm by Standard & Poor's), known as IPRIME IS, 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 IPRIME IS by participants is also reported at amortized cost. The IPRIME IS does not have any limitations or restrictions on participant withdrawals.

*Illinois Public Reserves Investment Management Trust LTD Shares Series* (rated AAAm by Standard & Poor's), known as IPRIME LTD, reports all investments at fair value. The investment in IPRIME LTD by participants is also reported at fair value. Quarterly withdrawals are available on the third Wednesday of each quarter-end month upon at least two weeks advance notice.

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	\$ 19,741,846	\$ -	\$ 19,741,846	\$ -	\$ -
Negotiable CDs	1,742,706	748,200	994,506	-	-
IPRIME LTD Shares	14,971,486	-	14,971,486	-	-
Total	\$ 36,456,038	\$ 748,200	\$ 35,707,838	\$ -	\$ -

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.

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions (Continued)

The Village has the following recurring fair value measurements as of the date of this report. The U.S. Treasury obligations and IPRIME LTD Shares 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 2021 attach as an enforceable lien on January 1, 2021, 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 2021 tax levy has been recorded as unavailable/deferred revenue on the financial statements.

b. Other Receivables

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

GOVERNMENTAL ACTIVITIES	
Hotel occupancy tax	\$ 6,995
Ambulance service and fees	160,660
Cable franchise fees	255,793
Food and beverage tax	144,360
Red light violations	2,370
Electric utility tax	183,325
Other	17,188
Billed miscellaneous receivables	233,526
Total governmental activities	<u>1,004,217</u>
BUSINESS-TYPE ACTIVITIES	
Billed miscellaneous receivables	33,160
Parking fees	7,345
Sewer loan program	5,210
Total business-type activities	<u>45,715</u>
TOTAL OTHER RECEIVABLES	<u>\$ 1,049,932</u>

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

3. RECEIVABLES (Continued)

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	\$ 2,971,690
Home rule sales tax	1,581,230
Loan to park district	639,258
Grants	96,381
Court fines	48,830
Other state sources	92,000
Motor fuel tax allotments	254,940
Telecommunications tax	190,910
Total governmental activities	<u>5,875,239</u>
BUSINESS-TYPE ACTIVITIES	
Grants	<u>96,053</u>
TOTAL DUE FROM OTHER GOVERNMENTS	<u>\$ 5,971,292</u>

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
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>-</u>	<u>-</u>	<u>151,371,945</u>
Capital assets being depreciated				
Buildings and improvements	52,208,475	-	-	52,208,475
Machinery and equipment	12,529,195	142,945	168,210	12,503,930
Streets	32,673,895	901,585	30,225	33,545,255
Bridges	1,596,735	-	-	1,596,735
Total capital assets being depreciated	<u>99,008,300</u>	<u>1,044,530</u>	<u>198,435</u>	<u>99,854,395</u>
Less accumulated depreciation for				
Buildings and improvements	16,413,940	1,231,105	-	17,645,045
Machinery and equipment	7,628,165	906,695	168,210	8,366,650
Streets	17,732,275	696,890	30,225	18,398,940
Bridges	1,014,615	24,220	-	1,038,835
Total accumulated depreciation	<u>42,788,995</u>	<u>2,858,910</u>	<u>198,435</u>	<u>45,449,470</u>
Total capital assets being depreciated, net	<u>56,219,305</u>	<u>(1,814,380)</u>	<u>-</u>	<u>54,404,925</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 207,591,250</u>	<u>\$ (1,814,380)</u>	<u>\$ -</u>	<u>\$ 205,776,870</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,858,690	\$ -	\$ -	\$ 4,858,690
Total capital assets not being depreciated	4,858,690	-	-	4,858,690
Capital assets being depreciated				
Equipment	2,838,680	-	-	2,838,680
Buildings and improvements	7,336,950	690,420	-	8,027,370
Water system	27,728,894	3,592,915	181,260	31,140,549
Sewer system	63,530,650	-	-	63,530,650
Parking improvements	15,681,480	-	-	15,681,480
Total capital assets being depreciated	117,116,654	4,283,335	181,260	121,218,729
Less accumulated depreciation for				
Equipment	2,502,875	96,330	-	2,599,205
Buildings and improvements	5,050,940	169,275	-	5,220,215
Water system	12,245,640	646,050	125,440	12,766,250
Sewer system	42,108,100	1,206,520	-	43,314,620
Parking improvements	14,012,290	784,080	-	14,796,370
Total accumulated depreciation	75,919,845	2,902,255	125,440	78,696,660
Total capital assets being depreciated, net	41,196,809	1,381,080	55,820	42,522,069
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 46,055,499	\$ 1,381,080	\$ 55,820	\$ 47,380,759

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

GOVERNMENTAL ACTIVITIES

General government	\$ 414,150
Public safety	1,156,180
Public works	1,288,580

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 2,858,910

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.

General obligation bonds currently outstanding are as follows:

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

5. LONG-TERM DEBT (CONTINUED)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Beginning Balances	Additions	Reductions/ Refunding	Ending Balances	Current
GOVERNMENTAL ACTIVITIES						
\$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	1,210,000	-	595,000	615,000	615,000
\$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	3,670,000	-	680,000	2,990,000	705,000
\$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	4,055,000	-	1,995,000	2,060,000	2,060,000
\$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	1,290,000	-	640,000	650,000	650,000
\$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	4,205,000	-	660,000	3,545,000	675,000
\$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	5,450,000	-	470,000	4,980,000	500,000
\$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		\$ 39,680,000	\$ -	\$ 5,040,000	\$ 34,640,000	\$ 5,205,000

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

5. LONG-TERM DEBT (CONTINUED)

a. General Obligation Bonds (Continued)

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

BUSINESS-TYPE ACTIVITIES

\$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	\$ 1,380,000	\$ -	\$ 675,000	\$ 705,000	\$ 705,000
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\$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	2,375,000	-	265,000	2,110,000	270,000
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\$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	3,160,000	-	580,000	2,580,000	600,000
Sewerage	790,000	-	145,000	645,000	150,000

TOTAL BUSINESS-TYPE ACTIVITIES

\$ 7,705,000	\$ -	\$ 1,665,000	\$ 6,040,000	\$ 1,725,000
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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
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	2,660,000	581,556	310,000	27,683
2027 - 2031	10,720,000	1,547,131	660,000	29,363
2032 - 2035	7,060,000	293,519	-	-
Total	\$ 34,640,000	\$ 5,912,390	\$ 6,040,000	\$ 632,603



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

5. LONG-TERM DEBT (CONTINUED)

b. Tax Increment Financing Revenue Bonds and Notes (Continued)

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.

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
GOVERNMENTAL ACTIVITIES						
\$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, 2023.						
	Downtown TIF	\$ 58,911	\$ -	\$ 13,229	\$ 45,682	\$ -

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.

“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  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (CONTINUED)

d. 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, 2023, 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.

e. Current Redemption of Noncommitment Debt

On October 28, 2021, the Village called and redeemed the \$5,145,000 outstanding balance of the \$6,000,000 Special Service Area Number 5 Bonds, Taxable Series 2008.

f. Summary of Changes in Long-Term Liabilities

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 39,680,000	\$ -	\$ 5,040,000	\$ 34,640,000	\$ 5,205,000
TIF notes	58,911	-	13,229	45,682	-
Claims payable	1,039,295	388,680	420,315	1,007,660	-
Net pension liability*	104,282,962	-	24,644,345	79,638,617	-
Total OPEB liability*	13,401,274	1,237,266	523,693	14,114,847	456,178
Compensated absences*	1,559,680	3,963,390	3,945,165	1,577,905	315,581
Total	160,022,122	5,589,336	34,586,747	131,024,711	5,976,759
Less deferred amounts					
Unamortized bond discount	(15,300)	-	(5,260)	(10,040)	-
Unamortized bond premium	2,011,660	-	216,906	1,794,754	-
Total deferred amounts	1,996,360	-	211,646	1,784,714	-
TOTAL GOVERNMENTAL ACTIVITIES	\$162,018,482	\$ 5,589,336	\$ 34,798,393	\$132,809,425	\$ 5,976,759

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

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

5. LONG-TERM DEBT (CONTINUED)

f. Summary of Changes in Long-Term Liabilities (Continued)

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
BUSINESS-TYPE ACTIVITIES					
General obligation bonds					
Water Fund	\$ 3,160,000	\$ -	\$ 580,000	\$ 2,580,000	\$ 600,000
Sewer Fund	4,545,000	-	1,085,000	3,460,000	1,125,000
Asset retirement obligation					
Water Fund	500,000	700,750	-	1,200,750	-
Net pension liability					
Water Fund	601,264	897,604	1,498,868	-	-
Sewer Fund	164,801	374,002	538,803	-	-
Total OPEB liability					
Water Fund	207,814	19,573	4,096	223,291	7,217
Sewer Fund	62,891	5,935	1,119	67,707	2,188
Compensated absences					
Water Fund	70,240	117,945	118,015	70,170	14,035
Sewer Fund	28,710	48,450	48,940	28,220	5,645
Total	9,340,720	2,164,259	3,874,841	7,630,138	1,754,085
Less deferred amounts					
Unamortized bond discount	(9,940)	-	(1,260)	(8,680)	-
Unamortized bond premium	559,900	-	125,810	434,090	-
Total deferred amounts	549,960	-	124,550	425,410	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 9,890,680	\$ 2,164,259	\$ 3,999,391	\$ 8,055,548	\$ 1,754,085

6. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the Village's lessor disclosures are as follows:

The Village entered a lease agreement on September 1, 2003, to lease space on a water tower located at Kenilworth and Elizabeth Avenues for the placement of cellular communications equipment. Payments ranging from \$22,500 to \$53,022 are due to the Village in annual installments, through January 2032. The lease agreement is noncancelable and maintains an interest rate of 2.09%.

The Village entered a lease agreement on November 27, 2018, to lease space on a water tower at 2175 Coach Road for the placement of cellular communications equipment. Payments ranging from \$3,750 to \$9,103 are due to the Village in monthly installments, through February 2049. The lease agreement is noncancelable and maintains an interest rate of 2.10%.

6. LESSOR DISCLOSURES (CONTINUED)

The Village entered a lease agreement on December 27, 2017, to lease space on a water tower at 795 Sterling Avenue for the placement of cellular communications equipment. Payments ranging from \$3,750 to \$9,103 are due to the Village in monthly installments, through March 2048. The lease agreement is noncancelable and maintains an interest rate of 2.10%.

The Village entered a lease agreement on March 15, 2019, to lease space on a water tower located at 530 North Smith Street for the placement of cellular communications equipment. Payments ranging from \$3,750 to \$9,096 are due to the Village in monthly installments, through April 2049. The lease agreement is noncancelable and maintains an interest rate of 2.10%.

The Village entered a lease agreement on July 11, 2001, to lease space on a cell tower located at 220 West Illinois Avenue for the placement of cellular communications equipment. Payments ranging from \$1,667 to \$6,598 are due to the Village in monthly installments, through June 2046. The lease agreement is noncancelable and maintains an interest rate of 2.10%.

The Village entered a lease agreement on October 27, 1997, to lease space on a cell tower located at 200 East Wood Street for the placement of cellular communications equipment. Payments ranging from \$20,000 to \$55,829 are due to the Village in annual installments, through October 2046. The lease agreement is noncancelable and maintains an interest rate of 2.10%.

The Village entered a lease agreement on June 11, 2013, to lease a building located at 56 West Wilson Street. Payments ranging from \$6,720 to \$11,702 are due to the Village in monthly installments, through July 2023. The lease agreement is noncancelable and maintains an interest rate of .30%.

The Village entered a lease agreement on June 25, 2021, to lease space in the Commuter Train Station located at 137 West Wood Street. Payments ranging from \$865 to \$1,380 are due to the Village in monthly installments, through October 2036. The lease agreement is noncancelable and maintains an interest rate of 2.09%.

During the year, the Village recognized lease revenue of \$418,214 and interest revenue of \$143,582 related to leases.

## 7. 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 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 Casualty and Liability Insurance Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims. Liabilities of the fund 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:

	Workers' Compensation	General Liability	Total
UNPAID CLAIMS,			
DECEMBER 31, 2019	\$ 1,393,170	\$ 402,780	\$ 1,795,950
Claims incurred - 2020	292,054	115,396	407,450
Claims payments - 2020	656,829	274,446	931,275
UNPAID CLAIMS,			
DECEMBER 31, 2020	1,028,395	243,730	1,272,125
Claims incurred - 2021	141,525	180,580	322,105
Claims payments - 2021	289,880	179,370	469,250
UNPAID CLAIMS,			
DECEMBER 31, 2021	\$ 880,040	\$ 244,940	\$ 1,124,980

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims more than \$75,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

8. 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, 2022. 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 2022 payment for operations and maintenance costs is \$1,198,825, based on an estimated tipping fee of \$49.09 per ton for 24,421 tons.

9. 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.

9. 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 \$2,080.

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 \$297,045.

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.

10. 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.

11. 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.

11. 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 \$1,272,351 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.



11. 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 2059. 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 \$2,708,732 to NWC during the year, net of a \$295,680 rebate. The Village's equity interest in NWC was \$14,435,230 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)

12. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Major governmental General	Nonmajor governmental Special Police Grant	\$ 19,832

The purpose for the due from/to other funds is for short-term cash loan 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	\$ 994,340

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

c. During the year, the following transfers were made:

Transfer Out Fund	Transfer In Fund	Amount
General	Capital Equipment	\$ 60,000
DUI Fines	General	75,782
Waterworks	Capital Equipment	342,600
Sewerage	Capital Equipment	305,000
Refuse	Capital Improvement	475,000
	Total	<u>\$ 1,258,382</u>

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

13. 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><u>348</u></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 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 \$14,405,845 was measured as of December 31, 2021.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Actuarial Assumptions and Other Inputs*

Actuarial cost method	Entry-age normal
Assumptions	
Total payroll increases	3.00%
Discount rate	
Beginning of year	2.12%
End of year	2.06%
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	\$ 13,671,979
Changes for the period	
Service Cost	977,864
Interest	284,910
Actuarial experience	-
Changes in assumptions	(63,325)
Plan changes	-
Benefit payments	<u>(465,583)</u>
Net changes	<u>733,866</u>
Balance at end of the year	<u>\$ 14,405,845</u>

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation (G.O.) Bonds was changed from 2.12% to 2.06% 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, mortality rate, mortality improvement rate, retirement rate, termination rate, and disability rate assumptions have been revised to better reflect the future anticipated experience of the system.

13. 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 (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 15,478,091	\$ 14,405,845	\$ 13,386,950

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	\$ 12,603,186	\$ 14,405,845	\$ 16,545,803

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

For the year, the Village recognized OPEB expense of \$675,899. 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	\$ -	\$ 2,696,207
Changes in assumptions	2,223,581	593,009
Total	\$ 2,223,581	\$ 3,289,216

13. 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	
2022	\$ (121,302)
2023	(121,302)
2024	(121,302)
2025	(121,302)
2026	(121,302)
Thereafter	<u>(459,125)</u>
Total	<u>\$ (1,065,635)</u>

14. 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, 2021:

	IMRF	PPERS	FPERS	Total
Net pension liability	\$ -	\$ 36,804,622	\$ 42,833,995	\$ 79,638,617
Net pension (asset)	(1,973,094)	-	-	(1,973,094)
Deferred outflows of resources	2,124,620	5,394,077	3,208,776	10,727,473
Deferred inflows of resources	7,029,569	17,248,891	10,019,856	34,298,316
Pension expense (income)	(599,457)	(93,107)	2,326,073	1,633,509

14. 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, 2020 (latest information available), membership consisted of:

Inactive plan members currently receiving benefits	204
Inactive plan members entitled to but not yet receiving benefits	103
Active employees	<u>133</u>
	<u><u>440</u></u>

*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.

14. 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 2021 was 12.00% 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, 2020
Actuarial cost method	Entry-age normal
Asset valuation method	Market
Inflation	2.25%
Salary increases	2.85% - 13.75%
Interest rate	7.25%

Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
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Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP- 2020.
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14. 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 2.00% (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/(Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability/(Asset)
Balances at beginning of the year	\$ 81,805,528	\$ 76,907,691	\$ 4,897,837
Changes for the period			
Service Cost	1,130,613	-	1,130,613
Interest	5,826,652	-	5,826,652
Difference between expected and actual experience	108,059	-	108,059
Changes in assumptions	(783,224)	-	(783,224)
Employer contributions	-	1,346,507	(1,346,507)
Employee contributions	-	548,467	(548,467)
Net investment income	-	10,935,116	(10,935,116)
Benefit payments and refunds	(4,006,432)	(4,006,432)	-
Administrative expenses	-	-	-
Other (net transfer)	-	322,941	(322,941)
Net changes	2,275,668	9,146,599	(6,870,931)
Balances at end of the year	\$ 84,081,196	\$ 86,054,290	\$ (1,973,094)

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

14. 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 2.75% to 2.00% 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) \$	8,315,975	(1,973,094)	(10,156,648)

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

For the year, the Village recognized IMRF pension expense (income) of (\$599,457). 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	\$ 508,275	\$ -
Changes in assumptions	280,795	538,574
Net difference between projected and actual earnings on pension plan investments	-	6,490,995
Employer contributions after the measurement date	1,335,550	-
Total	<u>\$ 2,124,620</u>	<u>\$ 7,029,569</u>

The \$1,335,550 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.

14. 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	
2022	\$ (1,555,776)
2023	(962,746)
2024	(2,637,147)
2025	(1,084,830)
2026	-
Thereafter	-
Total	<u>\$ (6,240,499)</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.

14. 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	88
Inactive plan members entitled to but not yet receiving benefits	9
Active employees	<u>109</u>
	<u>206</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 ½ 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., ½ % 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 ½ of the change in the Consumer Price Index for the proceeding calendar year.

14. 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 52.01% 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.

14. 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	2.7%	0.85%
US Large cap	49.2%	6.90%
US Mid cap	3.2%	7.45%
US Small cap	2.3%	7.35%
International	7.8%	6.05%
Emerging and Frontier	1.7%	8.05%
Fixed income	31.2%	1.75%
REITs	1.9%	5.35%

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.

14. 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 13.71%. 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	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Treasury obligations	\$ 8,082,907	\$ 2,239,269	\$ 469,038	\$ -	\$ 5,374,600
U.S. Agency obligations	6,863,730	-	1,929,058	1,074,200	3,860,472
Corporate bonds	21,076,036	2,106,198	7,990,284	8,797,771	2,181,783
Certificates of deposit	294,888	-	294,888	-	-
Total	\$ 36,317,561	\$ 4,345,467	\$ 10,683,268	\$ 9,871,971	\$ 11,416,855

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.

14. 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)

14. 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	\$ 150,184,905	\$ 100,267,132	\$ 49,917,773
Changes for the period			
Service Cost	2,383,728	-	2,383,728
Interest	10,379,255	-	10,379,255
Difference between expected and actual experience	(2,472,651)	-	(2,472,651)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,719,861	(5,719,861)
Employee contributions	-	1,185,100	(1,185,100)
Net investment income	-	16,298,601	(16,298,601)
Benefit payments and refunds	(6,493,016)	(6,493,016)	-
Other (net transfer)	-	199,921	(199,921)
Net changes	3,797,316	16,910,467	(13,113,151)
Balances at end of the year	\$ 153,982,221	\$ 117,177,599	\$ 36,804,622

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 2.12% to 2.06% 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.

14. 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, 2021
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	2.06%
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	Fair Value

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.

14. 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	\$ 59,755,751	\$ 36,804,622	\$ 18,195,670

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

For the year, the Village recognized PPERS pension expense (income) of (\$93,107) and reported deferred outflows of resources and deferred inflows of resources related to PPERS from the following sources:

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,481,236	\$ 4,742,116
Changes in assumptions	2,912,841	425,705
Net difference between projected and actual earnings on pension plan investments	-	12,081,070
Total	\$ 5,394,077	\$ 17,248,891

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	
2022	\$ (3,250,187)
2023	(4,935,892)
2024	(2,375,535)
2025	(1,243,189)
2026	203,731
Thereafter	(253,742)
Total	\$ (11,854,814)

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.

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.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Plan Administration (Continued)*

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	84
Inactive plan members entitled to but not yet receiving benefits	3
Active employees	<u>87</u>
	<u>174</u>
Number of participating employers	<u>1</u>

*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.

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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Benefits Provided (Continued)*

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 55.82% of covered payroll.

*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

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Investment Policy (Continued)*

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	3.0%	11.46%
World equity ex-US	21.0%	9.38%
Core fixed income	32.0%	4.26%
High yield bond	4.0%	6.13%
Emerging markets debt	3.0%	7.45%
S&P 500 index	24.0%	7.31%
Dynamic asset allocation	6.0%	9.81%
US Small/Mid Cap equity index	7.0%	8.08%

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.

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.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*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 9.54%. 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.

*Interest Rate Risk*

The following table presents the investments and maturities of FPERS' 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	\$ 18,454,646	\$ -	\$ 10,888,142	\$ 7,566,504	\$ -
U.S. Agency obligations	685,724	210,195	196,241	279,288	-
Corporate bonds	11,783,924	2,242,991	6,818,853	2,090,166	631,914
Total	\$ 30,924,294	\$ 2,453,186	\$ 17,903,236	\$ 9,935,958	\$ 631,914



14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Interest Rate Risk (Continued)*

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.

*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,

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Discount Rate (Continued)*

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	\$ 144,009,203	\$ 93,775,786	\$ 50,233,417
Changes for the period			
Service Cost	2,348,003	-	2,348,003
Interest	9,749,927	-	9,749,927
Difference between expected and actual experience	(4,475,390)	-	(4,475,390)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,563,796	(5,563,796)
Employee contributions	-	999,524	(999,524)
Net investment income	-	8,454,382	(8,454,382)
Benefit payments and refunds	(6,389,135)	(6,389,135)	-
Other (net transfer)	-	4,260	(4,260)
Net changes	1,233,405	8,632,827	(7,399,422)
Balances at end of the year	\$ 145,242,608	\$ 102,408,613	\$ 42,833,995

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 2.12% to 2.06% 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.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Firefighters' Pension Employees Retirement System (FPERS) (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, 2021
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	2.06%
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	Fair Value

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.

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.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

*Actuarial Assumptions (Continued)*

Demographic assumptions (Continued)

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	\$ 62,952,101	\$ 42,833,995	\$ 26,284,298

14. 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 \$2,326,073 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	\$ 2,183,210	\$ 4,450,460
Changes in assumptions	1,025,566	5,652
Net difference between projected and actual earnings on pension plan investments	-	5,563,744
Total	<u>\$ 3,208,776</u>	<u>\$ 10,019,856</u>

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	
2022	\$ (1,070,483)
2023	(3,006,015)
2024	(1,677,018)
2025	(502,217)
2026	(316,109)
Thereafter	<u>(239,238)</u>
Total	<u>\$ (6,811,080)</u>

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

15. PENSION TRUST FUNDS

a. Schedule of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,527,746	\$ 1,263,372	\$ 2,791,118
Investments			
U.S. Treasury securities	8,082,907	18,454,646	26,537,553
U.S. agency securities	6,863,730	685,724	7,549,454
Corporate and international bonds	21,076,036	11,783,924	32,859,960
Certificates of deposit	294,888	-	294,888
Money market mutual funds	658,334	525,552	1,183,886
Equities	78,450,567	69,526,451	147,977,018
Receivables			
Accrued interest	208,530	168,944	377,474
Other	14,861	-	14,861
<b>Total assets</b>	<b>117,177,599</b>	<b>102,408,613</b>	<b>219,586,212</b>
<b>LIABILITIES</b>			
None	-	-	-
<b>NET POSITION</b>			
Restricted for pensions	\$ 117,177,599	\$ 102,408,613	\$ 219,586,212

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

15. PENSION TRUST FUNDS (Continued)

b. Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 5,719,861	\$ 5,563,796	\$ 11,283,657
Employee	1,185,100	999,524	2,184,624
Other	217,665	17,951	235,616
Total contributions	7,122,626	6,581,271	13,703,897
Investment earnings			
Net increase in the fair value of investments	12,726,365	6,288,099	19,014,464
Interest	3,922,288	2,385,550	6,307,838
Total investment earnings	16,648,653	8,673,649	25,322,302
Less investment expense	(350,052)	(219,267)	(569,319)
Net investment earnings	16,298,601	8,454,382	24,752,983
Total additions	23,421,227	15,035,653	38,456,880
DEDUCTIONS			
Administration	17,744	13,691	31,435
Benefits and refunds			
Retirement benefits	6,283,524	6,389,135	12,672,659
Refunds of contributions	209,492	-	209,492
Total deductions	6,510,760	6,402,826	12,913,586
CHANGE IN NET POSITION	16,910,467	8,632,827	25,543,294
NET POSITION			
January 1	100,267,132	93,775,786	194,042,918
December 31	\$ 117,177,599	\$ 102,408,613	\$ 219,586,212

16. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2021, the Village implemented GASB Statement No. 87, *Leases*. With the implementation, lease arrangements, in which the Village is the *lessor*, requires leases receivable with an offsetting deferred inflow of resources. For the implementation, beginning net position has been restated to reflect an amendment to lease terms, as follows.

<b><i>ENTITY-WIDE STATEMENTS</i></b>	<b><u>Governmental Activities</u></b>
Net position, January 1 - as previously reported	\$ 102,533,399
Change in Accounting Principle - GASB 87	<u>(58,748)</u>
Net position, January 1 - as restated	<u><u>\$ 102,474,651</u></u>
 <b><i>FUND LEVEL STATEMENTS</i></b>	 <b><u>General Fund</u></b>
Net position, January 1 - as previously reported	\$ 26,221,531
Change in Accounting Principle - GASB 87	<u>(58,748)</u>
Net position, January 1 - as restated	<u><u>\$ 26,162,783</u></u>



## **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, 2021

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 29,393,068	\$ 29,393,068	\$ 30,897,540
Licenses and permits	3,564,000	3,564,000	4,011,603
Intergovernmental	20,667,625	20,886,748	26,501,973
Charges for services	4,445,700	4,445,700	4,132,742
Fines and forfeits	1,691,300	1,691,300	1,498,459
Investment income	101,400	101,400	96,279
Miscellaneous	484,400	488,943	493,257
Total revenues	60,347,493	60,571,159	67,631,853
<b>EXPENDITURES</b>			
General government	5,446,450	5,048,415	4,395,811
Public safety	48,381,547	48,871,818	47,914,355
Public works	6,695,065	6,587,796	6,291,028
Total expenditures	60,523,062	60,508,029	58,601,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175,569)	63,130	9,030,659
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	75,782
Transfers (out)	-	(60,000)	(60,000)
Total other financing sources (uses)	-	(60,000)	15,782
NET CHANGE IN FUND BALANCE	\$ (175,569)	\$ 3,130	9,046,441
FUND BALANCE, JANUARY 1, AS RESTATED			26,162,783
FUND BALANCE, DECEMBER 31			\$ 35,209,224

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 6,350,000	\$ 6,350,000	\$ 7,320,328
Investment income	2,500	2,500	3,287
Total revenues	6,352,500	6,352,500	7,323,615
EXPENDITURES			
Economic development			
Supplies and services	10,000	10,000	1,758
Capital outlay			
Buildings and facilities	400,000	143,093	131,419
Street improvements	50,000	145,032	73,751
Debt service			
Principal retirement	4,175,600	4,176,830	3,243,229
Interest	220,750	220,750	220,748
Fiscal charges	2,250	2,250	1,500
Total expenditures	4,858,600	4,697,955	3,672,405
NET CHANGE IN FUND BALANCE	\$ 1,493,900	\$ 1,654,545	3,651,210
FUND BALANCE, JANUARY 1			7,369,872
FUND BALANCE, DECEMBER 31			\$ 11,021,082

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY GRANT FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ -	\$ -	\$ -
Investment income	-	-	1,174
Total revenues	-	-	1,174
EXPENDITURES			
Capital outlay			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	1,174
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			\$ 1,174

(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	1,326,808	1,359,414	1,286,486
Contribution Deficiency/(Excess)	(19,020)	-	(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	23-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	7.25%
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.)

	2018	2019	2020	2021
\$	1,236,724	\$ 1,072,435	\$ 1,346,507	\$ 1,393,340
	1,236,724	1,072,435	1,346,507	1,393,340
	-	-	-	-
	10,772,855	10,976,825	11,230,254	11,611,167
	11.48%	9.77%	11.99%	12.00%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

Calendar Year	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 2,775,424	\$ 2,996,776	\$ 2,948,599	\$ 3,038,973
Actual Contribution	3,016,992	2,969,877	2,951,135	3,371,172
Contribution Deficiency/(Excess)	(241,568)	26,899	(2,536)	(332,199)
Covered Valuation Payroll	9,920,463	9,749,554	9,823,321	10,117,378
Actual Contribution as a Percentage of Covered Valuation Payroll	30.41%	30.46%	30.04%	33.32%

Notes to the required supplementary information for the 2021 contributions:

Valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 21 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.25%
Salary increases	3.25%
Individual pay increases	3.75% - 15.35%
Investment rate of return	7.25%
Mortality rates - Active	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.
Mortality rates - Retiree	L&A Assumption Study for Police 2020 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.
Retirement rates	150% of the L&A Assumption Study for Police 2020 Cap Age 65.
Termination rates	100% of the L&A Assumption Study for Police 2020.
Disability rates	100% of the L&A Assumption Study for Police 2020.

*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 actuaries and a change in the discount rate.*

(See independent auditor's report.)



	2016		2017		2018		2019		2020		2021
\$	3,441,579	\$	4,075,790	\$	4,307,574	\$	4,397,183	\$	4,700,943	\$	5,638,311
	3,538,272		4,043,020		4,322,198		4,771,486		5,364,713		5,719,861
	(96,693)		32,770		(14,624)		(374,303)		(663,770)		(81,550)
	10,074,104		10,205,207		10,358,270		10,997,170		10,871,318		10,997,170
	35.12%		39.62%		41.73%		43.39%		49.35%		52.01%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

Calendar Year	2012	2013	2014	2015
Actuarially Determined Contribution	\$ 2,698,315	\$ 2,978,383	\$ 3,091,300	\$ 3,238,069
Actual Contribution	2,876,372	2,958,027	3,098,007	3,620,989
Contribution Deficiency/(Excess)	(178,057)	20,356	(6,707)	(382,920)
Covered Valuation Payroll	7,723,119	7,812,502	8,000,869	8,408,325
Actual Contribution as a Percentage of Covered Valuation Payroll	37.24%	37.86%	38.72%	43.06%

Notes to the required supplementary information for the 2021 contributions:

Valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Amortization method	Level percentage of payroll, closed
Amortization target	100% funded over 21 years
Asset valuation method	5-Year Smoothed Market
Inflation	2.25%
Salary increases	3.25%
Individual pay increases	3.75% - 36.05%
Investment rate of return	7.25%
Mortality rates - Active	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.
Mortality rates - Retiree	L&A Assumption Study for Firefighters 2020 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.
Retirement rates	100% of the L&A Assumption Study for Firefighters 2020 Cap Age 65.
Termination rates	100% of the L&A Assumption Study for Firefighters 2020.
Disability rates	100% of the L&A Assumption Study for Firefighters 2020.

*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 actuaries and a change in the discount rate.*

(See independent auditor's report.)

	2016		2017		2018		2019		2020		2021
\$	3,254,943	\$	3,911,411	\$	4,596,932	\$	4,654,347	\$	4,935,330	\$	5,482,655
	3,660,137		4,629,680		4,675,335		5,205,407		5,608,868		5,563,796
	(405,194)		(718,269)		(78,403)		(551,060)		(673,538)		(81,141)
	8,746,556		8,905,763		9,137,439		9,877,339		9,508,556		9,968,244
	41.85%		51.99%		51.17%		52.70%		58.99%		55.82%

(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	2021
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 719,981	\$ 657,670	\$ 819,775	\$ 977,864
Interest	438,629	510,011	414,399	284,910
Differences between expected and actual experience	-	-	(3,326,163)	-
Changes of assumptions	(856,449)	2,088,140	890,690	(63,325)
Benefit payments, including refunds of member contributions	(573,712)	(639,070)	(501,543)	(465,583)
Net change in total OPEB liability	(271,551)	2,616,751	(1,702,842)	733,866
Total OPEB liability				
Beginning	13,029,621	12,758,070	15,374,821	13,671,979
Ending	\$ 12,758,070	\$ 15,374,821	\$ 13,671,979	\$ 14,405,845
Covered-employee payroll	\$ 29,467,061	\$ 30,295,781	\$ 31,204,654	\$ 31,525,149
Employer's net OPEB liability as a percentage of covered-employee payroll	43.30%	50.75%	43.81%	45.70%

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

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

Last Ten Fiscal Years  
(schedule to be built prospectively)

<i>Valuation/Measurement Date</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
<i>Calendar Year</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
<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	59,360,728	65,047,647	68,281,849	70,096,672
Ending	\$ 65,047,647	\$ 68,281,849	\$ 70,096,672	\$ 71,782,523
<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
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)
Other	221,384	(579,310)	214,489	(1,090,449)
Net change in total pension liability	3,287,490	(941,970)	3,412,627	7,936,131
Plan net position				
Beginning	56,329,449	59,616,939	58,674,969	62,087,596
Ending	\$ 59,616,939	\$ 58,674,969	\$ 62,087,596	\$ 70,023,727
<b>EMPLOYER'S NET PENSION LIABILITY/(ASSET)</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.)

<i>2018</i>	<i>2019</i>	<i>2020</i>
2019	2020	2021

\$ 1,024,994	\$ 1,097,251	\$ 1,130,613
5,298,581	5,560,012	5,826,652
939,544	822,768	108,059
2,205,814	-	(783,224)
(3,294,551)	(3,631,408)	(4,006,432)
6,174,382	3,848,623	2,275,668
71,782,523	77,956,905	81,805,528
\$ 77,956,905	\$ 81,805,528	\$ 84,081,196

\$ 1,236,724	\$ 1,072,435	\$ 1,346,507
494,998	493,955	548,467
(3,659,634)	12,298,754	10,935,116
(3,294,551)	(3,631,408)	(4,006,432)
1,611,824	260,867	322,941
(3,610,639)	10,494,603	9,146,599
70,023,727	66,413,088	76,907,691
\$ 66,413,088	\$ 76,907,691	\$ 86,054,290
\$ 11,543,817	\$ 4,897,837	\$ (1,973,094)

85.19%	94.01%	102.35%
\$ 10,772,855	\$ 10,976,825	\$ 11,230,254
107.16%	44.62%	-17.57%

(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	\$ 103,713,646	\$ 117,048,409	\$ 116,272,549	\$ 123,571,263
<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
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)
Other	(33,802)	(35,446)	(48,430)	(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	\$ 62,236,359	\$ 62,530,973	\$ 67,379,405	\$ 77,376,445
<b>EMPLOYER'S NET PENSION LIABILITY</b>	\$ 41,477,287	\$ 54,517,436	\$ 48,893,144	\$ 46,194,818
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	2021
\$	2,290,298	\$ 2,233,157	\$ 2,385,236	\$ 2,383,728
	8,777,152	9,322,558	10,250,927	10,379,255
	-	624,567	-	-
	1,720,631	1,682,132	(599,585)	(2,472,651)
	-	4,733,370	-	-
	(5,014,198)	(5,516,268)	(6,276,335)	(6,493,016)
	7,773,883	13,079,516	5,760,243	3,797,316
	123,571,263	131,345,146	144,424,662	150,184,905
\$	131,345,146	\$ 144,424,662	\$ 150,184,905	\$ 153,982,221

\$	4,322,198	\$ 4,771,486	\$ 5,364,713	\$ 5,719,861
	1,077,694	1,145,375	1,188,697	1,185,100
	(5,144,043)	15,742,283	11,192,237	16,298,601
	(5,014,198)	(5,516,268)	(6,276,335)	(6,493,016)
	67,323	(16,500)	(13,975)	199,921
	(4,691,026)	16,126,376	11,455,337	16,910,467
	77,376,445	72,685,419	88,811,795	100,267,132
\$	72,685,419	\$ 88,811,795	\$ 100,267,132	\$ 117,177,599
\$	58,659,727	\$ 55,612,867	\$ 49,917,773	\$ 36,804,622

	55.34%	61.49%	66.76%	76.10%
\$	10,871,318	\$ 10,997,170	\$ 11,218,955	\$ 11,914,392
	539.58%	505.70%	444.94%	308.91%

(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				
Beginning	89,230,996	96,614,199	109,025,391	115,663,159
Ending	\$ 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
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)
Other	(22,954)	(13,377)	(14,181)	(11,665)
Net change in total pension liability	2,335,394	(822,692)	4,259,360	9,750,837
Plan net position				
Beginning	57,290,017	59,625,411	58,802,719	63,062,079
Ending	\$ 59,625,411	\$ 58,802,719	\$ 63,062,079	\$ 72,812,916
<b>EMPLOYER'S NET PENSION LIABILITY</b>	\$ 36,988,788	\$ 50,222,672	\$ 52,601,080	\$ 48,687,795
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	2021
\$	2,174,274	\$ 2,182,763	\$ 2,337,486	\$ 2,348,003
	8,621,323	9,085,806	9,733,994	9,749,927
	-	704,741	-	-
	994,849	745,112	1,065,786	(4,475,390)
	(11,224)	1,518,292	-	-
	(5,171,821)	(5,573,297)	(5,899,592)	(6,389,135)
	6,607,401	8,663,417	7,237,674	1,233,405
	121,500,711	128,108,112	136,771,529	144,009,203
\$	128,108,112	\$ 136,771,529	\$ 144,009,203	\$ 145,242,608

\$	4,675,335	\$ 5,205,407	\$ 5,608,868	\$ 5,563,796
	905,175	940,243	962,993	999,524
	(4,380,191)	12,209,428	11,448,837	8,454,382
	(5,171,822)	(5,573,297)	(5,899,592)	(6,389,135)
	62,362	(18,068)	(12,808)	4,260
	(3,909,141)	12,763,713	12,108,298	8,632,827
	72,812,916	68,903,775	81,667,488	93,775,786
\$	68,903,775	\$ 81,667,488	\$ 93,775,786	\$ 102,408,613
\$	59,204,337	\$ 55,104,041	\$ 50,233,417	\$ 42,833,995

	53.79%	59.71%	65.12%	70.51%
\$	9,508,556	\$ 9,877,339	\$ 10,768,480	\$ 11,215,725
	622.64%	557.88%	466.49%	381.91%

(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%
2021	13.71%	9.54%

(See independent auditor's report.)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

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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 2.12% to 2.06% 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, mortality rate, mortality improvement rate, retirement rate, termination rate, and disability rate assumptions have been revised to better reflect the future anticipated experience of the system.

IMRF

The tax-exempt municipal bond rate was changed from 2.75% to 2.00% 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 2.12% to 2.06% 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, 2021

	Special Revenue	General Obligation Bond	Capital Improvement	Total Nonmajor Governmental
<b>ASSETS</b>				
Cash and investments	\$ 14,051,488	\$ 130,744	\$ 4,659,662	\$ 18,841,894
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	1,284,156	-	1,284,156
Due from other governments	306,990	-	67,861	374,851
Accrued interest	1,520	-	1,127	2,647
<b>TOTAL ASSETS</b>	<b>\$ 14,359,998</b>	<b>\$ 1,414,900</b>	<b>\$ 4,728,650</b>	<b>\$ 20,503,548</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 684,684	\$ -	\$ 139,593	\$ 824,277
Accrued payroll	4,199	-	-	4,199
Due to other funds	19,832	-	-	19,832
Unearned revenue	3,400	-	-	3,400
<b>Total liabilities</b>	<b>712,115</b>	<b>-</b>	<b>139,593</b>	<b>851,708</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	-	1,284,156	-	1,284,156
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,284,156</b>	<b>-</b>	<b>1,284,156</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>712,115</b>	<b>1,284,156</b>	<b>139,593</b>	<b>2,135,864</b>
<b>FUND BALANCES</b>				
Restricted for streets and highways	2,855,292	-	-	2,855,292
Restricted for debt service	-	130,744	-	130,744
Restricted for public safety	1,057,222	-	-	1,057,222
Restricted for economic development	9,735,369	-	-	9,735,369
Unrestricted				
Assigned for capital projects	-	-	4,589,057	4,589,057
<b>Total fund balances</b>	<b>13,647,883</b>	<b>130,744</b>	<b>4,589,057</b>	<b>18,367,684</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 14,359,998</b>	<b>\$ 1,414,900</b>	<b>\$ 4,728,650</b>	<b>\$ 20,503,548</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, 2021

	Special Revenue	General Obligation Bond	Capital Improvement	Total Nonmajor Governmental
REVENUES				
Taxes	\$ 4,955,171	\$ 1,273,941	\$ 206,125	\$ 6,435,237
Intergovernmental	5,475,645	-	25,547	5,501,192
Charges for services	-	-	64,917	64,917
Fines and forfeits	3,755	-	-	3,755
Investment income	21,818	200	3,349	25,367
Miscellaneous	10	-	3,829	3,839
Total revenues	10,456,399	1,274,141	303,767	12,034,307
EXPENDITURES				
Current				
Public safety	265,012	-	-	265,012
Economic development	3,871,248	-	-	3,871,248
Capital outlay	3,461,855	-	607,369	4,069,224
Debt service				
Principal retirement	1,340,000	470,000	-	1,810,000
Interest	223,613	807,656	-	1,031,269
Fiscal charges	1,225	1,425	-	2,650
Total expenditures	9,162,953	1,279,081	607,369	11,049,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,293,446	(4,940)	(303,602)	984,904
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	475,000	475,000
Transfers (out)	(75,782)	-	-	(75,782)
Total other financing sources (uses)	(75,782)	-	475,000	399,218
NET CHANGE IN FUND BALANCES	1,217,664	(4,940)	171,398	1,384,122
FUND BALANCE, JANUARY 1	12,430,219	135,684	4,417,659	16,983,562
FUND BALANCE, DECEMBER 31	\$ 13,647,883	\$ 130,744	\$ 4,589,057	\$ 18,367,684

(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 and Build Illinois funds. 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. This fund is being closed as of December 31, 2021.

**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. This fund is being closed as of December 31, 2021.

**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. This fund is being closed as of December 31, 2021.

**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.

**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.

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

**Rand Road Corridor 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.



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VILLAGE OF PALATINE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

December 31, 2021

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	DUI Fines
<b>ASSETS</b>					
Cash and investments	\$ 2,956,958	\$ -	\$ 515,425	\$ 292,916	\$ 6,600
Receivables					
Due from other governments	254,940	-	-	-	-
Accrued interest	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,211,898</b>	<b>\$ -</b>	<b>\$ 515,425</b>	<b>\$ 292,916</b>	<b>\$ 6,600</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 356,606	\$ -	\$ 14,564	\$ -	\$ 6,600
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	3,400	-
<b>Total liabilities</b>	<b>356,606</b>	<b>-</b>	<b>14,564</b>	<b>3,400</b>	<b>6,600</b>
<b>FUND BALANCES</b>					
Restricted for streets and highways	2,855,292	-	-	-	-
Restricted for public safety	-	-	500,861	289,516	-
Restricted for economic development	-	-	-	-	-
<b>Total fund balances</b>	<b>2,855,292</b>	<b>-</b>	<b>500,861</b>	<b>289,516</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,211,898</b>	<b>\$ -</b>	<b>\$ 515,425</b>	<b>\$ 292,916</b>	<b>\$ 6,600</b>

(See independent auditor's report.)

Foreign Fire Tax	Dundee Road TIF	Rand/ Dundee TIF	Rand/ Lake Cook TIF	Police Grant	Community Development Block Grant-CV	Rand Road Corridor TIF	Total
\$ 266,845	\$ -	\$ -	\$ 3,544,183	\$ -	\$ -	\$ 6,468,561	\$ 14,051,488
-	-	-	-	24,031	28,019	-	306,990
-	-	-	-	-	-	1,520	1,520
\$ 266,845	\$ -	\$ -	\$ 3,544,183	\$ 24,031	\$ 28,019	\$ 6,470,081	\$ 14,359,998
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,019	\$ 278,895	\$ 684,684
-	-	-	-	4,199	-	-	4,199
-	-	-	-	19,832	-	-	19,832
-	-	-	-	-	-	-	3,400
-	-	-	-	24,031	28,019	278,895	712,115
-	-	-	-	-	-	-	2,855,292
266,845	-	-	-	-	-	-	1,057,222
-	-	-	3,544,183	-	-	6,191,186	9,735,369
266,845	-	-	3,544,183	-	-	6,191,186	13,647,883
\$ 266,845	\$ -	\$ -	\$ 3,544,183	\$ 24,031	\$ 28,019	\$ 6,470,081	\$ 14,359,998

(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, 2021

	Motor Fuel Tax	Community Development Block Grant	Federal Equitable Sharing	State Equitable Sharing	DUI Fines
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,274,143	506,831	87,330	9,588	-
Fines and forfeits	-	-	-	-	3,755
Investment income	924	-	196	110	20
Miscellaneous	-	-	-	-	-
Total revenues	4,275,067	506,831	87,526	9,698	3,775
EXPENDITURES					
Current					
Public safety	-	-	22,004	7,572	26,130
Economic development	-	180,318	-	-	-
Capital outlay	2,864,113	326,513	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal charges	-	-	-	-	-
Total expenditures	2,864,113	506,831	22,004	7,572	26,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,410,954	-	65,522	2,126	(22,355)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	-	-	(75,782)
Total other financing sources (uses)	-	-	-	-	(75,782)
NET CHANGE IN FUND BALANCES	1,410,954	-	65,522	2,126	(98,137)
FUND BALANCES, JANUARY 1	1,444,338	-	435,339	287,390	98,137
FUND BALANCES, DECEMBER 31	\$ 2,855,292	\$ -	\$ 500,861	\$ 289,516	\$ -

(See independent auditor's report.)



Foreign Fire Tax	Dundee Road TIF	Rand/ Dundee TIF	Rand/ Lake Cook TIF	Police Grant	Community Development Block Grant-CV	Rand Road Corridor TIF	Total
\$ -	\$ -	\$ -	\$ 1,317,344	\$ -	\$ -	\$ 3,637,827	\$ 4,955,171
125,616	-	-	-	126,447	345,690	-	5,475,645
-	-	-	-	-	-	-	3,755
60	157	6	1,165	-	-	19,180	21,818
10	-	-	-	-	-	-	10
125,686	157	6	1,318,509	126,447	345,690	3,657,007	10,456,399
82,859	-	-	-	126,447	-	-	265,012
-	721,197	74,998	1,000	-	345,690	2,548,045	3,871,248
-	-	-	-	-	-	271,229	3,461,855
-	-	-	-	-	-	1,340,000	1,340,000
-	-	-	-	-	-	223,613	223,613
-	-	-	-	-	-	1,225	1,225
82,859	721,197	74,998	1,000	126,447	345,690	4,384,112	9,162,953
42,827	(721,040)	(74,992)	1,317,509	-	-	(727,105)	1,293,446
-	-	-	-	-	-	-	(75,782)
-	-	-	-	-	-	-	(75,782)
42,827	(721,040)	(74,992)	1,317,509	-	-	(727,105)	1,217,664
224,018	721,040	74,992	2,226,674	-	-	6,918,291	12,430,219
\$ 266,845	\$ -	\$ -	\$ 3,544,183	\$ -	\$ -	\$ 6,191,186	\$ 13,647,883

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotment	\$ 2,692,000	\$ 2,692,000	\$ 2,768,084
Grants	-	1,506,058	1,506,059
Investment income	750	750	924
Total revenues	2,692,750	4,198,808	4,275,067
EXPENDITURES			
Capital outlay			
Street improvements	2,471,375	2,877,050	2,864,113
Total expenditures	2,471,375	2,877,050	2,864,113
NET CHANGE IN FUND BALANCE	<u>\$ 221,375</u>	<u>\$ 1,321,758</u>	1,410,954
FUND BALANCE, JANUARY 1			<u>1,444,338</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,855,292</u>

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ 515,274	\$ 506,831	\$ 506,831
Total revenues	515,274	506,831	506,831
EXPENDITURES			
Economic development			
Administrative fees - General Fund	103,054	103,039	103,039
Social service agencies	77,291	77,279	77,279
Capital outlay			
Rights of way improvements	334,929	326,513	326,513
Total expenditures	515,274	506,831	506,831
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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 20,000	\$ 20,000	\$ 87,330
Investment income	-	-	196
Total revenues	20,000	20,000	87,526
EXPENDITURES			
Public safety			
Police			
Supplies and services	20,000	35,100	22,004
Total expenditures	20,000	35,100	22,004
NET CHANGE IN FUND BALANCE	\$ -	\$ (15,100)	65,522
FUND BALANCE, JANUARY 1			435,339
FUND BALANCE, DECEMBER 31			\$ 500,861

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Grants	\$ 5,000	\$ 5,000	\$ 9,588
Investment income	-	-	110
Total revenues	5,000	5,000	9,698
EXPENDITURES			
Public safety			
Police			
Supplies and services	5,000	8,455	7,572
Total expenditures	5,000	8,455	7,572
NET CHANGE IN FUND BALANCE	\$ -	\$ (3,455)	2,126
FUND BALANCE, JANUARY 1			287,390
FUND BALANCE, DECEMBER 31			\$ 289,516

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Fines and forfeits			
DUI fines	\$ 20,000	\$ 20,000	\$ 3,755
Investment income	-	-	20
Total revenues	20,000	20,000	3,775
EXPENDITURES			
Public safety			
Police			
Supplies and services	5,000	26,135	26,130
Total expenditures	5,000	26,135	26,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,000	(6,135)	(22,355)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(75,782)
Total other financing sources (uses)	-	-	(75,782)
NET CHANGE IN FUND BALANCE	\$ 15,000	\$ (6,135)	(98,137)
FUND BALANCE, JANUARY 1			98,137
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  
FOREIGN FIRE TAX FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Foreign fire tax	\$ 70,000	\$ 83,000	\$ 125,616
Investment income	-	-	60
Miscellaneous			
Other	-	-	10
Total revenues	70,000	83,000	125,686
EXPENDITURES			
Public safety			
Fire			
Supplies and services	70,000	83,000	82,859
Total expenditures	70,000	83,000	82,859
NET CHANGE IN FUND BALANCE	\$ -	\$ -	42,827
FUND BALANCE, JANUARY 1			224,018
FUND BALANCE, DECEMBER 31			\$ 266,845

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 157
Total revenues	-	-	157
EXPENDITURES			
Economic development Surplus distribution	-	721,200	721,197
Total expenditures	-	721,200	721,197
NET CHANGE IN FUND BALANCE	\$ -	\$ (721,200)	(721,040)
FUND BALANCE, JANUARY 1			721,040
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  
RAND/DUNDEE TIF FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ -	\$ -	\$ 6
Total revenues	-	-	6
EXPENDITURES			
Economic development Surplus distribution	-	75,000	74,998
Total expenditures	-	75,000	74,998
NET CHANGE IN FUND BALANCE	\$ -	\$ (75,000)	(74,992)
FUND BALANCE, JANUARY 1			74,992
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  
RAND/LAKE COOK TIF FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,317,344
Investment income	500	500	1,165
Total revenues	1,400,500	1,400,500	1,318,509
EXPENDITURES			
Economic development			
Supplies and services	5,000	5,000	1,000
Capital outlay			
Rights of way improvements	-	48,134	-
Total expenditures	5,000	53,134	1,000
NET CHANGE IN FUND BALANCE	\$ 1,395,500	\$ 1,347,366	1,317,509
FUND BALANCE, JANUARY 1			2,226,674
FUND BALANCE, DECEMBER 31			\$ 3,544,183

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

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

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ -	\$ 126,447	\$ 126,447
Total revenues	-	126,447	126,447
EXPENDITURES			
Public safety Police Personnel	-	126,447	126,447
Total expenditures	-	126,447	126,447
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  
COMMUNITY DEVELOPMENT BLOCK GRANT-CV FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental Grants	\$ -	\$ 345,690	\$ 345,690
Total revenues	-	345,690	345,690
EXPENDITURES			
Economic development Social service agencies	-	345,690	345,690
Total expenditures	-	345,690	345,690
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  
RAND ROAD CORRIDOR TIF FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Incremental property taxes	\$ 3,400,000	\$ 3,400,000	\$ 3,637,827
Investment income	1,500	1,500	19,180
Total revenues	3,401,500	3,401,500	3,657,007
EXPENDITURES			
Economic development			
Supplies and services	10,000	10,000	1,000
Project expenditures	200,000	350,000	297,045
Surplus distribution	2,250,000	2,250,000	2,250,000
Capital outlay			
Rights of way improvements	-	296,102	271,229
Debt service			
Principal retirement	1,340,000	1,340,000	1,340,000
Interest	223,615	223,615	223,613
Fiscal charges	1,500	1,500	1,225
Total expenditures	4,025,115	4,471,217	4,384,112
NET CHANGE IN FUND BALANCE	\$ (623,615)	\$ (1,069,717)	(727,105)
FUND BALANCE, JANUARY 1			6,918,291
FUND BALANCE, DECEMBER 31			\$ 6,191,186

(See independent auditor's report.)

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## **Nonmajor Debt Service Fund**

**General Obligation Bond Fund** - to account for the repayment of general obligation debt issued for the acquisition of non-Enterprise Fund capital assets. Funding is provided for by property taxes.





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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property tax	\$ 1,277,656	\$ 1,277,656	\$ 1,273,941
Investment income	2,250	2,250	200
Total revenues	1,279,906	1,279,906	1,274,141
EXPENDITURES			
Debt service			
Principal retirement	470,000	492,500	470,000
Interest	807,656	807,656	807,656
Fiscal charges	2,250	2,250	1,425
Total expenditures	1,279,906	1,302,406	1,279,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(22,500)	(4,940)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	22,500	-
Total other financing sources (uses)	-	22,500	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(4,940)
FUND BALANCE, JANUARY 1			135,684
FUND BALANCE, DECEMBER 31			\$ 130,744

(See independent auditor's report.)

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## **Nonmajor Capital Projects Fund**

**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

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

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes			
Telecommunication	\$ 267,795	\$ 267,795	\$ 206,125
Intergovernmental			
Park district reimbursement	62,500	62,500	-
Grants	115,000	146,240	25,547
Charges for services			
Improvement cost sharing programs	-	-	64,917
Investment income	7,500	7,500	3,349
Miscellaneous			
Miscellaneous	-	-	3,829
Total revenues	452,795	484,035	303,767
<b>EXPENDITURES</b>			
Capital outlay			
Buildings and facilities	-	42,513	36,746
Rights of way improvements	14,000	93,261	92,589
Street improvements	913,795	481,405	478,034
Total expenditures	927,795	617,179	607,369
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(475,000)	(133,144)	(303,602)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	475,000	475,000	475,000
Total other financing sources (uses)	475,000	475,000	475,000
NET CHANGE IN FUND BALANCE	\$ -	\$ 341,856	171,398
FUND BALANCE, JANUARY 1			4,417,659
FUND BALANCE, DECEMBER 31			\$ 4,589,057

(See independent auditor's report.)

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## **Nonmajor Enterprise Funds**

**Motor Vehicle Parking System Fund** - to account for the provision of public parking services to Village and Non-Village residents.

**Refuse Collection Fund** - to account for the provision of refuse, recycling, and yard waste collection services provided by the Village.





## VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

December 31, 2021

	Motor Vehicle Parking System	Refuse Collection	Total
CURRENT ASSETS			
Cash and investments	\$ 1,563,418	\$ 686,808	\$ 2,250,226
Receivables			
Other	7,345	-	7,345
Accrued interest	307	-	307
Leases	190,274	-	190,274
Total current assets	1,761,344	686,808	2,448,152
NONCURRENT ASSETS			
Capital assets			
Land	4,118,490	-	4,118,490
Buildings and improvements	15,681,480	-	15,681,480
Accumulated depreciation	(14,796,370)	-	(14,796,370)
Total noncurrent assets	5,003,600	-	5,003,600
Total assets	6,764,944	686,808	7,451,752
CURRENT LIABILITIES			
Accounts payable	19,006	588,978	607,984
Deposits payable	-	18,006	18,006
Unearned revenues	-	136,850	136,850
Total current liabilities	19,006	743,834	762,840
DEFERRED INFLOWS OF RESOURCES			
Lease items	189,213	-	189,213
NET POSITION			
Net investment in capital assets	5,003,600	-	5,003,600
Unrestricted	1,553,125	(57,026)	1,496,099
TOTAL NET POSITION	\$ 6,556,725	\$ (57,026)	\$ 6,499,699

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2021

	Motor Vehicle Parking System	Refuse Collection	Total
OPERATING REVENUES			
Charges for services	\$ 176,337	\$ 4,438,090	\$ 4,614,427
Total operating revenues	176,337	4,438,090	4,614,427
OPERATING EXPENSES			
Costs of sales and services	475,879	4,449,434	4,925,313
Total operating expenses excluding depreciation	475,879	4,449,434	4,925,313
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(299,542)	(11,344)	(310,886)
DEPRECIATION	784,080	-	784,080
OPERATING INCOME (LOSS)	(1,083,622)	(11,344)	(1,094,966)
NONOPERATING REVENUES (EXPENSES)			
Investment income	4,306	309	4,615
NET INCOME (LOSS) BEFORE TRANSFERS	(1,079,316)	(11,035)	(1,090,351)
Transfers (out)	-	(475,000)	(475,000)
CHANGE IN NET POSITION	(1,079,316)	(486,035)	(1,565,351)
NET POSITION, JANUARY 1	7,636,041	429,009	8,065,050
NET POSITION, DECEMBER 31	\$ 6,556,725	\$ (57,026)	\$ 6,499,699

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2021

	Motor Vehicle Parking System	Refuse Collection	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 174,436	\$ 4,400,951	\$ 4,575,387
Payments to suppliers	(308,938)	(4,200,575)	(4,509,513)
Payments to employees	(47)	-	(47)
Payments for interfund services transactions	(163,000)	(158,000)	(321,000)
Net cash from operating activities	(297,549)	42,376	(255,173)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (out)	-	(475,000)	(475,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	8,804	309	9,113
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(288,745)	(432,315)	(721,060)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,852,163	1,119,123	2,971,286
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,563,418	\$ 686,808	\$ 2,250,226
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,083,622)	\$ (11,344)	\$ (1,094,966)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	784,080	-	784,080
(Increase) decrease in			
Other receivables	(840)	-	(840)
Leases	(190,274)	-	(190,274)
Increase (decrease) in			
Accounts payable	3,894	90,859	94,753
Accrued payroll	-	-	-
Deposits payable	-	(36,949)	(36,949)
Unearned revenue	-	(190)	(190)
Deferred inflows related to leases	189,213	-	189,213
NET CASH FROM OPERATING ACTIVITIES	\$ (297,549)	\$ 42,376	\$ (255,173)

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking fees	\$ 293,000	\$ 293,000	\$ 176,337
Total operating revenues	293,000	293,000	176,337
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	419,905	392,435	312,879
Administrative fees - General Fund	163,000	163,000	163,000
Total operating expenses excluding depreciation	582,905	555,435	475,879
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(289,905)	(262,435)	(299,542)
DEPRECIATION	-	-	784,080
OPERATING INCOME (LOSS)	(289,905)	(262,435)	(1,083,622)
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000	1,000	4,306
Total nonoperating revenues (expenses)	1,000	1,000	4,306
CHANGE IN NET POSITION	<u>\$ (288,905)</u>	<u>\$ (261,435)</u>	(1,079,316)
NET POSITION, JANUARY 1			<u>7,636,041</u>
NET POSITION, DECEMBER 31			<u>\$ 6,556,725</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, 2021

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Supplies and services	\$ 80,100	\$ 80,100	\$ 35,647
Public works			
Personnel	5,390	5,390	47
Supplies and services	314,415	286,945	257,185
Capital projects			
Buildings and facilities	20,000	20,000	20,000
Total costs of sales and services	419,905	392,435	312,879
Administrative fees - General Fund	163,000	163,000	163,000
TOTAL OPERATING EXPENSES	\$ 582,905	\$ 555,435	\$ 475,879

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Refuse billing	\$ 4,501,985	\$ 4,501,985	\$ 4,438,090
Total operating revenues	4,501,985	4,501,985	4,438,090
OPERATING EXPENSES			
Refuse collection	3,873,385	4,291,445	4,291,434
Administrative fees - General Fund	158,000	158,000	158,000
Total operating expenses	4,031,385	4,449,445	4,449,434
OPERATING INCOME (LOSS)	470,600	52,540	(11,344)
NONOPERATING REVENUES (EXPENSES)			
Investment income	7,500	7,500	309
NET INCOME (LOSS) BEFORE TRANSFERS	478,100	60,040	(11,035)
Transfers (out)	(475,000)	(475,000)	(475,000)
CHANGE IN NET POSITION	\$ 3,100	\$ (414,960)	(486,035)
NET POSITION, JANUARY 1			429,009
NET POSITION, DECEMBER 31			\$ (57,026)

(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. The run-out of the self-administered health insurance has been completed and accordingly this fund is being closed as of December 31, 2021.

**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, 2021

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 845,829	\$ 687,935	\$ 5,906,078	\$ 7,439,842
Receivables				
Other	27,793	-	17,188	44,981
Accrued interest	-	-	2,560	2,560
Inventories	205,180	-	-	205,180
Total current assets	1,078,802	687,935	5,925,826	7,692,563
<b>NONCURRENT ASSETS</b>				
Net pension asset	198,478	-	-	198,478
Total assets	1,277,280	687,935	5,925,826	7,891,041
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items	71,127	-	-	71,127
OPEB items	6,893	-	-	6,893
Total deferred outflows of resources	78,020	-	-	78,020
<b>CURRENT LIABILITIES</b>				
Accounts payable	69,369	687,935	-	757,304
Accrued payroll	11,915	-	-	11,915
Claims payable	-	-	117,320	117,320
Compensated absences payable	7,020	-	-	7,020
Total OPEB liability	1,443	-	-	1,443
Total current liabilities	89,747	687,935	117,320	895,002
<b>LONG-TERM LIABILITIES</b>				
Claims payable	-	-	1,007,660	1,007,660
Compensated absences payable	28,080	-	-	28,080
Total OPEB liability	43,215	-	-	43,215
Total long-term liabilities	71,295	-	1,007,660	1,078,955
Total liabilities	161,042	687,935	1,124,980	1,973,957
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items	407,917	-	-	407,917
OPEB items	10,197	-	-	10,197
Total deferred inflows of resources	418,114	-	-	418,114
<b>NET POSITION</b>				
Unrestricted	776,144	-	4,800,846	5,576,990
TOTAL NET POSITION	\$ 776,144	\$ -	\$ 4,800,846	\$ 5,576,990

(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, 2021

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
OPERATING REVENUES				
Charges for services	\$ 1,738,519	\$ -	\$ 1,528,500	\$ 3,267,019
Miscellaneous	29,014	-	72,628	101,642
Total operating revenues	1,767,533	-	1,601,128	3,368,661
OPERATING EXPENSES				
Costs of sales and services	1,763,376	808,077	1,385,859	3,957,312
Total operating expenses	1,763,376	808,077	1,385,859	3,957,312
OPERATING INCOME (LOSS)	4,157	(808,077)	215,269	(588,651)
NONOPERATING REVENUES (EXPENSES)				
Investment income	400	14,991	(552)	14,839
Total nonoperating revenues (expenses)	400	14,991	(552)	14,839
CHANGE IN NET POSITION	4,557	(793,086)	214,717	(573,812)
NET POSITION, JANUARY 1	771,587	793,086	4,586,129	6,150,802
NET POSITION, DECEMBER 31	\$ 776,144	\$ -	\$ 4,800,846	\$ 5,576,990

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2021

	Fleet Services	Health Insurance	Casualty and Liability Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 189,974	\$ -	\$ 55,440	\$ 245,414
Receipts from interfund services transactions	1,572,765	-	1,528,500	3,101,265
Payments to suppliers	(1,068,937)	(119,150)	(1,533,004)	(2,721,091)
Payments to employees	(847,790)	-	-	(847,790)
Net cash from operating activities	(153,988)	(119,150)	50,936	(222,202)
<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	400	27,786	14,713	42,899
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(153,588)	(91,364)	65,649	(179,303)
CASH AND CASH EQUIVALENTS, JANUARY 1	999,417	779,299	5,840,429	7,619,145
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 845,829	\$ 687,935	\$ 5,906,078	\$ 7,439,842
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 4,157	\$ (808,077)	\$ 215,269	\$ (588,651)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
(Increase) decrease in				
Other receivables	(4,794)	992	(17,188)	(20,990)
Inventories	(5,350)	-	-	(5,350)
Net pension asset	(198,478)	-	-	(198,478)
Deferred outflows related to pensions	85,103	-	-	85,103
Deferred outflows related to OPEB	617	-	-	617
Increase (decrease) in				
Accounts payable	(42,111)	687,935	-	645,824
Accrued payroll	2,641	-	-	2,641
Claims payable	-	-	(147,145)	(147,145)
Compensated absences payable	(5,165)	-	-	(5,165)
Net pension liability	(213,778)	-	-	(213,778)
Net OPEB liability	3,642	-	-	3,642
Deferred inflows related to pensions	220,212	-	-	220,212
Deferred inflows related to OPEB	(684)	-	-	(684)
NET CASH FROM OPERATING ACTIVITIES	\$ (153,988)	\$ (119,150)	\$ 50,936	\$ (222,202)

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Vehicle maintenance	\$ 1,732,765	\$ 1,732,765	\$ 1,738,519
Miscellaneous			
Recoveries and refunds	15,000	15,000	26,141
Other	-	-	2,873
Total operating revenues	1,747,765	1,747,765	1,767,533
OPERATING EXPENSES			
Costs of sales and services			
Public works			
Personnel	839,950	860,532	741,900
Supplies and services	942,815	1,059,583	1,021,476
Total operating expenses	1,782,765	1,920,115	1,763,376
OPERATING INCOME (LOSS)	(35,000)	(172,350)	4,157
NONOPERATING REVENUES (EXPENSES)			
Investment income	5,000	5,000	400
CHANGE IN NET POSITION	\$ (30,000)	\$ (167,350)	4,557
NET POSITION, JANUARY 1			771,587
NET POSITION, DECEMBER 31			\$ 776,144

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Total operating revenues	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Costs of sales and services			
Administration	-	808,100	808,077
Total operating expenses	-	808,100	808,077
OPERATING INCOME (LOSS)	-	(808,100)	(808,077)
NONOPERATING REVENUES (EXPENSES)			
Investment income	-	-	14,991
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ (808,100)</u>	(793,086)
NET POSITION, JANUARY 1			<u>793,086</u>
NET POSITION, DECEMBER 31			<u>\$ -</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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Insurance fees and premiums	\$ 1,528,500	\$ 1,528,500	\$ 1,528,500
Miscellaneous			
Reimbursements	-	-	72,628
Total operating revenues	1,528,500	1,528,500	1,601,128
OPERATING EXPENSES			
Costs of sales and services			
Administration	1,017,350	1,061,261	1,059,042
Insurance claims	957,500	943,491	326,817
Total operating expenses	1,974,850	2,004,752	1,385,859
OPERATING INCOME (LOSS)	(446,350)	(476,252)	215,269
NONOPERATING REVENUES (EXPENSES)			
Investment income (expense)	15,000	15,000	(552)
CHANGE IN NET POSITION	<u>\$ (431,350)</u>	<u>\$ (461,252)</u>	214,717
NET POSITION, JANUARY 1			<u>4,586,129</u>
NET POSITION, DECEMBER 31			<u>\$ 4,800,846</u>

(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, 2021

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,527,746	\$ 1,263,372	\$ 2,791,118
Investments			
U.S. Treasury securities	8,082,907	18,454,646	26,537,553
U.S. agency securities	6,863,730	685,724	7,549,454
Corporate and international bonds	21,076,036	11,783,924	32,859,960
Certificates of deposit	294,888	-	294,888
Money market mutual funds	658,334	525,552	1,183,886
Equities	78,450,567	69,526,451	147,977,018
Receivables			
Accrued interest	208,530	168,944	377,474
Other	14,861	-	14,861
Total assets	117,177,599	102,408,613	219,586,212
<b>LIABILITIES</b>			
None	-	-	-
<b>NET POSITION</b>			
Restricted for pensions	\$ 117,177,599	\$ 102,408,613	\$ 219,586,212

(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, 2021

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 5,719,861	\$ 5,563,796	\$ 11,283,657
Employee	1,185,100	999,524	2,184,624
Other	217,665	17,951	235,616
Total contributions	7,122,626	6,581,271	13,703,897
Investment earnings			
Net increase in the fair value of investments	12,726,365	6,288,099	19,014,464
Interest	3,922,288	2,385,550	6,307,838
Total investment earnings	16,648,653	8,673,649	25,322,302
Less investment expense	(350,052)	(219,267)	(569,319)
Net investment earnings	16,298,601	8,454,382	24,752,983
Total additions	23,421,227	15,035,653	38,456,880
DEDUCTIONS			
Administration	17,744	13,691	31,435
Benefits and refunds			
Retirement benefits	6,283,524	6,389,135	12,672,659
Refunds of contributions	209,492	-	209,492
Total deductions	6,510,760	6,402,826	12,913,586
CHANGE IN NET POSITION	16,910,467	8,632,827	25,543,294
NET POSITION			
January 1	100,267,132	93,775,786	194,042,918
December 31	\$ 117,177,599	\$ 102,408,613	\$ 219,586,212

(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, 2021

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 5,730,000	\$ 5,819,695	\$ 5,719,861
Employee	1,157,975	1,157,975	1,185,100
Other	-	158,400	217,665
Total contributions	6,887,975	7,136,070	7,122,626
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	12,726,365
Interest	750,000	750,000	3,922,288
Total investment earnings	1,000,000	1,000,000	16,648,653
Less investment expense	(300,000)	(400,000)	(350,052)
Net investment earnings	700,000	600,000	16,298,601
Total additions	7,587,975	7,736,070	23,421,227
DEDUCTIONS			
Administration	51,000	51,000	17,744
Benefits and refunds			
Retirement benefits	6,575,000	6,575,000	6,283,524
Refunds of contributions	100,000	258,400	209,492
Total deductions	6,726,000	6,884,400	6,510,760
CHANGE IN NET POSITION	\$ 861,975	\$ 851,670	16,910,467
NET POSITION			
January 1			100,267,132
December 31			\$ 117,177,599

(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, 2021

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 5,575,000	\$ 5,668,495	\$ 5,563,796
Employee	972,750	972,750	999,524
Other	-	-	17,951
Total contributions	6,547,750	6,641,245	6,581,271
Investment earnings			
Net increase in the fair value of investments	250,000	250,000	6,288,099
Interest	750,000	750,000	2,385,550
Total investment earnings	1,000,000	1,000,000	8,673,649
Less investment expense	(250,000)	(250,000)	(219,267)
Net investment earnings	750,000	750,000	8,454,382
Total additions	7,297,750	7,391,245	15,035,653
DEDUCTIONS			
Administration	38,500	38,500	13,691
Benefits and refunds			
Retirement benefits	6,705,000	6,705,000	6,389,135
Refunds of contributions	100,000	100,000	-
Total deductions	6,843,500	6,843,500	6,402,826
CHANGE IN NET POSITION	\$ 454,250	\$ 547,745	8,632,827
NET POSITION			
January 1			93,775,786
December 31			\$ 102,408,613

(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, 2021

	Original Budget	Final Budget	Actual
<b>TAXES</b>			
Property tax			
Police protection	\$ 3,397,089	\$ 3,397,089	\$ 3,322,717
Fire protection	3,397,089	3,397,089	3,321,551
FICA	2,600,000	2,600,000	2,542,064
IMRF	1,200,000	1,200,000	1,173,886
Police pension	5,640,000	5,640,000	5,540,174
Fire pension	5,485,000	5,485,000	5,380,303
Home rule sales tax	4,250,000	4,250,000	5,720,013
Food and beverage tax	1,000,000	1,000,000	1,433,381
Motel occupancy tax	75,000	75,000	90,911
Telecommunication	192,190	192,190	147,142
Electric utility use tax	2,156,700	2,156,700	2,225,398
Total taxes	29,393,068	29,393,068	30,897,540
<b>LICENSES AND PERMITS</b>			
Professional and occupational	225,600	225,600	225,715
Liquor licenses	312,800	312,800	315,391
Rental dwelling licenses	482,000	482,000	482,303
Building permits and fees	1,032,900	1,032,900	1,488,397
Vehicle licenses	1,300,000	1,300,000	1,230,444
Other licenses and permits	210,700	210,700	269,353
Total licenses and permits	3,564,000	3,564,000	4,011,603
<b>INTERGOVERNMENTAL</b>			
State sales tax	8,800,000	8,800,000	11,165,853
State income tax	5,992,900	5,992,900	9,050,756
Local use tax	2,735,900	2,735,900	2,827,607
Township road and bridge tax	708,900	708,900	675,598
Fire protection district reimbursement	708,470	708,470	708,470
Police consultant - schools	960,440	960,440	960,440
TIF Rebate	171,475	354,665	354,807
State highway maintenance	190,370	190,370	183,750
Personal property replacement tax	102,400	102,400	212,933
Grants	30,000	35,933	27,632
Other intergovernmental	266,770	296,770	334,127
Total intergovernmental	20,667,625	20,886,748	26,501,973

(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, 2021

	Original Budget	Final Budget	Actual
<b>CHARGES FOR SERVICES</b>			
Cable TV franchise fees	\$ 1,054,900	\$ 1,054,900	\$ 1,036,524
Plan review fees	467,700	467,700	530,032
Inspection fees	364,900	364,900	247,701
Special police service	147,800	147,800	202,008
Special fire service	183,045	183,045	84,490
Ambulance fees	1,860,200	1,860,200	1,691,030
Vehicle impound fees	-	-	500
Streetfest revenue	185,000	185,000	117,512
Rental income	122,655	122,655	144,603
Other charges for services	59,500	59,500	78,342
Total charges for services	4,445,700	4,445,700	4,132,742
<b>FINES AND FORFEITS</b>			
Circuit court fines	207,000	207,000	366,308
Traffic fines	1,477,300	1,477,300	1,107,660
Adjudication and other fines	7,000	7,000	24,491
Total fines and forfeits	1,691,300	1,691,300	1,498,459
<b>INVESTMENT INCOME</b>	101,400	101,400	96,279
<b>MISCELLANEOUS</b>			
Recoveries and refunds	50,000	50,000	51,303
Reimbursements	429,400	432,943	430,981
Donations	-	1,000	2,050
Other	5,000	5,000	8,923
Total miscellaneous	484,400	488,943	493,257
<b>TOTAL REVENUES</b>	<u>\$ 60,347,493</u>	<u>\$ 60,571,159</u>	<u>\$ 67,631,853</u>

(See independent auditor's report.)



VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Mayor and council			
Personnel	\$ 264,865	\$ 264,865	\$ 242,991
Supplies and services	43,565	43,565	37,511
Boards and commissions			
Supplies and services	54,895	62,485	53,804
Village clerk			
Personnel	136,770	137,420	134,331
Supplies and services	15,950	15,950	8,825
Village manager			
Personnel	769,460	795,200	608,195
Supplies and services	297,270	294,815	213,481
Finance and operations			
Personnel	704,555	756,080	662,267
Supplies and services	357,320	359,225	286,486
Legal			
Personnel	67,410	67,410	67,328
Supplies and services	418,100	418,100	407,472
Human resources			
Personnel	910,210	452,670	439,796
Supplies and services	128,795	128,735	75,141
Information technology			
Personnel	1,036,820	979,035	926,145
Supplies and services	372,019	404,399	363,577
Liability insurance			
Supplies and services	1,406,500	1,406,500	1,406,500
Less administrative fees			
CDBG Fund	(103,054)	(103,039)	(103,039)
Waterworks fund	(574,000)	(574,000)	(574,000)
Sewerage fund	(540,000)	(540,000)	(540,000)
Refuse fund	(158,000)	(158,000)	(158,000)
Motor Vehicle Parking System fund	(163,000)	(163,000)	(163,000)
Total general government	5,446,450	5,048,415	4,395,811

(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, 2021

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Community development			
Personnel	\$ 2,720,895	\$ 2,711,580	\$ 2,548,721
Supplies and services	318,702	309,392	252,599
Police			
Personnel	23,280,955	23,486,870	23,155,121
Supplies and services	1,425,260	1,431,226	1,375,256
Fire			
Personnel	19,880,105	20,198,140	19,870,705
Supplies and services	755,630	734,610	711,953
Total public safety	48,381,547	48,871,818	47,914,355
PUBLIC WORKS			
Public works			
Personnel	4,366,095	4,328,720	4,137,834
Supplies and services	2,328,970	2,259,076	2,153,194
Total public works	6,695,065	6,587,796	6,291,028
TOTAL EXPENDITURES	\$ 60,523,062	\$ 60,508,029	\$ 58,601,194

(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, 2021

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecommunication	\$ 579,715	\$ 579,715	\$ 444,761
Charges for services			
Rental income	383,745	383,745	408,115
Investment income	7,500	7,500	153,971
Total revenues	970,960	970,960	1,006,847
EXPENDITURES			
Capital outlay			
Technology	271,950	395,179	239,624
Vehicles and equipment	1,359,010	498,944	495,263
Total expenditures	1,630,960	894,123	734,887
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(660,000)	76,837	271,960
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	50,000	50,000	178,437
Transfers in	610,000	707,600	707,600
Total other financing sources (uses)	660,000	757,600	886,037
NET CHANGE IN FUND BALANCE	\$ -	\$ 834,437	1,157,997
FUND BALANCE, JANUARY 1			6,387,388
FUND BALANCE, DECEMBER 31			\$ 7,545,385

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 10,824,000	\$ 10,836,100	\$ 12,383,839
Miscellaneous	635,000	863,455	47,543
Total operating revenues	11,459,000	11,699,555	12,431,382
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	6,523,170	6,906,421	6,467,871
Administrative fees - General Fund	574,000	574,000	574,000
Total operating expenses excluding depreciation	7,097,170	7,480,421	7,041,871
OPERATING INCOME BEFORE DEPRECIATION	4,361,830	4,219,134	5,389,511
DEPRECIATION	-	-	884,865
OPERATING INCOME	4,361,830	4,219,134	4,504,646
NONOPERATING REVENUES (EXPENSES)			
Investment income	15,000	15,000	25,952
Unrealized gain (loss) on investments	-	-	(47,348)
Interest and fiscal charges	(141,040)	(141,040)	(55,700)
Loss on disposal of capital assets	-	-	(55,820)
Joint venture	-	-	202,580
Total nonoperating revenues (expenses)	(126,040)	(126,040)	69,664
NET INCOME BEFORE TRANSFERS	4,235,790	4,093,094	4,574,310
Transfers (out)	(305,000)	(342,600)	(342,600)
CHANGE IN NET POSITION	\$ 3,930,790	\$ 3,750,494	4,231,710
NET POSITION, JANUARY 1			39,203,894
NET POSITION, DECEMBER 31			\$ 43,435,604

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL  
WATERWORKS FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water use fees			
Resident	\$ 8,427,000	\$ 8,427,000	\$ 9,680,969
Nonresident	1,612,000	1,624,100	1,729,377
Water penalties			
Resident	65,000	65,000	79,755
Nonresident	10,000	10,000	8,152
User charge			
Resident	595,000	595,000	603,889
Nonresident	35,000	35,000	38,332
System development surcharge	15,000	15,000	-
Water extension fee	20,000	20,000	5,250
Water connection fees	10,000	10,000	98
Water meter sales	15,000	15,000	233,677
Water turn-on/service fees	20,000	20,000	4,340
Total charges for services	10,824,000	10,836,100	12,383,839
Miscellaneous - reimbursements	635,000	863,455	47,543
TOTAL OPERATING REVENUES	\$ 11,459,000	\$ 11,699,555	\$ 12,431,382

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATERWORKS FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Finance and operations			
Personnel	\$ 548,720	\$ 546,725	\$ 481,712
Supplies and services	264,720	264,720	252,037
Liability insurance			
Supplies and services	61,000	61,000	61,000
Public works			
Personnel	1,333,585	1,337,715	1,177,887
Supplies and services	912,980	891,547	789,810
Water purchase			
Northwest Water Commission	2,717,460	2,717,460	2,708,732
Capital projects			
Technology	64,000	124,886	84,816
Buildings and facilities	-	128,421	87,874
Water system	4,904,040	5,117,282	5,107,338
Less: Nonoperating			
Capital assets capitalized	(4,283,335)	(4,283,335)	(4,283,335)
Total costs of sales and services	6,523,170	6,906,421	6,467,871
Administrative fees - General Fund	574,000	574,000	574,000
TOTAL OPERATING EXPENSES	\$ 7,097,170	\$ 7,480,421	\$ 7,041,871

(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, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services	\$ 4,325,130	\$ 4,325,130	\$ 4,672,335
Miscellaneous	250	250	-
Total operating revenues	4,325,380	4,325,380	4,672,335
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Costs of sales and services	1,919,123	1,780,762	1,609,106
Administrative fees - General Fund	540,000	540,000	540,000
Total operating expenses excluding depreciation	2,459,123	2,320,762	2,149,106
OPERATING INCOME BEFORE DEPRECIATION	1,866,257	2,004,618	2,523,229
DEPRECIATION	-	-	1,233,310
OPERATING INCOME	1,866,257	2,004,618	1,289,919
NONOPERATING REVENUES (EXPENSES)			
Investment income	5,000	5,000	11,243
Unrealized gain (loss) on investments	-	-	(25,166)
Interest and fiscal charges	(151,225)	(151,225)	(128,713)
Total nonoperating revenues (expenses)	(146,225)	(146,225)	(142,636)
NET INCOME BEFORE TRANSFERS	1,720,032	1,858,393	1,147,283
Capital contributions	120,000	141,485	21,484
Transfers (out)	(305,000)	(305,000)	(305,000)
CHANGE IN NET POSITION	\$ 1,535,032	\$ 1,694,878	863,767
NET POSITION, JANUARY 1			23,067,886
NET POSITION, DECEMBER 31			\$ 23,931,653

(See independent auditor's report.)

## VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING REVENUES - BUDGET AND ACTUAL  
SEWERAGE FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Sewer use fees			
Resident	\$ 2,621,265	\$ 2,621,265	\$ 2,922,007
Nonresident	544,065	544,065	516,632
Sewer penalties			
Resident	25,000	25,000	31,882
Nonresident	2,000	2,000	2,988
Sewer connection fees	6,000	6,000	4,651
Surcharges			
Fair Meadows	1,800	1,800	2,279
Flood control	1,125,000	1,125,000	1,140,664
50/50 sewer extension	-	-	16,800
Detention Fees	-	-	34,432
Total charges for services	4,325,130	4,325,130	4,672,335
Miscellaneous - reimbursements	250	250	-
TOTAL OPERATING REVENUES	\$ 4,325,380	\$ 4,325,380	\$ 4,672,335

(See independent auditor's report.)



VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
SEWERAGE FUND

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Costs of sales and services			
Liability insurance			
Supplies and services	\$ 61,000	\$ 61,000	\$ 61,000
Public works			
Personnel	820,210	822,055	713,329
Supplies and services	237,913	266,696	260,026
Capital projects			
Flood control	650,000	412,165	396,452
Buildings and facilities	-	68,846	28,299
Sanitary sewer	150,000	150,000	150,000
Total costs of sales and services	1,919,123	1,780,762	1,609,106
Administrative fees - General Fund	540,000	540,000	540,000
TOTAL OPERATING EXPENSES	\$ 2,459,123	\$ 2,320,762	\$ 2,149,106

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2010A  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2021	\$ 705,000	\$ 28,200	\$ 733,200	2022	\$ 14,100	2022	\$ 14,100
	<u>\$ 705,000</u>	<u>\$ 28,200</u>	<u>\$ 733,200</u>		<u>\$ 14,100</u>		<u>\$ 14,100</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND TAXABLE SERIES OF 2012  
December 31, 2021

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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

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2021	\$ 615,000	\$ 14,606	\$ 629,606	2022	\$ 7,303	2022	\$ 7,303
	<u>\$ 615,000</u>	<u>\$ 14,606</u>	<u>\$ 629,606</u>		<u>\$ 7,303</u>		<u>\$ 7,303</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2014A  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 2,110,000</u>	<u>\$ 236,922</u>	<u>\$ 2,346,922</u>		<u>\$ 118,461</u>		<u>\$ 118,461</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2014B  
December 31, 2021

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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

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 2,990,000</u>	<u>\$ 240,780</u>	<u>\$ 3,230,780</u>		<u>\$ 120,390</u>		<u>\$ 120,390</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BOND SERIES OF 2015  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 3,225,000</u>	<u>\$ 367,475</u>	<u>\$ 3,592,475</u>		<u>\$ 202,750</u>		<u>\$ 164,725</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017A  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2021	\$ 2,060,000	\$ 37,080	\$ 2,097,080	2022	\$ 18,540	2022	\$ 18,540
	<u>\$ 2,060,000</u>	<u>\$ 37,080</u>	<u>\$ 2,097,080</u>		<u>\$ 18,540</u>		<u>\$ 18,540</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2017B  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 131,700</u>	<u>\$ 1,596,700</u>		<u>\$ 65,850</u>		<u>\$ 65,850</u>

(See independent auditor's report.)



VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017C  
December 31, 2021

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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

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2021	\$ 650,000	\$ 14,300	\$ 664,300	2022	\$ 7,150	2022	\$ 7,150
	<u>\$ 650,000</u>	<u>\$ 14,300</u>	<u>\$ 664,300</u>		<u>\$ 7,150</u>		<u>\$ 7,150</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND TAXABLE SERIES OF 2017D  
December 31, 2021

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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

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 3,545,000</u>	<u>\$ 304,492</u>	<u>\$ 3,849,492</u>		<u>\$ 152,246</u>		<u>\$ 152,246</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2018  
December 31, 2021

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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 Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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	755,000	37,750	792,750	2029	18,875	2029	18,875
	<u>\$ 4,980,000</u>	<u>\$ 1,198,750</u>	<u>\$ 6,178,750</u>		<u>\$ 599,375</u>		<u>\$ 599,375</u>

(See independent auditor's report.)

VILLAGE OF PALATINE, ILLINOIS

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BOND SERIES OF 2020  
December 31, 2021

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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

Tax Levy Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
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>\$ 3,970,678</u>	<u>\$ 22,305,678</u>		<u>\$ 1,985,339</u>		<u>\$ 1,985,339</u>

(See independent auditor's report.)

## **STATISTICAL SECTION**



## Statistical Section

This part of the Village's annual comprehensive 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>
Financial Trends	
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	155 - 164
Revenue Capacity	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	165 - 169
Debt Capacity	
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.	170 - 173
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	174 - 175
Operating Information	
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.	176 - 177

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

VILLAGE OF PALATINE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2015*
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 134,215,974	\$ 140,609,666	\$ 144,374,387	\$ 157,741,380
Restricted	3,233,577	3,600,787	2,236,148	1,838,578
Unrestricted	34,104,500	30,819,755	35,764,493	(51,107,972)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 171,554,051</b>	<b>\$ 175,030,208</b>	<b>\$ 182,375,028</b>	<b>\$ 108,471,986</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 43,155,964	\$ 38,430,520	\$ 38,870,993	\$ 32,408,120
Unrestricted	12,113,363	20,628,900	20,657,402	24,957,201
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 55,269,327</b>	<b>\$ 59,059,420</b>	<b>\$ 59,528,395</b>	<b>\$ 57,365,321</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 179,040,186	\$ 183,245,380	\$ 183,245,380	\$ 190,149,500
Restricted	3,600,787	2,236,148	2,236,148	1,838,578
Unrestricted	51,448,655	56,421,895	56,421,895	(26,150,771)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 234,089,628</b>	<b>\$ 241,903,423</b>	<b>\$ 241,903,423</b>	<b>\$ 165,837,307</b>

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements



2016	2017	2018**	2019	2020	2021
\$ 164,820,305	\$ 166,189,158	\$ 168,673,918	\$ 173,519,488	\$ 176,417,781	\$ 177,240,431
1,750,986	1,748,002	3,925,818	6,659,575	9,405,544	16,868,616
(61,926,571)	(66,937,376)	(80,303,379)	(86,814,683)	(83,289,926)	(63,799,313)
\$ 104,644,720	\$ 100,999,784	\$ 92,296,357	\$ 93,364,380	\$ 102,533,399	\$ 130,309,734
\$ 32,913,880	\$ 32,491,180	\$ 32,259,964	\$ 34,213,539	\$ 37,903,674	\$ 40,996,804
22,065,439	25,552,745	28,010,112	30,384,301	32,433,156	32,870,152
\$ 54,979,319	\$ 58,043,925	\$ 60,270,076	\$ 64,597,840	\$ 70,336,830	\$ 73,866,956
\$ 197,734,185	\$ 198,680,338	\$ 200,933,882	\$ 207,733,027	\$ 214,321,455	\$ 218,237,235
1,750,986	1,748,002	3,925,818	6,659,575	9,405,544	16,868,616
(39,861,132)	(41,384,631)	(52,293,267)	(56,430,382)	(50,856,770)	(30,929,161)
\$ 159,624,039	\$ 159,043,709	\$ 152,566,433	\$ 157,962,220	\$ 172,870,229	\$ 204,176,690

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014*
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 5,687,081	\$ 3,618,746	\$ 6,085,713
Public safety	39,154,692	39,226,832	40,893,455
Public works	10,978,933	14,290,195	12,001,792
Economic development	7,785,928	5,914,067	3,400,486
Interest and fiscal charges	4,782,927	4,334,822	4,214,079
Total governmental activities expenses	68,389,561	67,384,662	66,595,525
Business-type activities			
Waterworks	6,851,401	7,511,430	8,235,391
Sewerage	3,688,412	3,335,908	3,041,236
Parking system	1,355,716	1,269,605	1,323,599
Refuse collection	4,430,979	4,426,461	4,553,742
Total business-type activities expenses	16,326,508	16,543,404	17,153,968
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 84,716,069</b>	<b>\$ 83,928,066</b>	<b>\$ 83,749,493</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 3,178,125	\$ 2,792,931	\$ 4,002,813
Public safety	4,107,608	4,128,702	4,183,645
Other activities	2,150,261	2,107,948	2,099,120
Operating grants	3,133,237	3,645,430	3,555,697
Capital grants and contributions	605,818	315,830	31,077
Total governmental activities program revenues	13,175,049	12,990,841	13,872,352
Business-type activities			
Charges for services			
Waterworks	9,818,910	9,767,730	10,277,604
Sewerage	3,411,343	3,422,980	3,718,386
Parking system	678,488	683,780	711,723
Refuse collection	4,518,425	4,511,043	4,530,632
Operating grants	-	-	-
Capital grants and contributions	448,825	2,177,900	-
Total business-type activities program revenues	18,875,991	20,563,433	19,238,345
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 32,051,040</b>	<b>\$ 33,554,274</b>	<b>\$ 33,110,697</b>
<b>NET REVENUE (EXPENSE)</b>			
Governmental activities	\$ (54,393,821)	\$ (52,723,173)	\$ (52,723,173)
Business-type activities	4,020,029	2,084,377	2,084,377
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (50,373,792)</b>	<b>\$ (50,638,796)</b>	<b>\$ (50,638,796)</b>

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

2015	2016	2017	2018**	2019	2020	2021
\$ 5,181,480	\$ 7,411,863	\$ 4,992,470	\$ 4,792,852	\$ 4,927,957	\$ 4,750,856	\$ 3,358,688
39,766,935	53,993,443	58,319,928	53,387,729	53,810,869	47,724,257	41,750,555
10,574,340	11,764,624	10,938,679	10,658,853	12,901,798	14,110,117	11,110,100
5,187,476	4,080,021	1,464,895	6,692,302	8,404,890	4,182,530	3,873,006
3,685,197	3,466,073	3,490,399	2,800,515	2,139,900	2,331,499	1,074,402
64,395,428	80,716,024	79,206,371	78,332,251	82,185,414	73,099,259	61,166,751
10,988,330	12,485,417	9,115,608	9,071,013	7,867,493	8,538,978	8,038,256
3,641,693	4,580,455	3,373,247	3,815,318	3,406,455	3,415,404	3,511,129
1,226,379	1,526,641	1,256,792	1,277,515	1,549,161	1,356,121	1,259,959
4,553,546	4,394,918	4,408,987	4,524,457	4,641,663	4,268,888	4,449,434
20,409,948	22,987,431	18,154,634	18,688,303	17,464,772	17,579,391	17,258,778
\$ 84,805,376	\$ 103,703,455	\$ 97,361,005	\$ 97,020,554	\$ 99,650,186	\$ 90,678,650	\$ 78,425,529
\$ 4,338,815	\$ 4,443,342	\$ 4,348,698	\$ 4,333,166	\$ 3,176,329	\$ 2,272,664	\$ 1,341,725
4,290,067	4,608,293	4,954,398	5,586,131	7,187,378	6,277,299	8,785,816
2,079,704	2,273,555	2,454,501	2,408,431	2,484,425	2,453,582	2,599,663
2,766,089	3,277,846	2,795,038	2,870,901	3,113,193	5,124,361	3,570,636
-	1,200,000	-	-	1,033,112	584,973	1,832,572
13,474,675	15,803,036	14,552,635	15,198,629	16,994,437	16,712,879	18,130,412
10,572,378	11,504,526	11,756,016	11,134,742	11,743,045	12,078,859	12,633,962
3,539,701	3,821,872	3,987,480	4,348,556	4,363,320	4,577,350	4,672,335
701,265	631,587	709,390	729,953	711,700	273,043	176,337
4,537,427	4,518,775	4,537,890	4,515,375	4,574,031	4,379,117	4,438,090
-	-	791,930	525,390	-	582,062	-
-	-	-	-	704,840	2,287,404	21,484
19,350,771	20,476,760	21,782,706	21,254,016	22,096,936	24,177,835	21,942,208
\$ 32,825,446	\$ 36,279,796	\$ 36,335,341	\$ 36,452,645	\$ 39,091,373	\$ 40,890,714	\$ 40,072,620
\$ (50,920,753)	\$ (64,912,988)	\$ (64,653,736)	\$ (63,133,622)	\$ (65,190,977)	\$ (56,386,380)	\$ (43,036,339)
(1,059,177)	(2,510,671)	2,836,142	2,040,323	4,632,164	6,598,444	4,683,430
\$ (51,979,930)	\$ (67,423,659)	\$ (61,817,594)	\$ (61,093,299)	\$ (60,558,813)	\$ (49,787,936)	\$ (38,352,909)

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities			
Taxes			
Property	\$ 32,904,361	\$ 31,515,066	\$ 31,303,000
Home rule sales tax	4,199,803	4,305,118	4,471,298
Telecommunications	2,550,703	2,239,240	1,906,545
Electric utility use	1,751,844	1,722,005	1,690,985
Other	1,267,148	1,242,698	1,309,644
State shared sales taxes	8,931,459	9,343,337	10,061,160
State shared income tax	6,023,925	6,532,135	6,563,909
Other intergovernmental revenues	679,004	226,477	515,114
Investment income	321,140	300,305	309,200
Miscellaneous	164,057	193,597	297,638
Transfers	339,557	250,000	1,639,500
Total governmental activities	59,133,001	57,869,978	60,067,993
Business-type activities			
Investment income	25,416	20,064	24,098
Miscellaneous	-	-	-
Transfers	(339,557)	(250,000)	(1,639,500)
Total business-type activities	(314,141)	(229,936)	(1,615,402)
TOTAL PRIMARY GOVERNMENT	\$ 58,818,860	\$ 57,640,042	\$ 58,452,591
CHANGE IN NET POSITION			
Governmental activities	\$ 2,655,466	\$ 5,674,172	\$ 7,344,820
Business-type activities	2,319,547	2,404,627	468,975
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ 4,975,013	\$ 8,078,799	\$ 7,813,795

\* Implementation of GASB Statement 68

\*\* Implementation of GASB Statement 75

Data Source

Audited Financial Statements

	2015*	2016	2017	2018**	2019	2020	2021
\$	31,387,642	\$ 31,113,482	\$ 32,991,371	\$ 34,799,347	\$ 35,631,269	\$ 35,482,895	\$ 34,830,135
	4,360,722	4,217,287	4,111,583	4,446,002	4,252,692	4,105,026	5,720,013
	1,891,654	1,869,966	1,490,678	1,348,572	1,214,776	942,200	798,031
	1,641,246	2,054,689	2,263,482	2,360,118	2,225,106	2,211,795	2,225,398
	1,400,596	1,407,848	1,456,653	1,461,691	1,518,712	1,235,020	1,524,289
	9,892,846	9,558,566	9,634,893	10,163,314	10,461,255	11,334,735	13,993,460
	7,294,684	6,673,615	6,296,903	6,565,435	7,297,142	7,450,016	9,050,756
	293,748	244,029	251,911	406,251	889,609	709,168	829,566
	305,362	391,626	698,159	1,129,713	1,500,877	512,785	280,078
	156,573	458,387	1,134,667	526,783	568,062	496,759	497,096
	360,000	368,000	678,500	689,000	699,500	1,075,000	1,122,600
	58,985,073	58,357,495	61,008,800	63,896,226	66,259,000	65,555,399	70,871,422
	16,402	41,124	115,034	256,541	376,534	166,161	(30,704)
	-	-	-	309,188	18,566	49,385	-
	(360,000)	(368,000)	(678,500)	(689,000)	(699,500)	(1,075,000)	(1,122,600)
	(343,598)	(326,876)	(563,466)	(123,271)	(304,400)	(859,454)	(1,153,304)
\$	58,641,475	\$ 58,030,619	\$ 60,445,334	\$ 63,772,955	\$ 65,954,600	\$ 64,695,945	\$ 69,718,118
\$	8,064,320	\$ (6,555,493)	\$ (3,644,936)	\$ 762,604	\$ 1,068,023	\$ 9,169,019	\$ 27,835,083
	(1,402,775)	(2,837,547)	3,064,606	2,442,442	4,327,764	5,738,990	3,530,126
\$	6,661,545	\$ (9,393,040)	\$ (580,330)	\$ 3,205,046	\$ 5,395,787	\$ 14,908,009	\$ 31,365,209

VILLAGE OF PALATINE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2015
GENERAL FUND				
Nonspendable	\$ 5,772,920	\$ 5,277,920	\$ 4,782,920	\$ 5,022,070
Assigned	-	-	-	-
Unassigned	15,064,951	16,880,750	18,124,529	17,012,432
TOTAL GENERAL FUND	\$ 20,837,871	\$ 22,158,670	\$ 22,907,449	\$ 22,034,502
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	32,349,656	23,876,160	17,945,345	14,882,305
Assigned	11,900,695	16,305,655	21,284,780	13,536,719
Unassigned	(871,431)	(2,484,768)	(43,615)	(43,615)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 43,378,920	\$ 37,697,047	\$ 39,186,510	\$ 28,375,409

Data Source

Audited Financial Statements

2016	2017	2018	2019	2020	2021
\$ 5,261,220	\$ 4,470,370	\$ 3,738,890	\$ 2,889,849	\$ 2,023,377	\$ 1,067,140
-	-	-	-	-	572,744
18,224,006	18,909,919	21,145,386	21,426,642	24,198,154	33,569,340
\$ 23,485,226	\$ 23,380,289	\$ 24,884,276	\$ 24,316,491	\$ 26,221,531	\$ 35,209,224
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,057,043	19,059,512	19,554,231	19,728,606	19,935,775	24,800,883
7,451,239	9,116,907	10,817,419	11,354,671	10,805,047	12,134,442
(35,515)	-	-	-	-	-
\$ 21,472,767	\$ 28,176,419	\$ 30,371,650	\$ 31,083,277	\$ 30,740,822	\$ 36,935,325

VILLAGE OF PALATINE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2012	2013	2014	2015
<b>REVENUES</b>				
Taxes	\$ 42,673,859	\$ 41,024,128	\$ 40,681,472	\$ 40,681,860
Licenses and permits	2,612,185	2,822,149	3,081,336	3,153,792
Intergovernmental	21,449,463	22,102,467	22,735,622	22,291,479
Charges for services	3,351,983	3,683,470	3,801,523	4,116,301
Fines and forfeitures	1,395,806	1,376,629	1,394,054	1,394,381
Investment income	321,140	300,305	309,200	305,362
Miscellaneous	164,057	193,596	297,638	156,573
Total revenues	71,968,493	71,502,744	72,300,845	72,099,748
<b>EXPENDITURES</b>				
General government	5,448,017	5,532,910	5,690,050	5,853,988
Public safety	36,627,642	37,149,960	38,212,533	40,197,022
Public works	5,857,645	6,228,622	6,769,212	6,419,162
Economic development	7,999,863	5,914,067	3,400,486	5,187,476
Capital outlay	7,816,121	10,091,641	8,176,672	15,883,621
Debt service				
Principal retirement	6,403,904	6,346,812	6,089,339	6,988,013
Interest	4,768,086	4,385,759	4,172,391	3,729,681
Fiscal charges	91,906	8,303	122,338	11,611
Total expenditures	75,013,184	75,658,074	72,633,021	84,270,574
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,044,691)</b>	<b>(4,155,330)</b>	<b>(332,176)</b>	<b>(12,170,826)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued, at par	5,025,000	-	10,985,000	-
Bond premium	-	-	212,225	-
Payment to refunded bond escrow agent	(4,939,073)	-	(11,076,385)	-
Proceeds from sale of capital assets	325,429	115,692	211,418	51,778
Transfers in	3,609,447	5,249,753	12,364,540	3,451,125
Transfers (out)	(3,269,890)	(4,999,753)	(10,736,130)	(3,016,125)
Total other financing sources (uses)	750,913	365,692	1,960,668	486,778
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (2,293,778)</b>	<b>\$ (3,789,638)</b>	<b>\$ 1,628,492</b>	<b>\$ (11,684,048)</b>
Debt service as a percentage of noncapital expenditures	16.49%	18.33%	14.78%	13.42%

Data Source

Audited Financial Statements



	2016	2017	2018	2019	2020	2021
\$	40,663,272	\$ 42,313,767	\$ 44,415,730	\$ 44,748,875	\$ 43,976,936	\$ 45,097,866
	3,284,115	3,272,240	3,226,870	3,609,532	3,148,869	4,011,603
	21,845,363	21,401,178	22,394,130	25,493,475	27,845,178	32,003,165
	4,367,516	4,419,448	4,871,126	5,053,079	4,126,897	4,605,774
	1,582,252	1,753,256	1,953,421	1,694,156	1,202,217	1,502,214
	391,626	698,159	1,129,713	1,500,877	512,785	280,078
	458,387	1,134,667	526,783	568,062	496,759	497,096
	72,592,531	74,992,715	78,517,773	82,668,056	81,309,641	87,997,796
	6,064,441	5,359,971	5,129,280	5,190,804	4,915,571	4,395,811
	40,907,770	42,657,188	43,654,462	45,586,440	47,152,610	48,179,367
	6,227,585	5,982,359	6,065,407	6,212,413	6,219,908	6,291,028
	4,080,021	1,464,895	6,692,302	8,404,890	4,182,530	3,873,006
	11,571,849	5,010,113	4,954,603	7,004,730	11,557,718	5,009,281
	6,138,391	14,589,233	13,715,000	8,575,419	4,870,463	5,053,229
	3,498,783	3,381,270	2,677,751	2,348,070	1,979,761	1,252,017
	6,900	219,828	139,164	5,925	579,190	4,150
	78,495,740	78,664,857	83,027,969	83,328,691	81,457,751	74,057,889
	(5,903,209)	(3,672,142)	(4,510,196)	(660,635)	(148,110)	13,939,907
	-	18,355,000	6,235,000	-	18,335,000	-
	-	265,712	903,240	-	1,045,434	-
	-	(9,086,571)	-	-	(18,800,000)	-
	83,291	58,216	87,712	104,977	55,261	178,437
	466,031	716,596	9,219,552	3,556,360	2,005,980	1,258,382
	(98,031)	(38,096)	(8,471,784)	(2,856,860)	(930,980)	(135,782)
	451,291	10,270,857	7,973,720	804,477	1,710,695	1,301,037
\$	(5,451,918)	\$ 6,598,715	\$ 3,463,524	\$ 143,842	\$ 1,562,585	\$ 15,240,944
	12.77%	27.06%	21.41%	13.33%	8.82%	8.64%

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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
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
2020	1,611,474,223	364,626,790	76,435,802	NA	2,052,536,815	1.133	6,157,610,445

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	2011	2012	2013	2014
<b>TAX RATES</b>				
Village of Palatine				
Social Security	\$ 0.109	\$ 0.122	\$ 0.148	\$ 0.119
IMRF	0.060	0.065	0.081	0.080
Police Protection	0.233	0.267	0.305	0.306
Fire Protection	0.233	0.267	0.305	0.306
Fire Pension	0.148	0.163	0.196	0.204
Police Pension	0.154	0.163	0.187	0.191
Debt Service	0.184	0.153	0.168	0.162
Total Village of Palatine	1.121	1.200	1.390	1.368
School Districts				
Palatine CCSD No. 15	2.943	3.269	3.849	3.868
Junior College No. 512	0.334	0.373	0.444	0.451
Township HSD No. 211	2.482	2.772	3.197	3.213
Park District	0.517	0.574	0.680	0.696
Library District	0.222	0.248	0.293	0.295
County				
County of Cook	0.462	0.594	0.560	0.568
Forest Preserve	0.058	0.062	0.069	0.069
Township				
Palatine Township	0.044	0.049	0.058	0.059
General Assistance	0.012	0.014	0.017	0.017
Road and Bridge	0.079	0.082	0.092	0.090
Other Districts				
Northwest Mosquito	0.010	0.011	0.013	0.013
Sanitary District	0.320	0.370	0.417	0.430
Elections (ELCO)	0.025	-	0.031	-
<b>TOTAL TAX RATES</b>	<b>\$ 8.629</b>	<b>\$ 9.618</b>	<b>\$ 11.110</b>	<b>\$ 11.137</b>
<b>SHARE OF TOTAL TAX LEVIED BY THE VILLAGE</b>	<b>12.99%</b>	<b>12.48%</b>	<b>12.51%</b>	<b>12.28%</b>

Data Source

Office of the County Clerk

	2015		2016		2017		2018		2019		2020
\$	0.125	\$	0.111	\$	0.136	\$	0.117	\$	0.104	\$	0.128
	0.085		0.075		0.060		0.054		0.055		0.059
	0.295		0.215		0.206		0.228		0.186		0.167
	0.295		0.215		0.206		0.228		0.186		0.167
	0.210		0.218		0.254		0.269		0.274		0.270
	0.222		0.227		0.238		0.254		0.262		0.278
	0.174		0.151		0.149		0.146		0.077		0.064
	1.406		1.212		1.249		1.296		1.144		1.133
	4.035		3.543		3.618		3.807		3.486		3.564
	0.466		0.416		0.425		0.443		0.403		0.409
	3.309		2.871		2.922		3.044		2.749		2.787
	0.725		0.648		0.657		0.693		0.633		0.650
	0.308		0.268		0.276		0.291		0.344		0.353
	0.552		0.533		0.496		0.489		0.454		0.453
	0.069		0.063		0.062		0.060		0.059		0.580
	0.063		0.054		0.055		0.059		0.055		0.550
	0.018		0.012		0.010		0.007		0.007		0.007
	0.092		0.079		0.078		0.080		0.072		0.068
	0.011		0.010		0.010		0.011		0.010		0.010
	0.426		0.406		0.402		0.396		0.389		0.500
	0.034		-		0.031		-		0.030		-
\$	11.514	\$	10.115	\$	10.291	\$	10.676	\$	9.835	\$	11.064
	12.21%		11.98%		12.14%		12.14%		11.63%		10.24%

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Levy Years Ago

Taxpayer	Tax Year 2020			Tax Year 2011		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Bourbon Square Apartments	\$ 22,494,352	1	1.04%	\$ 12,111,736	5	0.61%
Weber Stephen Products	17,752,832	2	0.82%	12,298,721	4	0.62%
United Parcel Service	16,784,347	3	0.77%	9,973,308	6	0.50%
Deer Grove Centre	14,098,848	4	0.65%	NA	NA	NA
Palatine Owner LLC	13,930,993	5	0.64%	NA	NA	NA
Wal Mart	12,297,271	6	0.57%	12,682,644	3	0.64%
Palatine Fresh Market	11,646,499	7	0.54%	NA	NA	NA
Target	9,006,180	8	0.42%	NA	NA	NA
Arlington Toyota	8,217,339	9	0.38%	9,811,500	7	0.49%
Deer Grove Gardens A D	6,655,702	10	0.31%	NA	NA	NA
MidAmerica Asset Management	NA	NA	NA	16,227,128	1	0.82%
Individual Taxpayer	NA	NA	NA	14,739,015	2	0.74%
Thinson Partners	NA	NA	NA	9,557,008	8	0.48%
Village Park Palatine 300	NA	NA	NA	8,648,133	9	0.44%
Highland Management	NA	NA	NA	7,334,821	10	0.37%
	<u>\$ 132,884,363</u>		<u>6.14%</u>	<u>\$ 113,384,014</u>		<u>5.71%</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

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
2011	\$ 22,275,019	\$ 21,834,784	98.02%	\$ 217,409	\$ 22,052,193	99.00%
2012	22,188,995	21,661,897	97.62%	310,474	21,972,371	99.02%
2013	22,097,695	21,729,359	98.33%	(114,030)	21,615,329	97.82%
2014	21,983,368	21,698,390	98.70%	47,375	21,745,765	98.92%
2015	21,988,263	21,688,247	98.64%	(57,847)	21,630,400	98.37%
2016	21,989,040	21,682,685	98.61%	(2,914)	21,679,771	98.59%
2017	22,829,755	22,611,087	99.04%	151,873	22,762,960	99.71%
2018	23,056,901	22,678,380	98.36%	866,156	23,544,536	102.11%
2019	23,172,496	22,778,525	98.30%	554,993	23,333,518	100.69%
2020	23,252,356	22,649,070	97.41%	-	22,649,070	97.41%

Data Source

Office of the County Treasurer

VILLAGE OF PALATINE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business- Type Activities		Percent of Personal Income*		Per Capita*
	General Obligation Bonds	Tax Increment Notes	General Obligation Bonds	Total Primary Government			
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	
2021	36,424,714	45,682	6,465,410	42,935,806	1.98%	632	

\* 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					
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	0.81%		726
2021	36,424,714	6,465,410	-	42,890,124	0.70%		632

\* 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, 2021

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Palatine (1)	Village of Palatine Share of Debt
Village of Palatine	\$ 36,470,396	100.00%	\$ 36,470,396
School Districts			
Community Unit District 15	43,375,000	50.80%	22,034,500
Township High School District 214	27,650,000	0.01%	2,765
Community College District 512	254,770,000	9.22%	23,489,794
Total school districts	325,795,000		45,527,059
Other than schools			
Cook County	2,596,351,750	1.19%	30,896,586
Cook County Forest Preserve District	130,570,000	1.19%	1,553,783
Metropolitan Water Reclamation District	2,694,934,289	1.21%	32,608,705
Park Districts			
Arlington Heights Park District	11,427,000	0.05%	5,714
Palatine Park District	4,630,000	75.79%	3,509,077
Salt Creek Park District	730,000	49.40%	360,620
Total other than schools	5,438,643,039		68,934,485
Total Overlapping Governmental Activities Debt	5,764,438,039		114,461,544
Total Direct and Overlapping Governmental Activities Debt	\$ 5,800,908,435		\$ 150,931,940

(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 2020 EAV is the most current available.

Data Source

Office of the County Clerk

VILLAGE OF PALATINE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2021

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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
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	2.5%
2020	68,766	2,476,263,660	36,010	7.0%
2021	67,908	2,169,623,920	31,949	3.3%

Data Source

US Census Bureau

Illinois Department of Employment Security

VILLAGE OF PALATINE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2021			2012		
	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	3.60%	1	2,200	3.34%
Township High School District 211	2	2,087	3.07%	2	2,000	3.03%
United States Postal Service	3	1,900	2.80%	3	1,800	2.73%
Weber-Stephen Products	4	1,183	1.74%	4	975	1.48%
Community College District 512	5	840	1.24%	5	700	1.06%
Little City Foundation	6	735	1.08%	6	500	0.76%
Village of Palatine	7	353	0.52%	7	369	0.56%
Arlington Plating	8	175	0.26%	9	150	0.23%
Intec Group, Inc.	9	175	0.26%	8	150	0.23%
United Parcel Service	10	155	0.23%	10	140	NA

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GENERAL GOVERNMENT</b>										
Village Clerk	2.0	2.0	2.0	2.0	1.5	1.5	2.0	2.0	1.5	2.0
Village Manager	6.0	6.0	6.0	6.0	4.5	5.0	4.0	4.0	3.5	4.0
Finance and Operations	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0	10.0	9.5
Legal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
Information systems	7.0	7.0	7.0	7.0	7.0	8.0	7.5	7.5	7.5	6.5
Planning and Zoning	4.5	4.5	4.5	4.5	4.5	3.5	3.5	3.5	3.5	3.5
<b>PUBLIC SAFETY</b>										
Community services	15.5	15.0	15.0	16.0	16.0	20.5	20.5	20.5	18.5	19.0
Police										
Sworn personnel	109.0	109.0	108.0	109.0	109.0	109.0	109.0	109.0	109.0	108.0
Civilians	31.5	31.5	31.0	31.5	27.5	31.0	29.5	29.5	28.0	28.0
Fire										
Sworn personnel	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	88.0
Civilians	9.5	9.5	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.0
<b>PUBLIC WORKS</b>										
Public Works	63.5	63.5	63.5	63.5	63.0	62.0	62.0	64.0	62.5	62.5

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

OPERATING INDICATORS										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Police										
Physical arrests	1,506	1,475	1,527	1,660	1,832	2,155	2,233	2,146	1,931	815
Parking violations	4,364	4,754	4,756	5,664	5,645	6,638	7,017	7,490	5,485	6,592
Traffic violations	9,928	9,933	9,960	11,229	10,663	10,056	11,251	10,258	7,370	8,094
Fire										
Emergency responses	7,680	7,770	8,009	7,661	7,853	7,709	8,080	7,879	7,416	8,222
PUBLIC WORKS										
Water										
Number of connections	19,481	19,584	19,181	19,181	19,181	19,181	19,181	19,181	19,181	19,181
Avg daily consumption	6.93M	6.57M	6.30M	6.49M	6.22M	5.75M	5.93M	5.71M	5.94M	5.95M

CAPITAL ASSET STATISTICS										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PUBLIC SAFETY										
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
PUBLIC WORKS										
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, 2021

		As Percent of		Per Capita
		Assessed	Estimated True	( 2010 Special
	Amount	Value	Value	Census Pop. 68,557)
<hr/>				
Taxable real property, 2020				
Assessed valuation	\$ 2,052,536,815	100.00%	33.33%	\$ 29,939
Estimated true value	6,157,610,445	300.00%	100.00%	89,817
<hr/>				
Total general obligation bonded debt (1):	40,680,000	1.98%	0.66%	593
Less: Self-Supporting	(15,900,000)	-0.77%	-0.26%	(232)
Net general obligation bonded debt	24,780,000	1.21%	0.40%	361
<hr/>				
Overlapping bonded debt payable from property taxes (2):				
Schools	45,527,059	2.22%	0.74%	664
Other than schools	68,934,485	3.36%	1.12%	1,006
Total overlapping bonded debt	114,461,544	5.58%	1.86%	1,670
<hr/>				
Total net direct and overlapping bonded debt	\$ 139,241,544	6.78%	2.26%	\$ 2,031

**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 \$15,900,000 or 24.3% is considered self-supporting.

(2) Overlapping bonded debt as of June 2021.

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, 2021

Due 12/1	Series 2010	Series 2012	Series 2014 (2 Issues)	Series 2015	Series 2017 (4 Issues)
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	-	-	-	-	-
	\$ 705,000	\$ 615,000	\$ 5,100,000	\$ 3,225,000	\$ 7,720,000

**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 \$45,682 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 \$15,900,000 (24.3%) is self-supporting from non-property tax sources.

Data Source

Village Records

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	Series	Series	Total Maturities <sup>(1) (2)</sup>	
	2018	2020	Amount	%
\$	500,000	\$ -	\$ 6,930,000	17.0%
	530,000	-	3,510,000	8.6%
	560,000	705,000	4,335,000	10.7%
	600,000	725,000	4,495,000	11.0%
	640,000	1,275,000	2,970,000	7.3%
	670,000	1,345,000	2,340,000	5.8%
	725,000	1,375,000	2,435,000	6.0%
	755,000	1,415,000	2,170,000	5.3%
	-	2,190,000	2,190,000	5.4%
	-	2,245,000	2,245,000	5.5%
	-	2,300,000	2,300,000	5.7%
	-	2,355,000	2,355,000	5.8%
	-	2,405,000	2,405,000	5.9%
\$	4,980,000	\$ 18,335,000	\$ 40,680,000	100.0%

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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, 2021

Village Issue		Ratio to Estimated Actual Value				Per Capita		
		Direct and Overlapping Debt				Direct and Overlapping Debt		
		Direct Debt		Overlapping Debt		Overlapping Debt		
		Excluding		Excluding		Excluding		
		Including Self-Supporting	Self-Supporting (1)	Including Self-Supporting	Self-Supporting (1)	Including Self-Supporting	Self-Supporting (1)	Population Estimate
Sale Date	Amount	Supporting	(1)	Supporting	(1)	Supporting	(1)	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, 2021

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%	\$ 43,375,000	50.80%	\$ 22,034,500
Township High School District No. 214	0.1%	27,650,000	0.01%	2,765
Community College District No. 512	100.0%	254,770,000	9.22%	23,489,794
Total school districts		<u>325,795,000</u>		<u>45,527,059</u>
<b>Other than schools</b>				
Cook County	100.0%	2,596,351,750	1.19%	30,896,586
Cook County Forest Preserve District	100.0%	130,570,000	1.19%	1,553,783
Metropolitan Water Reclamation District	100.0%	2,694,934,289	1.21%	32,608,705
<b>Park Districts</b>				
Arlington Heights Park District	0.1%	11,427,000	0.05%	5,714
Palatine Park District	94.2%	4,630,000	75.79%	3,509,077
Salt Creek Park District	5.7%	730,000	49.40%	360,620
Total other than schools		<u>5,438,643,039</u>		<u>68,934,485</u>
Total Overlapping Governmental Activities Debt		<u>\$ 5,764,438,039</u>		<u>\$ 114,461,544</u>

**Notes:**

(1) As of June 2021.

(2) Overlapping debt percentages based on 2020 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, 2021

Levy Year	Net for General Taxing Purposes	Plus Incremental Valuation	Total For All Taxing Purposes (1)	Increase Over Prior Year
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)	2,033,533,072	170,232,002	2,203,765,074	16.5%
2020	2,052,536,815	127,739,084	2,180,275,899	-1.1%

**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, 2021

Tax Levy Year	2016	2017	2018	2019	2020
<b>TAX RATES</b>					
Village of Palatine (1)					
Social Security	\$ 0.111	\$ 0.136	\$ 0.117	\$ 0.104	\$ 0.128
IMRF	0.075	0.060	0.054	0.055	0.059
Corporate (Police Protection)	0.215	0.206	0.228	0.186	0.167
Fire Protection	0.215	0.206	0.228	0.186	0.167
Fire Pension	0.218	0.254	0.269	0.274	0.270
Police Pension	0.227	0.238	0.254	0.262	0.278
Debt Service	0.151	0.149	0.146	0.077	0.064
Total Village of Palatine	1.212	1.249	1.296	1.144	1.133
School Districts					
Palatine CCSD No. 15	3.543	3.618	3.807	3.486	3.564
Junior College No. 512	0.416	0.425	0.443	0.403	0.409
Township HSD No. 211	2.871	2.922	3.044	2.749	2.787
Park District	0.648	0.657	0.693	0.633	0.650
Library District	0.268	0.276	0.291	0.344	0.353
County					
County of Cook	0.533	0.496	0.489	0.454	0.453
Forest Preserve	0.063	0.062	0.060	0.059	0.580
Township					
Palatine Township	0.054	0.055	0.059	0.055	0.550
General Assistance	0.012	0.010	0.007	0.007	0.007
Road and Bridge	0.079	0.078	0.080	0.072	0.068
Other Districts					
Northwest Mosquito	0.010	0.010	0.011	0.010	0.010
Sanitary District	0.406	0.402	0.396	0.389	0.500
Elections (ELCO)	-	0.031	-	0.030	-
<b>TOTAL TAX RATE (2)</b>	<b>\$ 10.115</b>	<b>\$ 10.291</b>	<b>\$ 10.676</b>	<b>\$ 9.835</b>	<b>\$ 11.064</b>
<b>SHARE OF TOTAL TAX LEVIED BY THE VILLAGE</b>	<b>11.98%</b>	<b>12.14%</b>	<b>12.14%</b>	<b>11.63%</b>	<b>10.24%</b>

**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, 2021

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
2011	\$ 22,275,019	\$ 21,834,784	98.02%	\$ 217,409	\$ 22,052,193	99.00%
2012	22,188,995	21,661,897	97.62%	310,474	21,972,371	99.02%
2013	22,097,695	21,729,359	98.33%	(114,030)	21,615,329	97.82%
2014	21,983,368	21,698,390	98.70%	47,375	21,745,765	98.92%
2015	21,988,263	21,688,247	98.64%	(57,847)	21,630,400	98.37%
2016	21,989,040	21,682,685	98.61%	(2,914)	21,679,771	98.59%
2017	22,829,755	22,611,087	99.04%	151,873	22,762,960	99.71%
2018	23,056,901	22,678,380	98.36%	866,156	23,544,536	102.11%
2019	23,172,496	22,778,525	98.30%	554,993	23,333,518	100.69%
2020	23,252,356	22,649,070	97.41%	-	22,649,070	97.41%

**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, 2021

Property Classification (1)	2016	2017	2018	2019	2020
Residential	\$ 1,499,369,745	\$ 1,503,316,838	\$ 1,463,225,616	\$ 1,616,703,874	\$ 1,611,474,223
Commercial	253,938,396	261,662,095	254,339,800	344,315,040	364,626,790
Industrial/Railroad/Farm	60,969,048	62,863,747	61,515,897	72,514,158	76,435,802
Net for General Taxing Purposes	1,814,277,189	1,827,842,680	1,779,081,313	2,033,533,072	2,052,536,815
Incremental Valuation (2)	82,951,271	108,242,637	111,848,301	170,232,002	127,739,084
Total for all Taxing Purposes	\$ 1,897,228,460	\$ 1,936,085,317	\$ 1,890,929,614	\$ 2,203,765,074	\$ 2,180,275,899
Percentage Increase	7.8%	-8.8%	6.5%	16.5%	-1.1%

**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, 2021

Taxpayer		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Bourbon Square Apartments	Multi-Family Housing	\$ 22,494,352	1	1.04%
Weber Stephen Products	Manufacturing	17,752,832	2	0.82%
United Parcel Service	Delivery	16,784,347	3	0.77%
Deer Grove Centre	Commercial Real Estate	14,098,848	4	0.65%
Palatine Owner LLC	Commercial Real Estate	13,930,993	5	0.64%
Wal Mart	Retail Store	12,297,271	6	0.57%
Palatine Fresh Market	Retail Store	11,646,499	7	0.54%
Target	Retail Store	9,006,180	8	0.42%
Arlington Toyota	Automobile Dealership	8,217,339	9	0.38%
Deer Grove Gardens A D	Multi-Family Housing	<u>6,655,702</u>	10	<u>0.31%</u>
		<u>\$ 132,884,363</u>		<u>6.14%</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. The 2020 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, 2021

**Summary Statement of Revenue, Expenditures and Changes in Fund Balance (1)**  
**(Fiscal Year Ending December 31, 2017 - 2021)**

	2017	2018	2019	2020	2021	CY 2022 Budget (2)
<b>REVENUES</b>						
Taxes	\$ 25,423,866	\$ 26,718,556	\$ 26,719,977	\$ 27,921,769	\$ 30,897,540	\$ 85,705,189
Licenses and permits	3,272,240	3,226,870	3,609,532	3,148,869	4,011,603	2,506,700
Intergovernmental	18,461,630	19,534,046	21,290,467	22,111,733	26,501,973	23,342,145
Charges for services	4,108,578	4,515,911	4,647,540	3,587,245	4,132,742	9,191,900
Fines and forfeits	1,726,483	1,936,416	1,681,635	1,196,453	1,498,459	2,172,100
Investment income	426,061	567,404	697,884	289,279	96,279	1,150,988
Miscellaneous	164,619	451,983	456,818	487,681	493,257	3,210,300
Transfers	38,096	-	-	930,980	75,782	-
Total revenues	53,621,573	56,951,186	59,103,853	59,674,009	67,707,635	127,279,322
<b>EXPENDITURES</b>						
General government	5,359,971	5,129,280	5,190,804	4,915,571	4,395,811	5,727,449
Public safety	42,384,180	43,471,946	45,411,561	46,692,238	47,914,355	50,546,018
Public works	5,982,359	6,065,407	6,212,413	6,219,908	6,291,028	6,910,705
Transfers	-	780,566	2,856,860	-	60,000	-
Total expenditures	53,726,510	55,447,199	59,671,638	57,827,717	58,661,194	63,184,172
<b>EXCESS (DEFICIENCY) OF REVENUES</b>						
OVER EXPENDITURES	(104,937)	1,503,987	(567,785)	1,846,292	9,046,441	<u>\$ 64,095,150</u>
<b>FUND BALANCE, JANUARY 1</b>						
	23,485,226	23,380,289	24,884,276	24,316,491	26,162,783	
<b>FUND BALANCE, DECEMBER 31</b>						
	<u>\$ 23,380,289</u>	<u>\$ 24,884,276</u>	<u>\$ 24,316,491</u>	<u>\$ 26,162,783</u>	<u>\$ 35,209,224</u>	

**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, 2021

<b>Balance Sheet (1)</b>					
<b>(December 31, 2017 - 2021)</b>					
	2017	2018	2019	2020	2021
<b>ASSETS</b>					
Cash and investments	\$ 17,286,112	\$ 19,083,224	\$ 19,975,689	\$ 22,422,763	\$ 31,204,940
Receivables					
Property taxes	19,941,934	20,254,536	21,502,944	21,747,049	21,712,678
Other	773,590	841,524	881,082	917,803	959,236
Due from other governments	4,451,760	4,719,989	4,896,865	4,317,221	5,383,945
Accrued interest	37,330	98,235	122,305	47,525	8,361
Leases	-	-	-	-	251,214
Due from other funds	27,861	18,799	19,565	26,833	19,832
Prepaid expenses	-	75,000	72,764	36,689	72,800
Advance to other funds	4,470,370	3,663,890	2,817,085	1,927,940	994,340
<b>TOTAL ASSETS</b>	<b>\$ 46,988,957</b>	<b>\$ 48,755,197</b>	<b>\$ 50,288,299</b>	<b>\$ 51,443,823</b>	<b>\$ 60,607,346</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 602,576	\$ 498,390	\$ 651,498	\$ 1,205,985	\$ 1,085,450
All other liabilities	2,018,324	2,139,693	2,953,183	1,608,057	1,740,695
<b>TOTAL LIABILITIES</b>	<b>2,620,900</b>	<b>2,638,083</b>	<b>3,604,681</b>	<b>2,814,042</b>	<b>2,826,145</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	19,897,548	20,254,536	21,502,944	21,719,178	21,712,678
Unavailable revenue	1,090,220	978,302	864,183	747,820	629,258
Lease items	-	-	-	-	230,041
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>20,987,768</b>	<b>21,232,838</b>	<b>22,367,127</b>	<b>22,466,998</b>	<b>22,571,977</b>
<b>FUND BALANCES</b>					
Nonspendable	4,470,370	3,738,890	2,889,849	2,023,377	1,067,140
Assigned	-	-	-	-	572,744
Unassigned	18,909,919	21,145,386	21,426,642	24,139,406	33,569,340
<b>TOTAL FUND BALANCES</b>	<b>23,380,289</b>	<b>24,884,276</b>	<b>24,316,491</b>	<b>26,162,783</b>	<b>35,209,224</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 46,988,957</b>	<b>\$ 48,755,197</b>	<b>\$ 50,288,299</b>	<b>\$ 51,443,823</b>	<b>\$ 60,607,346</b>

**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, 2021

<i>Fund Balances/Net Position</i>					
	2017	2018	2019	2020	2021
<b>Governmental Fund Types</b>					
General	\$ 23,380,289	\$ 24,884,276	\$ 24,316,491	\$ 26,221,531	\$ 35,209,224
Special Revenue	18,853,143	19,325,611	19,603,949	19,800,091	24,670,139
Debt Service	206,369	228,620	124,657	135,684	130,744
Capital Projects	9,116,907	10,817,419	11,354,671	10,805,047	12,134,442
	51,556,708	55,255,926	55,399,768	56,962,353	72,144,549
<b>Proprietary Fund Types</b>					
Enterprise Funds	58,043,925	60,270,076	64,597,840	70,336,830	73,866,956
Internal Service Funds	6,994,899	6,682,329	6,606,341	6,150,802	5,576,990
	65,038,824	66,952,405	71,204,181	76,487,632	79,443,946
<b>Fiduciary Fund Types</b>					
Pension Trust	150,189,361	141,589,194	170,479,283	194,042,918	219,586,212
<b>Total All Funds (Memo Only)</b>	<b>\$ 266,784,893</b>	<b>\$ 263,797,525</b>	<b>\$ 297,083,232</b>	<b>\$ 327,492,903</b>	<b>\$ 371,174,707</b>
<i>Cash and Investments</i>					
	2017	2018	2019	2020	2021
<b>Fund</b>					
General	\$ 17,286,112	\$ 19,083,224	\$ 19,975,689	\$ 19,975,689	\$ 31,204,940
Special Revenue	12,557,189	16,648,905	17,924,211	17,924,211	28,003,355
Debt Service	200,314	228,620	124,657	124,657	130,744
Capital Projects	9,012,473	10,741,026	10,974,219	10,974,219	11,955,482
Enterprise Funds	13,277,740	15,771,557	17,909,059	17,909,059	19,220,142
Internal Service Funds	9,177,862	8,930,375	9,348,561	9,348,561	7,439,842
Pension Trust	149,711,055	141,231,470	169,673,169	169,673,169	219,193,877
<b>Total All Funds (Memo Only)</b>	<b>\$ 211,222,745</b>	<b>\$ 212,635,177</b>	<b>\$ 245,929,565</b>	<b>\$ 245,929,565</b>	<b>\$ 317,148,382</b>

**Notes:**

(1) These condensed financial statements for the years ending December 31, 2017 - 2021, have been prepared from the full Annual Comprehensive Financial Reports (ACFR) 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 ACFR for the fiscal year ended December 31, 2021, included an unmodified "Report of Independent Auditors". Similar unmodified opinions were included in the Village's ACFRs for the fiscal years ended December 31, 2017 - 2020. 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, 2021, 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."

Data Source

Village Records

VILLAGE OF PALATINE, ILLINOIS

DISCLOSURES REQUIRED BY SEC RULE 15C2-12

CAPITAL ASSETS

December 31, 2021

	Governmental Activities	Business- Type Activities
Land	\$ 11,565,020	\$ 4,858,690
Land - Rights of way	139,806,925	-
Machinery and equipment	12,503,930	2,838,680
Buildings and improvements	52,208,475	23,708,850
Streets	33,545,255	-
Bridges	1,596,735	-
Sanitary sewer system	-	28,956,625
Storm sewer system	-	34,574,025
Water system	-	31,140,549
	251,226,340	126,077,419
Less: Accumulated depreciation	45,449,470	78,696,660
Net investment in capital assets	\$ 205,776,870	\$ 47,380,759

Data Source

Village Records